

FIDELITY SOUTHERN CORP

Form DEF 14A

March 29, 2005

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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 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

**FIDELITY SOUTHERN CORPORATION**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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2) Aggregate number of securities to which transaction applies:

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

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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- o Fee paid previously with preliminary materials.
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o 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:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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SEC 1913 (02-02)

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**FIDELITY SOUTHERN CORPORATION  
3490 Piedmont Road  
Suite 1550  
Atlanta, Georgia 30305**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held On April 28, 2005**

The Annual Meeting of Shareholders of Fidelity Southern Corporation ( Fidelity ) will be held on Thursday, April 28, 2005, at 3:00 p.m. at its office at **One Securities Centre, 3490 Piedmont Road, Suite 1550, Atlanta, Georgia 30305**, for the purposes of considering and voting upon:

1. The election of eight directors to constitute the Board of Directors to serve until the next Annual Meeting and until their successors are elected and qualified.
2. Such other matters as may properly come before the meeting or any adjournment or postponement thereof. Only holders of Common Stock of record at the close of business on March 10, 2005, will be entitled to notice of and to vote at the meeting or any adjournment thereof.

A Proxy Statement and a Proxy solicited by the Board of Directors are enclosed herewith. It is important that your shares be represented and voted at the meeting. Please sign, date, and return the Proxy promptly in the enclosed business reply envelope. If you attend the meeting you may, if you wish, withdraw your Proxy and vote in person.

Also enclosed is a copy of Fidelity s 2004 Annual Report and Form 10-K.

By Order of the Board of  
Directors,

Martha C. Fleming  
Secretary

March 30, 2005

**PLEASE COMPLETE AND RETURN THE ENCLOSED PROXY PROMPTLY SO THAT YOUR VOTE  
MAY BE RECORDED AT THE MEETING IF YOU DO NOT ATTEND PERSONALLY.**

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**FIDELITY SOUTHERN CORPORATION**

**3490 Piedmont Road  
Suite 1550  
Atlanta, Georgia 30305**

**PROXY STATEMENT**

This Proxy Statement is furnished to you in connection with the solicitation of Proxies by the Board of Directors of Fidelity Southern Corporation ( Fidelity ) for use at the Annual Meeting of Shareholders ( Meeting ) to be held at its principal executive office at **One Securities Centre, 3490 Piedmont Road, Suite 1550, Atlanta, Georgia 30305**, on April 28, 2005, at 3:00 p.m. and any adjournment or postponement thereof. The purposes of the Meeting are set forth in the accompanying Notice of Annual Meeting of Shareholders. It is anticipated that this Proxy Statement and the accompanying Proxy will first be mailed on March 30, 2005, to holders of record of Common Stock (the

Shareholders ) as of the close of business on March 10, 2005. On that date, Fidelity had 9,168,132 shares of Common Stock, no par value, outstanding with each share entitled to one vote.

A Proxy given pursuant to this solicitation may be revoked by the Shareholders who attend the Meeting and give oral or written notice of his or her election to vote in person, without compliance with any other formalities. In addition, any Proxy given pursuant to this solicitation may be revoked by a Shareholder prior to the Meeting by delivering a written instrument revoking it or by delivering a duly executed Proxy bearing a later date to the Secretary of Fidelity. If the Proxy is properly completed and returned by the holder of the Common Stock and is not revoked, it will be voted at the Meeting in the manner specified thereon. If the Proxy is returned but no choice is specified thereon, it will be voted FOR all of the nominees for director named herein, and upon such other matters as may properly come before the Meeting or any adjournment or postponement thereof in accordance with the best judgment of the holders of the Proxy.

The presence of a majority of the votes entitled to be cast at the Meeting represented in person or by proxy at the Meeting will constitute a quorum. The eight nominees receiving the highest vote totals will be elected as directors of Fidelity. All other matters will be decided by the affirmative vote of the majority of the votes entitled to be cast present or represented at the Meeting.

Under rules of self-regulatory organizations governing brokers, brokers holding shares of record for customers generally are entitled to vote on routine matters without voting instructions from their customers. The election of directors is considered a routine matter. On non-routine matters, brokers must obtain voting instructions from customers. If a broker does not receive voting instructions from a customer on non-routine matters and accordingly does not vote on these matters, this is called a broker non-vote. Broker non-votes will not affect the votes required to elect the directors, which is the only matter known to management that will be presented at the Meeting.

Abstentions, withheld votes, and broker non-votes will be included in the calculation of the number of votes represented in person or by proxy at the Meeting in determining whether the quorum requirement is satisfied. Abstentions and withheld votes will have the effect of a negative vote on all matters other than the election of directors.

The expenses of this solicitation, including the cost of preparing and mailing this Proxy Statement, will be paid by Fidelity. Copies of solicitation materials will be furnished to banks, brokerage houses and other custodians, nominees, and fiduciaries for forwarding to beneficial owners of shares of the Common Stock and normal handling charges may be paid for such forwarding service. In addition, directors, officers, and other employees of Fidelity, who will not be additionally compensated therefore, may solicit proxies in person or by telephone, e-mail, or other electronic means.



**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of March 10, 2005, beneficial ownership of Fidelity's Common Stock by (i) each person known to be the beneficial owner of more than 5 percent of the Common Stock of Fidelity, (ii) each director and executive officer identified as a Named Executive Officer in the Summary Compensation Table in this Proxy Statement, and (iii) all directors and the Named Executive Officers as a group.

Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power, or shares voting and/or investment power with his or her spouse, with respect to all shares of Common Stock listed as owned by that person or entity.

The number of shares beneficially owned by each Shareholder is determined under rules promulgated by the Securities and Exchange Commission (SEC). The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and any shares as to which the individual has the right to acquire beneficial ownership within 60 days of March 10, 2005, through the exercise of any stock option, warrant, or other right. The inclusion in the following table of those shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares.

Name Of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class Outstanding
Tontine Partners, LP 55 Railroad Avenue, 3 <sup>rd</sup> Floor Greenwich, CT 06830-6378	886,800	9.67%
James B. Miller, Jr.	2,901,899 (1)	31.65
Maj. Gen. (Ret) David R. Bockel	1,915 (2)	*
Edward G. Bowen, M.D.	11,060 (3)	*
Kevin S. King	8,268 (4)	*
H. Palmer Proctor, Jr.	65,986 (5)	*
Robert J. Rutland	148,764 (6)	1.62
W. Clyde Shepherd III	42,130 (7)	*
Rankin M. Smith, Jr.	21,874 (8)	*
David Buchanan	35,580 (9)	*
M. Howard Griffith, Jr.	67,806	*
All directors and Named Executive Officers as a group (10 persons)	3,305,282 (10)	35.75%

\* Less than 1 percent.

- (1) Includes 314,939 shares of Common Stock held by Mr. Miller's children and grandchild and 180,433 shares of Common Stock held by Berlin American, LLC, a company of which Mr. Miller and his wife own 40%. Also includes 87,349 shares of Common Stock owned by his wife, and 91,374 shares of Common Stock held in his 401(k) Plan. Mr. Miller's business address is Suite 1550, 3490 Piedmont Road, Atlanta, Georgia 30305.
- (2) Includes 265 shares of Common Stock held by Mr. Bockel's wife.
- (3) Includes 10,560 shares of Common Stock held by Dr. Bowen as trustee for Target Benefit Plan.



- (4) Includes 4,268 held by Mr. King's wife.
- (5) Includes 56,000 shares of Common Stock that Mr. Proctor has the right to acquire pursuant to outstanding stock options.
- (6) Includes 6,000 shares of Common Stock held by Mr. Rutland's children and 7,920 shares of Common Stock held by a family foundation.
- (7) Includes 35,530 shares of Common Stock held by a Shepherd family foundation and 1,800 shares of Common Stock held in trust for minor children.
- (8) Includes 1,688 shares of Common Stock owned by Mr. Smith's wife and 6,607 shares of Common Stock held by Mr. Smith's children.
- (9) Includes 21,000 shares of Common Stock that Mr. Buchanan has the right to acquire pursuant to outstanding stock options.
- (10) Includes 77,000 shares of Common Stock that the beneficial owners have the right to acquire pursuant to outstanding stock options.

**Table of Contents****Item 1 - Nomination and Election of Directors**

The number of directors is currently set at eight by resolution of the Board of Directors. The number of directors may be increased or decreased from time to time by resolution of the Board of Directors or of the Shareholders, but no decrease shall have the effect of shortening the term of an incumbent director. The terms of office for directors continue until the next annual meeting of Shareholders and until their successors are elected and qualified.

Fidelity's Board of Directors has determined that each member of its Board of Directors, other than Messrs. Miller and Proctor, were independent during 2004 as defined in Rule 4200(a)(15) of the National Association of Securities Dealers ( NASD ) Listing Standards for NASDAQ-listed companies.

In the event that any nominee withdraws or for any reason is not able to serve as a director, the Proxy will be voted for such other person as may be designated by the Board of Directors as substitute nominee unless the Board of Directors or Shareholders by resolution provide for a lesser number of directors, but in no event will the Proxy be voted for more than eight nominees. Management has no reason to believe that any nominee will not serve if elected. All the nominees are currently directors of Fidelity.

**INFORMATION ABOUT NOMINEES FOR DIRECTOR**

The following information as of March 10, 2005, has been furnished by the respective nominees for director. Except as otherwise indicated, each nominee has been engaged in his present principal employment, in the same position, for more than five years.

Name	Age	Year Elected	Business Experience During Past Five Years and Other Information
James B. Miller, Jr. (3)	64	1979	Chairman of the Board, President, and Chief Executive Officer of Fidelity since 1979. A director of Fidelity Bank, a wholly-owned subsidiary of Fidelity, since 1976; President of Fidelity Bank from 1977 to 1997, and from December 2003 through September 2004; and Chief Executive Officer of Fidelity Bank from 1977 to 1997, and from December 2003 until present. Chairman of Fidelity Bank since 1998. A director of Interface, Inc., a textile manufacturing company, and of American Software Inc., a software development company.
Maj. Gen. (Ret) David R. Bockel (1) (2) (4)	60	1997	Director of Army Affairs, Reserve Officers Association of the United States, Washington, D.C. since October 2003. President of Bockel & Company, an advertising agency in Atlanta, Georgia, from 1971 until 2003. Commanding General, 90 <sup>th</sup> Regional Support Command, U.S. Army Reserve from 1999 until 2003. A director of Fidelity Bank since 1997.
Edward G. Bowen, M.D.	69	1989	Retired gynecologist and obstetrician in Atlanta, Georgia. Trustee, Duke University, since 2000. Chairman, Board of Trustees, Northside Hospital from 1998 to 2000. A director of Fidelity Bank since 1989.
Kevin S. King	57	1998	Attorney in Atlanta, Georgia. Of Counsel, Dietrick, Evans, Scholz & Williams, LLC, Atlanta, Georgia, from 2000 to January 2003. A director

of Fidelity Bank since 1998.

H. Palmer Proctor, Jr. (3)	37	2004	Director and President of Fidelity Bank since October 2004, and Vice President of Fidelity since 1996. Senior Vice President of Fidelity Bank from 1996 to September 2004. Director and past chairman of the Callanwolde Foundation, an Atlanta fine arts center; trustee of Fernbank Museum of Natural History; and director of the Professional Association of Georgia Educators (PAGE).
Robert J. Rutland (1) (3)	63	1979	Chairman of Allied Holdings, Inc., a transportation company located in Decatur, Georgia, since 1995. A director of Fidelity Bank since 1974.

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Name	Age	Year Elected	Business Experience During Past Five Years and Other Information
W. Clyde Shepherd III (1) (2) (3) (4)	44	2003	President, Plant Improvement Co., Inc., a highway construction/real property lessor company located in Atlanta, Georgia, since 1997. Vice President and Secretary of Toco Hill, Inc., a real estate/lessor company located in Atlanta, Georgia, since 1983. A director of Fidelity Bank since 1998.
Rankin M. Smith, Jr. (2) (4)	57	1987	Owner and Manager, Seminole Plantation, a shooting preserve located in Thomasville, Georgia, since 1991. Director, advisor, and shareholder of the Atlanta Falcons Football Club from 1990 to 2002. A director of Fidelity Bank since 1987.

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- (1) Member of the Audit Committee of the Board of Directors
  - (2) Member of the Compensation Committee of the Board of Directors
  - (3) Member of the Executive Committee of the Board of Directors
  - (4) Member of the Nominating Committee of the Board of Directors

There are no family relationships between any director, executive officer, or nominee for director of Fidelity or any of its subsidiaries.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE ABOVE NOMINEES FOR DIRECTOR.**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 ( Exchange Act ) requires Fidelity s directors, officers, and persons who own more than 10 percent of the Common Stock of Fidelity to file reports of ownership changes with the SEC. During 2004, all reports of beneficial ownership of securities were filed with the SEC in a timely manner.

**EXECUTIVE OFFICERS AND COMPENSATION**

Executive officers are elected by the Board of Directors annually at the January Board of Directors meeting and hold office until the next election, unless they resign sooner or are removed from office.

Fidelity s executive officers, their ages, their positions with Fidelity at March 10, 2005, and the period during which they served as executive officers, are as follows:

Name	Age	Officer Since	Position
James B. Miller, Jr.	64	1979	Chairman of the Board, President and Chief Executive Officer of Fidelity since 1979; Chairman of Fidelity Bank since 1998; President of Fidelity Bank from 1977 to 1997, and from December 2003 through

September 2004; and Chief Executive Officer of Fidelity Bank from 1977 to 1997, and from December 2003 until present.

H. Palmer Proctor, Jr.	37	1996	Vice President of Fidelity since 1996; President of Fidelity Bank since October 2004 and Senior Vice President of Fidelity Bank from 1996 through September 2004.
David Buchanan	47	1995	Vice President of Fidelity since 1999; Executive Vice President of Fidelity Bank since October 2004; and Senior Vice President of Fidelity Bank from 1995 through September 2004.
M. Howard Griffith, Jr.	62	1994	Principal Accounting Officer of Fidelity and Chief Financial Officer of Fidelity and Fidelity Bank since February 1994.

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The following table sets forth the annual and other compensation paid by Fidelity and its subsidiaries for 2004 to our chief executive officer, James B. Miller, Jr., and our three most highly compensated executive officers, H. Palmer Proctor, Jr., M. Howard Griffith, Jr., and David Buchanan (collectively Named Executive Officers ).

**Summary Compensation Table**

Name and Principal Position	Year	Salary	Bonus	All Other Compensation
James B. Miller, Jr. Chairman of the Board, President and Chief Executive Officer	2004	\$ 300,000	\$ 180,000	\$ 26,425 (1)
	2003	500,000		25,366 (1)
	2002	500,000		28,946 (1)
H. Palmer Proctor, Jr. Vice President	2004	\$ 186,250	\$ 50,000	\$ 10,819 (2)
	2003	165,000	25,000	8,086 (2)
	2002	160,625		11,289 (2)
David Buchanan Vice President	2004	\$ 181,250	\$ 25,000	\$ 11,131 (3)
	2003	165,000	25,000	7,880 (3)
	2002	160,625		8,229 (3)
M. Howard Griffith, Jr. Chief Financial Officer	2004	\$ 200,000		\$ 7,851 (4)
	2003	190,000		6,675 (4)
	2002	185,625	20,000	6,456 (4)

- (1) Includes Fidelity's matching contributions of \$4,800, \$5,000, and \$5,000 in 2004, 2003, and 2002, respectively, to Mr. Miller's account in the tax-qualified savings plan ( 401(k) Plan ), and \$17,480, \$17,986, and \$16,490 for life insurance for Mr. Miller for 2004, 2003, and 2002, respectively, under split dollar and corporate owned life insurance policies. Under the split dollar insurance policies, Fidelity will receive upon termination of the policies proceeds equal to the insurance premiums paid plus a market yield. Also, includes \$2,504, \$183, and \$2,270 for annual club fees in 2004, 2003, and 2002, respectively.
- (2) Includes Fidelity's matching contributions of \$6,012, \$4,963, and \$4,731 to Mr. Proctor's account in the 401(k) Plan for 2004, 2003, and 2002, respectively, and \$208, \$209, and \$208 under a split dollar insurance policy for Mr. Proctor for 2004, 2003, and 2002, respectively, from which Fidelity will receive upon termination of the policy proceeds equal to the insurance premiums paid plus a market yield, and \$3,100, \$1,160, and \$3,800 for annual fees for a club in 2004, 2003, and 2002, respectively.
- (3) Includes Fidelity's matching contributions of \$6,188, \$5,700, and \$4,566 to Mr. Buchanan's account in the 401(k) Plan for 2004, 2003, and 2002, respectively, and \$360, \$343, and \$323 under a split dollar insurance policy for Mr. Buchanan for 2004, 2003, and 2002, respectively, from which Fidelity will receive upon termination of the policy proceeds equal to the insurance premium paid plus a market yield.
- (4) Includes Fidelity's matching contributions of \$6,002, \$5,700, and \$5,500 to Mr. Griffith's account in the 401(k) Plan for 2004, 2003, and 2002, respectively, and \$1,100, \$975, and \$853 under a split dollar insurance policy for Mr. Griffith for 2004, 2003, and 2002, respectively, from which Fidelity will receive upon termination of the policy proceeds equal to the insurance premium paid plus a market yield, and \$699, \$0, and \$103 for annual fees for a club in 2004, 2003, and 2002.

**Employment Agreements**

Fidelity entered into an employment agreement with James B. Miller, Jr. as President and Chief Executive Officer of Fidelity and Chief Executive Officer of Fidelity Bank for a three-year period commencing January 1, 2005. The employment agreement provides for an annual base salary of \$500,000 per year and incentive compensation not to exceed \$100,000 based upon Fidelity achieving targeted income levels established by the Compensation Committee. Under the agreement, if Mr. Miller's employment is terminated by Fidelity for any reason (other than for cause, death, or total disability), Mr. Miller will, upon execution of a release, receive an amount equal to three times his base salary less any amount paid in connection with his non-compete agreement (as described below in this paragraph), paid over a thirty-six (36) month period, and will be eligible to continue

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participation in the employee benefit programs of Fidelity for eighteen (18) months after the date of termination on the same basis as other executives. Additionally, Mr. Miller agrees upon termination of employment that for a period of eighteen (18) months (the Non-Compete Period ) he will not engage in a competitive business within a fifty (50) mile radius of Fidelity's headquarters, will not solicit customers or employees of Fidelity, and will not disclose any confidential information of Fidelity (the Non-Compete Agreement ) and in consideration of such Non-Compete Agreement, will receive an amount equal to 60 percent (60%) of his base salary for each year or portion thereof during the Non-Compete Period. In addition, Fidelity will maintain during Mr. Miller's lifetime, regardless of the termination of his employment or employment agreement for any reason, a split dollar insurance policy in the face amount of \$400,000 and universal life insurance policies in the aggregate face amount of \$7.6 million payable to his designated beneficiary or his estate.

Fidelity also entered into an employment agreement with H. Palmer Proctor, Jr. as Vice President of Fidelity and President of the Bank for a three-year period commencing January 1, 2005. The employment agreement provides for an annual base salary of \$250,000 per year and incentive compensation not to exceed \$100,000 based upon Fidelity achieving targeted income levels established by the Compensation Committee. Under the agreement, if Mr. Proctor's employment is terminated by Fidelity for any reason (other than for cause, death, or total disability), Mr. Proctor will, upon execution of a release, receive an amount equal to three times his base salary less any amount paid in connection with his non-compete agreement (as described below in this paragraph), paid over a thirty-six (36) month period, and will be eligible to continue participation in the employee benefit programs of Fidelity for eighteen (18) months after the date of termination on the same basis as other executives. Additionally, Mr. Proctor agrees that for a period of eighteen (18) months (the Non-Compete Period ) he will not engage in a competitive business within a fifty (50) mile radius of Fidelity's headquarters, will not solicit customers or employees of Fidelity, and will not disclose any confidential information of Fidelity (the Non-Compete Agreement ) and in consideration of such Non-Compete Agreement, will receive an amount equal to 40 percent (40%) of his base salary for each year or portion thereof during the Non-Compete Period. In addition, Fidelity will maintain during Mr. Proctor's employment and after termination of his employment due to retirement (as such term is determined by the Board), a universal life insurance policy in the face amount of \$500,000 payable to his designated beneficiary or his estate.

Fidelity entered into Executive Continuity Agreements with James B. Miller, Jr., H. Palmer Proctor, Jr., David Buchanan, and M. Howard Griffith, Jr. to encourage such executive officers to continue their employment with Fidelity following a change of control. The agreement ensures that each executive will maintain his salary following a change of control for a period of time (up to one (1) year with respect to Messrs. Buchanan and Griffith and for up to three (3) years for Messrs. Miller and Proctor) and will continue to have the benefit of incentive or other programs generally available to executive officers. If any executive is terminated other than for cause, disability, or death during the applicable change of control period (as defined) or the executive terminates his employment for good reason, the executive will receive, for a period of one (1) year with respect to Messrs. Griffith and Buchanan, or a period of three (3) years with respect to Messrs. Miller and Proctor, his final compensation (as defined) less the aggregate amount to be paid in connection with the executive's agreement not to compete with Fidelity, not to solicit its customers or employees, and to maintain the confidentiality of its confidential information. Additionally, each executive agrees that for a period of time (twelve (12) months for Messrs. Buchanan and Griffith and eighteen (18) months for Messrs. Miller and Proctor (the Non-Compete Period )) he will not engage in a competitive business within a fifty (50) mile radius of Fidelity's headquarters, will not solicit customers or employees of Fidelity, and will not disclose any confidential information of Fidelity. In consideration of such agreement, each executive will receive a payment equal to 40 percent (40%) of base salary for each year or portion thereof during the Non-Compete Period with respect to Messrs. Proctor, Buchanan, and Griffith and equal to 60 percent (60%) of base salary for each year or portion thereof during the Non-Compete Period with respect to Mr. Miller. The executives will also continue to be eligible to participate in Fidelity's benefit plans for twelve (12) months with respect to Messrs. Griffith and Buchanan, or eighteen (18) months with respect to Messrs. Miller and Proctor, and will be entitled to outplacement services for a period up to two (2) years that will be paid by Fidelity (with a maximum cost of \$20,000). The executives will not receive a



duplication of benefits under the Executive Continuity Agreements and any Employment Agreement or other agreement, program, or arrangement.

**Stock Options**

No stock options or stock appreciation rights were granted to the Named Executive Officers during 2004.

The following table sets forth, with respect to the Named Executive Officers, information concerning any exercise of stock options in 2004 and all unexercised stock options held as of December 31, 2004:

**Table of Contents****AGGREGATED STOCK OPTION EXERCISES FOR THE YEAR ENDED  
DECEMBER 31, 2004, AND FISCAL YEAR-END STOCK OPTION VALUES**

Name	Number of Shares	Value Realized	Number of Shares Underlying Unexercised		Value of Unexercised In-the-	
	Acquired on Exercise	(\$) (1)	Stock Options at Fiscal Year-End Exercisable	Unexercisable	Money Stock Options at Fiscal Year-End (2) Exercisable	Unexercisable
James B. Miller, Jr.	109,600	\$ 575,400			\$	\$
H. Palmer Proctor, Jr.			54,000	6,000	629,875	49,500
David Buchanan			34,000	6,000	391,125	49,500
M. Howard Griffith, Jr.	20,000	\$ 146,550	30,000		358,125	

- (1) Value represents the difference between the option price and the market value of the Common Stock on the date of exercise.
- (2) Value represents the difference between the option price and the market value of the Common Stock on December 31, 2004.

**401(k) PLAN**

Fidelity has adopted a 401(k) defined contribution retirement savings plan. Employees may, after six months of employment and with at least 500 hours of service, elect to contribute up to the statutory limitation of 15 percent of the employee's annual salary to the 401(k) Plan through payroll deductions, and may direct the investment of their accounts into various investment funds including the purchase of Common Stock of Fidelity. Under Section 401(k) of the Internal Revenue Code, an employee's contributions to the 401(k) Plan are not taxable to the employee until such amounts are distributed to the employee. Fidelity pays the administrative expenses of the 401(k) Plan and matches 50 percent of the first 6 percent of participants' contributions. In addition, Fidelity makes voluntary contributions from time to time, which are allocated to each eligible employee's account as required by the Internal Revenue Code. Fidelity's contributions become fully vested at the earlier of six years of service or at normal retirement age. Fidelity's matching contributions for the year ended December 31, 2004, were \$229,196, net of forfeitures.

**COMPENSATION OF DIRECTORS**

During 2004, each non-employee director of Fidelity received a \$10,000 annual retainer, paid in four quarterly installments. In addition, each non-employee director received \$2,000 for each Board of Directors meeting attended and \$1,000 for each committee meeting attended.

Directors who are employees do not receive a fee for attending Board or committee meetings.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the Compensation Committee of the Board of Directors are David R. Bockel, Chairman, W. Clyde Shepherd III, and Rankin M. Smith, Jr. No member of the Compensation Committee is or was an officer or employee of Fidelity or any subsidiary. There are no Compensation Committee interlocks between Fidelity and other entities involving Fidelity's executive officers and members of the Board of Directors who serve as executive officer or board

member of such other entities.

Fidelity Bank leases space from a corporation of which Mr. Shepherd III, a director and member of the Audit, Compensation, Executive, and Nominating Committees of Fidelity, and his father are the majority shareholders. Fidelity Bank leases approximately 2,200 square feet at an average annual rate of approximately \$27,125, subject to a pro rata increase for increases in taxes and insurance. The lease commenced November 1, 1995, with an initial termination date of September 30, 2000, and a five-year option to renew, which was exercised.

During 2004, Fidelity Bank leased space for two Bank ATMs from Plant Improvement Company (a company in which Mr. Shepherd III has a one-third ownership interest) at the rate of \$770.36 per month and \$767.27 per month, respectively.

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Fidelity Bank also leases space from Allied Holdings, Inc. of which Mr. Rutland is Chairman. Mr. Rutland is a director and member of the Audit and Executive Committees of Fidelity. Fidelity Bank leases approximately 5,040 square feet at an average annual rate of approximately \$100,919. The lease commenced January 1, 1994, with an initial termination date of December 31, 2003, and the option to renew for six additional five-year terms. An option to renew the lease agreement until December 21, 2008, has been exercised.

Each of the above lease agreements was made substantially on the same terms as those prevailing at the time for comparable leases for similar facilities.

During 2004, Fidelity Bank leased space for a Bank ATM from Berlin American Company, LLC (a company in which Mr. James B. Miller, Jr., our chairman, president and chief executive officer, and his wife each have a 20 percent interest) at the rate of \$759.68 per month. The lease agreement was made substantially on the same terms as those prevailing at the time for comparable leases for similar facilities.

Kevin S. King, a director, was designated as an approved attorney during 2004.

The law firm of Sturgeon, Harbin & Bowen, LLC, was designated as an approved attorney during 2004 for loan closings. J. Curran Bowen, son of director Edward G. Bowen MD, was a partner in the firm during 2004.

Fidelity Bank has had, and expects to have in the future, banking transactions in the ordinary course of business with directors (including our independent directors) and officers of Fidelity and its subsidiaries, including members of their families or corporations, partnerships or other organizations in which such officers or directors have a controlling interest, on substantially the same terms (including price, interest rates, and collateral) as those prevailing at the time for comparable transactions with unrelated parties. Such transactions have not and will not involve more than the normal risks of collectibility nor present other unfavorable features. As of December 31, 2004, Fidelity Bank had direct and indirect loans outstanding to officers and directors and their affiliates aggregating approximately \$1.029 million.

**MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS**

During 2004, the Board of Directors held six meetings. Each of the directors attended at least 75 percent of the aggregate meetings of the Board of Directors and the committees on which the director served. Fidelity has an Audit Committee, a Compensation Committee, a Nominating Committee, and an Executive Committee. All nominees for the Board of Directors are recommended by the Nominating Committee to the entire Board of Directors. Directors are encouraged to attend the annual meeting of shareholders. Five directors attended the 2004 Annual Meeting of Shareholders.

*Audit Committee.* Fidelity has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The primary functions of Fidelity's Audit Committee are to oversee the financial and accounting reporting process, assure that an audit program is in place to protect the assets of Fidelity, assure that adequate internal controls exist, oversee the internal audit function, review the Report of Management on Internal Control Over Financial Reporting and related testing and documentation, and select the independent accountants for appointment by the Board of Directors. During 2004, the Audit Committee held six meetings. The Audit Committee is governed by a written charter approved by the Audit Committee and the Board of Directors. A copy of the Charter of the Audit Committee is available under the Investor Relations section at [www.fidelitysouthern.com](http://www.fidelitysouthern.com) and is attached as Appendix A to this Proxy Statement.

The Board of Directors of Fidelity has determined that Robert J. Rutland, Chairman of the Audit Committee, is an audit committee financial expert as defined by Item 401(h) of Regulation S-K of the Exchange Act. The current member composition of the Audit Committee satisfies, and will continue to satisfy, Rule 4350(d)(2)(A) and Rule 4200 of the NASD applicable to companies with stock listed for quotation on the NASDAQ National Market, including without limitation the requirement that all Audit Committee members are independent and have the requisite knowledge and experience required by such rules.

*Compensation Committee.* The primary functions of the Compensation Committee are to provide assistance to the Board of Directors in fulfilling its oversight responsibility relating to selection, goals, and performance, to determine the remuneration of the Chairman, CEO, and all other executive officers of Fidelity and each of its direct subsidiaries, and to grant stock options and administer the Stock Option Plan. In addition, the Compensation Committee is to review and evaluate compensation and benefit plans for all officers and employees to ensure they are appropriate, competitive, and properly reflect Fidelity's objectives and performance. The Compensation Committee

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is governed by a written charter approved by the Compensation Committee and the Board of Directors. Fidelity's Board of Directors has determined that the members of our Compensation Committee are independent as defined in Rule 4200(a)(15) of the NASD Listing Standards for NASDAQ-listed companies. The Charter of the Compensation Committee is available under the Investor Relations section at [www.fidelitysouthern.com](http://www.fidelitysouthern.com). During 2004, the Compensation Committee held two meetings.

*Nominating Committee.* The primary functions of the Nominating Committee are to identify individuals qualified to become members of the Board, and recommend to the Board the director nominees for each annual meeting of the shareholders and to fill vacancies and new positions on the Board. The Nominating Committee is governed by a written charter approved by the Nominating Committee and the Board of Directors. Fidelity's Board of Directors has determined that the members of our Nominating Committee are independent as defined in Rule 4200(a)(15) of the NASD Listing Standards for NASDAQ-listed companies. The Charter of the Nominating Committee is available under the Investor Relations section at [www.fidelitysouthern.com](http://www.fidelitysouthern.com). The Nominating Committee held one meeting during 2004.

*Executive Committee.* The Executive Committee is authorized to exercise any and all of the powers of the Board of Directors in the management of the business and affairs of Fidelity except where specific power is limited to the Board of Directors by the Bylaws or by applicable law. During 2004, the Executive Committee held one meeting.

**REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION**

The Compensation Committee is responsible for establishing the total remuneration of the Chairman and each executive officer of Fidelity and of each of its direct subsidiaries to provide competitive levels of compensation which take into account Fidelity's annual and long-term performance goals and strategic plan, whether there has been above average corporate performance, the levels of an individual's initiative, responsibility and achievements, how effectively risk is managed, and the need of Fidelity to attract and retain well trained and highly motivated executives. The Committee reviews and approves Fidelity's 401(k) Plan, employee stock purchase plan, stock option plan, stock rights awards, deferred compensation plan, and all employee benefit plans, including health plans, in which Fidelity's officers and employees are eligible to participate. The Committee reviews and evaluates recommendations to the Board on Fidelity's executive compensation practices and policies, management succession, and sets directors compensation.

Executive officers' overall compensation is intended to be competitive with the compensation paid to executives of financial institutions and of other companies similar in size, complexity, markets, and character to Fidelity, provided that the performance of Fidelity and the executive officer warrants the compensation being paid. To assist in targeting the appropriate benchmark for the compensation paid to our executive officers, the Committee compares Fidelity's compensation practices to the compensation data publicly available for companies of similar size, complexity, markets, and character as Fidelity. Based on the information available to and reviewed by the Committee when it established base salaries and annual incentives for 2004, total annual cash compensation for Fidelity's executive officer group was comparable to the total annual cash compensation paid to the executive officer group of each of the group of similar companies reviewed and taking into consideration that Fidelity stock related compensation is less than peers.

Compensation paid to or for the benefit of the Named Executive Officers of Fidelity for 2004, as reflected in the foregoing compensation tables, consisted of the following elements: base salary, bonus, matching contributions paid with respect to the 401(k) Plan, split dollar insurance policies, and certain perquisites. In addition, Fidelity has adopted certain broad-based employee benefit plans in which executives and other officers, together with employees, have the right to participate. Benefits under these plans are not directly or indirectly tied to Fidelity's performance, except that

contributions by Fidelity to the 401(k) Plan are voluntary, at the election of the Board of Directors. Bonuses were granted to Messrs. Buchanan and Proctor based upon their individual performance and their contribution to the substantial improvement in Fidelity's operating performance in 2004, including improved earnings and reduced risk profile.

Mr. Miller's compensation for 2004 was governed by the general principles described above. For 2004, the Compensation Committee established Mr. Miller's base salary at \$300,000. Mr. Miller's base salary, based upon the information available to and reviewed by the Committee, was comparable to the base salaries paid to chief executive officers in the group of similar companies reviewed. Fidelity elected to pay a bonus in the amount of \$180,000 to Mr. Miller in 2004 based upon the substantial improvement in Fidelity's operating performance in 2004, including improved earnings and reduced risk profile. The bonus payment was made in lieu of the bonus payment that would otherwise have been made under Mr. Miller's Employment Agreement. Mr. Miller's total compensation (salary and

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bonus), based upon the information available to and reviewed by the Committee, was comparable to compensation (salary and bonus) paid to chief executive officers in the group of similar companies reviewed. Unlike many peer companies, during 2004 there were no stock options granted to Mr. Miller. For additional information on Mr. Miller's and other executives' compensation, see Employment Agreements.

The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that Fidelity specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

**Compensation Committee**

David R. Bockel, Chairman  
W. Clyde Shepherd III  
Rankin M. Smith, Jr.

**AUDIT COMMITTEE REPORT**

Fidelity's Board of Directors has determined that the members of our Audit Committee are independent as defined in Rules 4200(a)(15) and 4350(d) of the NASD Listing Standards for NASDAQ-listed companies and have the knowledge and experience required by Rule 4350(d).

The Audit Committee has reviewed Fidelity's audited consolidated financial statements for the year ended December 31, 2004, and discussed the financial statements with management. The Audit Committee has discussed with Ernst & Young LLP, Fidelity's independent registered public accountants, those matters required to be discussed by Statement of Auditing Standards No. 61, Communication with Audit and Finance Committees, as amended.

The Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young required by the Independent Standards Board Standard No. 1 and the members of the Audit Committee have discussed the independence of Ernst & Young. The Audit Committee has also reviewed the Report of Management on Internal Control Over Financial Reporting and Ernst & Young's Report of Independent Registered Public Accounting Firm with management, the internal auditors and Ernst & Young. The Audit Committee has determined that the providing of professional services by Ernst & Young, in addition to audit related services, is compatible with the maintenance of the accountant's independence. Based upon the review and discussions noted above, the Audit Committee has recommended to the Board of Directors of Fidelity, and the Board has approved, that the audited consolidated financial statements of Fidelity be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and be filed with the SEC.

This report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into filings under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Fidelity specifically incorporates this information by reference and should not otherwise be deemed filed under such Acts.

**Audit Committee**

Robert J. Rutland, Chairman  
David R. Bockel  
W. Clyde Shepherd III



**NOMINATING COMMITTEE REPORT**

The Nominating Committee reviewed the qualifications of the director nominees, found them to meet the criteria for directors established by the Committee, and recommended the slate to the Board of Directors as director nominees for election at the 2005 Annual Meeting of Shareholders.

Nominating Committee

David R. Bockel, Chairman  
W. Clyde Shepherd III  
Rankin M. Smith, Jr.

**Table of Contents****CODE OF ETHICS**

The Board of Directors of Fidelity has adopted a Conflict of Interest Policy / Code of Ethics applicable to all of its employees, including its chief executive officer and each of its senior financial officers. A copy of this code is available under the Investor Relations section at [www.fidelitysouthern.com](http://www.fidelitysouthern.com). Fidelity intends to satisfy the disclosure requirement under Item 10 of Form 8-K by posting such information on its website.

**SHAREHOLDER RETURN PERFORMANCE GRAPH**

The following graph compares the percentage change in the cumulative five-year shareholder return on Fidelity's Common Stock (traded on the NASDAQ National Market under the symbol LION) with the cumulative total return on the NASDAQ Composite Index, SNL NASDAQ Bank Index, and the NASDAQ Bank Index.

The graph assumes the value invested in the Common Stock of Fidelity and in each of the three indices was \$100 on December 31, 1999, and all dividends were reinvested.

<i>Index</i>	<i>Period Ending December 31</i>					
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Fidelity Southern Corporation	100.00	68.19	102.70	142.96	193.98	282.00
NASDAQ Composite	100.00	60.82	48.16	33.11	49.93	54.49
SNL NASDAQ Bank Index	100.00	115.45	125.66	129.25	166.83	191.21
NASDAQ Bank Index	100.00	114.23	123.68	126.65	162.92	186.45

**AUDITORS**

Ernst & Young audited the consolidated financial statements of Fidelity and attested on Fidelity's Report of Management on Internal Control Over Financial Reporting for the year ended December 31, 2004, and is expected to be selected at the April Audit Committee meeting to audit the consolidated financial statements for 2005. Representatives of Ernst & Young are expected to be present at the Annual Meeting and will have the opportunity to

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make a statement if they desire to do so and will be available to respond to appropriate questions. Ernst & Young LLP has advised Fidelity that no member of its firm has any direct or indirect material financial interest in Fidelity.

**FEES INCURRED BY FIDELITY FOR ERNST & YOUNG**

The following table sets forth the fees paid or accrued by Fidelity for audit and other services provided by Ernst & Young for fiscal years 2004 and 2003:

	2004	2003
Audit Fees <sup>1</sup>	\$ 247,080	\$ 228,375
Audit-Related Fees <sup>2</sup>	45,800	74,180
Tax Fees (Tax Compliance)	50,475	41,775
All Other Fees	17,480	
<b>Total</b>	<b>\$ 360,835</b>	<b>\$ 344,330</b>

The Audit Committee approved all audit services provided by Fidelity's independent registered public accountants during 2003 and 2004 on a case-by-case basis in advance of each engagement. The Audit Committee has delegated to the Chairman of the Audit Committee the authority to pre-approve non-audit services not prohibited by law to be performed by Fidelity's independent auditor and associated fees for any non-audit service, provided that the Chairman shall report any decisions to pre-approve such non-audit services and fees to the full Audit Committee at its next regular meeting.

**SHAREHOLDER PROPOSALS**

Proposals of shareholders intended to be presented at the 2006 Annual Meeting must be received by Fidelity addressed to the President at 3490 Piedmont Road, Suite 1550, Atlanta, Georgia 30305, by November 30, 2005, in order to be eligible for inclusion in the Proxy Statement and Proxy for that meeting. Shareholders may also present at the 2005 Meeting any proper proposal that is not disclosed in the Proxy Statement for that meeting without prior notice to Fidelity.

**NOMINEES FOR DIRECTOR**

**Shareholder Nominees.** The policy of the Nominating Committee is to consider properly submitted proposed nominations for membership on the Board of Directors submitted by Shareholders who own at least 1,000 shares of Common Stock of Fidelity and have held the stock for at least one year. Any proposed nomination by a Shareholder for consideration by the Nominating Committee must include the proposed nominee's name and qualifications and a statement to the effect that the proposed nominee has agreed to the submission of his/her name as a candidate for nomination as a director. The proposed nomination should be sent to the Chairman of the Nominating Committee of Fidelity Southern Corporation, 3490 Piedmont Road, Suite 1500, Atlanta, Georgia 30305. In order to timely consider any candidate, the Shareholders must submit the recommendation on or before November 1 immediately preceding the next annual meeting of Shareholders.

Identifying and Evaluating Nominees for Directors. The Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for directors. Nominees for directors are selected for their character, judgment, diversity of experience, acumen, ability to work with others, and their ability to act for the benefit of Fidelity and its Shareholders. The Nominating Committee's Director Qualification Standards and Procedure for Identifying and Evaluating Candidates is available under the Investor Relations section at [www.fidelitysouthern.com](http://www.fidelitysouthern.com).

The name of any candidate for nomination as a director may be submitted to the Nominating Committee by Shareholders and directors. The Nominating Committee will review the qualifications of each candidate submitted and conduct such inquiries as it determines appropriate. There is no difference in the manner by which the

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<sup>1</sup> Audit fees represent fees for professional services provided in connection with the audit of the financial statements, review of the quarterly financial statements, and audit services provided in connection with other statutory or regulatory filings.

<sup>2</sup> Audit-related fees consist primarily of accounting consultations, employee benefit plan audits, and other attestation services.

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Nominating Committee evaluates prospective nominees for director based on the source from which the individual was first identified. The Nominating Committee shall recommend, by a majority vote of its members, to the entire Board of Directors those candidates it believes will best serve Fidelity and its Shareholders, meet the qualifications set forth in the director qualification standards, and have such other requisite skills and knowledge deemed necessary by the Nominating Committee of a director of Fidelity.

In addition, a Shareholder may nominate individuals for election as directors at the annual meeting of Shareholders. If the Shareholder desires to solicit proxies from other Shareholders, the Shareholder must deliver a proxy statement and form of proxy to the Shareholders to elect such nominee in accordance with the proxy rules promulgated by the SEC. This includes the filing of the proxy statement and form of proxy with the SEC prior to its distribution.

All nominees for election to the Board of Directors set forth in this Proxy Statement currently serve as directors of Fidelity.

## **COMMUNICATIONS WITH FIDELITY AND ITS BOARD**

From time to time, calls are received from Shareholders asking how they can communicate with Fidelity. The following communication options are available:

To *communicate* with the Board of Directors, address communications to the Board of Directors in care of the Secretary of Fidelity at 3490 Piedmont Road, Suite 1550, Atlanta, Georgia 30305. Communications that are intended specifically for a designated director should be addressed to the director in care of the Secretary of Fidelity at the above address. The Secretary shall cause the communications to be delivered to the addressees.

To *receive information* about Fidelity or Fidelity Bank, one of the following methods may be used:

1. Fidelity Bank's website, located at [www.lionbank.com](http://www.lionbank.com), contains product and marketing data.
2. Fidelity's website, Investor Relations section, located at [www.fidelitysouthern.com](http://www.fidelitysouthern.com), contains Fidelity financial information in addition to Audit, Compensation, and Nominating Committee Charters, and Fidelity's Conflict of Interest Policy / Code of Ethics. Online versions of Fidelity's Annual Reports, Proxy Statements, Forms 10-K and 10-Q, press releases, and other SEC filings are also available through this website.
3. Information, such as Fidelity's latest quarterly earnings release, Form 10-K, Form 10-Q, or the 2003 Annual Report, can also be obtained free of charge by calling or writing Investor Relations.

If you would like to *contact us*, please call Fidelity Investor Relations at (404) 240-1504, or send correspondence to Fidelity Southern Corporation, Attn: Investor Relations, 3490 Piedmont Road, Suite 1550, Atlanta, Georgia 30305.

## **OTHER MATTERS THAT MAY COME BEFORE THE MEETING**

Management knows of no matters, other than the election of directors as stated above, that are to be brought before the Meeting. If any other matter should be presented for consideration and voted upon, it is the intention of the persons named as proxies in the enclosed Proxy to vote in accordance with their judgment as to what is in the best interest of Fidelity.

By Order of the Board of  
Directors,

Martha C. Fleming  
Secretary

March 30, 2005

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**Appendix A**

**FIDELITY SOUTHERN CORPORATION**

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**Revised November 17, 2004**

**ORGANIZATION**

This Charter of the Audit Committee ( Committee ) of the Board of Directors of Fidelity Southern Corporation (the Company ) governs the operations of the Committee. The Committee shall at least annually review and reassess this Charter and obtain the approval of the Board of Directors to any proposed change. The Committee shall be appointed by the Board of Directors and shall be comprised of at least three directors, each of whom is independent of management and the Company. Members of the Committee shall be considered independent if they have no relationship that may interfere with the exercise of their independence from management and the Company and meet the definition of independent as required by Section 10A(m) of the Securities Exchange Act of 1934, any rules and regulations adopted by the Securities and Exchange Commission ( SEC ) and the National Association of Securities Dealers, Inc. ( NASD ). All Committee members shall be financially literate, must be able to read and understand financial statements, including the Company s balance sheet, income statement and cash flow statement, and at least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, at least one member of the Committee shall be an audit committee financial expert as defined by the rules of the SEC. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of (i) the compensation of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any adviser employed by the Committee as permitted by this Charter; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**STATEMENT OF POLICY**

The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. The Committee shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the Company and its shareholders relating to the Company s financial statements, financial and accounting reporting process, systems of internal accounting and financial controls, internal audit function, annual independent audit of its financial statements, and legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, the independent auditors, the internal accountants, the internal auditors and the management of the Company. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention regarding accounting, internal controls or auditing matters, with full access to all books, records, facilities, and personnel of the Company.

**RESPONSIBILITIES AND PROCESS**

The primary responsibility of the Audit Committee is to oversee the Company s financial reporting process and the audits of the financial statements of the Company on behalf of the Board and report the results of their activities to the Board. Management is responsible for preparing the Company s financial statements, and the independent auditors are responsible for auditing those financial statements. The policies and procedures of the Committee should remain

flexible in order to best react to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate tone for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Audit Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.



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- Ø The Committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Audit Committee. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors engaged (including resolution of disagreements between management and the independent auditors regarding financial reporting, if any) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent auditors shall report directly to the Committee.
- Ø The Committee shall discuss with the auditors their independence from management and the Company and the matters included in the written disclosures required by the Independence Standards Board. In accordance with the rules of NASDAQ and Section 10A(i) of the Securities Exchange Act of 1934, as amended ( Exchange Act ), the Committee shall preapprove all independent audit engagement fees and terms and preapprove all permitted non-audit engagements (including the fees and terms thereof) to be performed for the Company by the independent auditors, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which shall be approved by the Committee prior to the completion of the audit.
- Ø The Committee, in its discretion, may appoint and delegate to one or more members of the Committee the authority to grant the pre-approvals of the Committee described in the preceding paragraph.
- Ø The Committee has the authority to engage and shall determine the funding for independent counsel and other advisors it determines necessary to carry out its duties.
- Ø The Committee shall receive from and evaluate with the independent auditors reports on critical accounting policies and practices to be used, alternative treatments of financial information discussed with the management and the ramifications thereof, the treatment preferred by the independent auditors and other material written communications between the independent auditors and the management, as required by Section 10A(k) of the Exchange Act.
- Ø The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits including the adequacy of staffing and compensation. Also, the Committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's systems to monitor and manage business risk, and legal and ethical compliance programs, including the conflict of interest policy and code of ethics. Further, periodically the Committee shall meet separately with the internal auditors, the independent auditors, and management to discuss the results of their examinations.
- Ø The Committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q or any other interim financial statement which is publicly released. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The chairperson of the Committee may represent the entire Committee for the purposes of this review.
- Ø The Committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K and the annual report to shareholders, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. The Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. Also, the Committee shall review the planned scope and

processes necessary to attest to, and report on, management's assessment of the Company's internal controls over financial reporting. The Committee shall prepare the Audit Committee Report required by regulations of the Securities and Exchange Commission ( SEC ) to be included in the Company's annual proxy statement.

Ø The Committee shall review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on management's assertion.

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- Ø The Committee shall satisfy itself that effective disclosure controls are established and maintained to promote timely, accurate, compliant and meaningful disclosure in the Company's periodic reports to the SEC. The Committee shall establish procedures to ensure rapid and current disclosures of material changes in financial condition or operations.
- Ø At least annually, the Committee shall obtain and review a report by the independent auditors describing:
  - o The firm's internal quality control procedures.
  - o Any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
  - o All relationships between the independent auditor and the Company (to assess the auditor's independence).
- Ø The Committee shall ensure that it receives from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1, or any successor standard.
- Ø The Committee shall be responsible for actively engaging in a dialogue with the independent auditors with respect to any disclosure relationship or services that may impact the objectivity and independence of the independent auditors and for taking, or recommending that the entire Board of Directors take, appropriate action to oversee the independence of the outside independent auditors.
- Ø The Committee shall set clear hiring policies for employees or former employees of the independent auditors that meet the SEC regulations and NASDAQ requirements.
- Ø The Committee shall review and approve, if appropriate, all related party transactions as required by NASDAQ.
- Ø The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by Company regarding accounting, internal accounting controls, and auditing matters. The Committee shall establish procedures for the confidential, anonymous submission by employees of the Company and its subsidiaries of concerns regarding questionable accounting or auditing matters.
- Ø The Committee shall do such other acts as required pursuant to the Exchange Act, rules and regulations promulgated by the SEC and rules adopted by NASDAQ.
- Ø The Committee shall prepare its report to be included in the Company's annual proxy statement, as required by SEC regulations.
- Ø The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

All references to laws, rules and regulations shall refer to such laws, rules and regulations as currently in effect and as hereafter revised or superseded.

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**FIDELITY SOUTHERN CORPORATION  
PROXY FOR THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 28, 2005  
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby authorizes Edward G. Bowen, M.D. and Kevin S. King, and each of them individually, with the power of substitution, to vote and otherwise represent all of the shares of common stock ( Common Stock ) of Fidelity Southern Corporation ( Company ) held of record by the undersigned at the Annual Meeting of Shareholders of the Company ( Annual Meeting ) to be held at the offices of the Corporation located at One Securities Centre, 3490 Piedmont Road, Suite 1550, Atlanta, GA 30305 on April 28, 2005, at 3:00 p.m., and any adjournment thereof, as herein specified and, in their discretion, upon such other matters as may come before the Annual Meeting.

The undersigned acknowledges receipt of the Notice of Annual Meeting of Shareholders and Proxy Statement for the Annual Meeting. All other proxies heretofore given by the undersigned to vote shares of Common Stock of the Company are expressly revoked.

**Unless a contrary direction is indicated, this Proxy will be voted For Item 1. The Board of Directors recommends a vote For the Proposal referred to in Item 1.**

(Continued and to be signed on the other side.)

FIDELITY SOUTHERN CORPORATION  
P.O. BOX 11302  
NEW YORK, N.Y. 10203-0302

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**DETACH PROXY CARD HERE**

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**PLEASE  
COMPLETE, SIGN,  
DATE AND  
RETURN THIS  
PROXY  
PROMPTLY IN THE  
ENCLOSED  
ENVELOPE.**

**X**  
Votes must be indicated  
(x) in Black or Blue Ink.

SCAN LINE

Please sign exactly as your name appears on this card. When signing as attorney, executor, administrator, trustee, guardian, partner or corporate officer please give full title as such. Whether or not you plan to attend the Annual Meeting, you are urged to execute and return your proxy, which may be revoked at any time prior to its use.

Date            Share  
Owner sign here    Co-Owner sign here