

INDEPENDENT BANK CORP /MI/
Form DEF 14A
March 13, 2012

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

INDEPENDENT BANK 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)(4) 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:

Independent Bank Corporation
230 West Main Street
Ionia, Michigan 48846

March 9, 2012

Dear Fellow Shareholder,

It is our pleasure to invite you to attend the 2012 Annual Meeting of Shareholders of Independent Bank Corporation at 3:00 p.m., Eastern Time, on Tuesday, April 24, 2012 at Watt Auditorium, 438 Union Street, Ionia, Michigan 48846.

The Annual Report, which we mailed to you with this proxy statement, summarizes Independent Bank Corporation's major developments during 2011 and includes the 2011 consolidated financial statements.

Whether or not you plan to attend the Annual Meeting, please complete and mail the enclosed proxy card promptly so that your shares will be voted as you desire. You may also vote by telephone or by the Internet by following the instructions for using the automated telephone and Internet voting systems provided on the proxy card.

Sincerely,

Michael M. Magee, Jr.
Chairman of the Board and Chief Executive Officer

INDEPENDENT BANK CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
APRIL 24, 2012

Date: April 24, 2012
Time: 3:00 p.m., Eastern Time
Place: Watt Auditorium
438 Union Street
Ionia, Michigan 48846

We invite you to attend the Independent Bank Corporation Annual Meeting of Shareholders to:

1. Elect three directors to serve three-year terms expiring in 2015;
2. Ratify the appointment of Crowe Horwath LLP as independent auditors for the fiscal year ending December 31, 2012;
3. Participate in an advisory (non-binding) vote to approve the compensation of our executives, as disclosed in this proxy statement; and
4. Transact any other business that is properly submitted before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

The record date for the Annual Meeting is February 27, 2012. Only shareholders of record at the close of business on that date can vote at the Annual Meeting. We mailed this Notice of Annual Meeting to those shareholders. Action may be taken at the Annual Meeting on any of the foregoing proposals at the meeting on April 24, 2012, or any date or dates to which the Annual Meeting may be adjourned or postponed.

We will have a list of shareholders who can vote at the Annual Meeting available for inspection by shareholders at the Annual Meeting, and, for 10 days prior to the Annual Meeting, during regular business hours at the offices of Independent Bank Corporation, 230 West Main Street, Ionia, Michigan 48846.

If you plan to attend the Annual Meeting but are not a shareholder of record because you hold your shares in street name, please bring evidence of your beneficial ownership of your shares (e.g., a copy of a recent brokerage statement showing the shares) with you to the Annual Meeting. Whether or not you plan to attend the Annual Meeting and whether you own a few or many shares of stock, the Board of Directors urges you to vote promptly. You may vote by signing, dating and returning the enclosed proxy card, by using the automated telephone voting system or by using the Internet voting system. You will find instructions for voting by telephone and by the Internet on the enclosed proxy card.

By Order of the Board of Directors,

Robert N. Shuster
Corporate Secretary

March 9, 2012

Independent Bank Corporation

230 West Main Street
Ionia, Michigan 48846

2012 PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation, beginning approximately March 20, 2012, by our Board of Directors, of proxies for use at the Annual Meeting of Shareholders. This meeting will be held on Tuesday, April 24, 2012, at 3:00 p.m. (local time) at Watt Auditorium, 438 Union Street, Ionia, Michigan 48846.

If the form of the proxy accompanying this proxy statement is properly executed and returned, the shares represented by the proxy will be voted at the Annual Meeting of Shareholders in accordance with the directions given in such proxy. If no choice is specified, the shares represented by the proxy will be voted FOR the election of directors listed as nominees, FOR the ratification of the independent auditors, FOR the proposal to approve the compensation of our executives (on an advisory basis), and in the discretion of the proxy holders on any other matter properly coming before the meeting.

To vote by telephone, shareholders of record (shareholders who hold shares directly through our stock transfer agent) may call toll free on a touch-tone telephone 1-800-PROXIES (1-800-776-9437) and follow the recorded instructions. To vote by Internet, go to the site <http://www.voteproxy.com> and follow the instructions provided.

If your shares are held through a bank or a broker (referred to as “street name”), you may also be eligible to vote your shares electronically. Simply follow the instructions on your voting form, using either the toll-free telephone number or the Internet address that is listed.

A proxy may be revoked prior to its exercise by delivering a written notice of revocation to our Secretary, executing a subsequent proxy, or attending the meeting and voting in person. Attendance at the meeting does not, however, automatically serve to revoke a proxy.

This proxy statement, including the Notice of Annual Meeting and form of proxy, along with our Annual Report, is available at <http://www.sn1.com/irweblinkx/docs.aspx?iid=100319>. Information on directions to the site of our Annual Meeting is available on our website at www.IndependentBank.com.

VOTING SECURITIES AND RECORD DATE

As of February 27, 2012, the record date for the Annual Meeting, we had issued and outstanding 8,586,871 shares of common stock. Shareholders are entitled to one vote for each share of our common stock registered in their names at the close of business on the record date. Votes cast at the meeting and submitted by proxy are counted by the inspectors of the meeting, who are appointed by us.

As of February 27, 2012, no person was known by us to be the beneficial owner of 5% or more of our common stock, except as follows:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Outstanding
U.S. Department of the Treasury 1500 Pennsylvania Avenue, NW, Room 2312 Washington, DC 20220	8,062,640(1)	48.56%

(1) The U.S. Department of the Treasury (the “Treasury”) holds 74,426 shares of our Series B, Fixed Rate Cumulative Mandatorily Convertible Preferred Stock (the “Series B Preferred Shares”), and a warrant to purchase 346,154 shares of our common stock. The Treasury has the right to convert all or any portion of the Series B Preferred Shares into shares of our common stock at any time, in its discretion, as well as the right to exercise the warrant at any time, in its discretion. Under rules issued by the Securities and Exchange Commission (“SEC”), because of its right to acquire our common stock at any time, the Treasury is deemed to beneficially own the shares of common stock it may acquire upon conversion of the Series B Preferred Shares and exercise of the warrant.

ELECTION OF DIRECTORS

Our Amended and Restated Articles of Incorporation provide that our Board be divided into three classes of nearly equal size, with the classes to hold office for staggered terms of three years each. Our Bylaws permit our Board of Directors to establish the size of our Board from three to fifteen members. Our current Board has fixed the size of our Board at nine members. Robert L. Hetzler, Michael M. Magee, Jr. and James E. McCarty are nominees to serve three-year terms expiring in 2015. Each of these directors is an incumbent director previously elected by our shareholders. Although Mr. Magee is being nominated for a three-year term, in accordance with our senior management succession plan announced in February of 2011, Mr. Magee has decided to retire as the Chief Executive Officer of Independent Bank Corporation and is scheduled to retire from its Board of Directors on December 31, 2012 (assuming he is elected to another term at the Annual Meeting on April 24, 2012). If Mr. Magee does choose to retire from the Board, at that time the Board of Directors will make a determination as to whether to reduce the size of the Board of Directors by one or to appoint a new director to replace Mr. Magee on the Board.

The proxies cannot be voted for a greater number of persons than the number of nominees named. The persons named as proxy holders in the accompanying proxy will vote for the above named nominees unless a shareholder directs otherwise. In the event that any nominee is unable to serve, which is not now contemplated, our Board may designate a substitute nominee. The proxy holders, to the extent they have been granted authority to vote in the election of directors, may or may not vote for a substitute nominee.

In addition to the nominees for director, each director whose term will continue after the meeting is named in the following table. Each nominee and director owned beneficially, directly or indirectly, the number of shares of common stock set forth opposite their respective names. The stock ownership information and the information relating to each nominee's and director's age, principal occupation or employment for the past five years has been furnished to us as of February 27, 2012, by the respective nominees and directors.

A plurality of the votes cast at the Annual Meeting of Shareholders is required to elect the nominees as directors. Accordingly, at this year's meeting, the three individuals who receive the largest number of votes cast at the meeting will be elected as directors. Shares not voted at the meeting, whether by abstention, broker non-vote, or otherwise, will not be treated as votes cast on this matter

The Board of Directors recommends a vote FOR the election of each of the three nominees.

	Amount and Nature of Beneficial Ownership(1)	Percent of Outstanding
Nominees for three-year terms expiring in 2015		
Robert L. Hetzler (age 66) Mr. Hetzler is the retired President of Monitor Sugar Company (food processor). He became a director in 2000. Mr. Hetzler, who also has a legal degree, has numerous years as a senior leader of a large business organization. Those skill sets and experiences are important to the Board and the Company.	28,804(2)	.34
Michael M. Magee, Jr. (age 56) Mr. Magee is the Chief Executive Officer of Independent Bank Corporation and the Chairman of its Board of Directors. Prior to his appointment as President and CEO as of January 1, 2005, Mr. Magee served as Chief Operating Officer since February 2004 and prior to that he served as President and Chief Executive Officer of Independent Bank since 1993. He became a director in 2005. Mr. Magee has over 31 years of service in the financial services industry and has served as our Chief Executive Officer for over 7 years. That position and those experiences make him a particularly important component of the Board. As noted above, Mr. Magee has decided to retire from the Board of Directors (which includes his Chairman position) effective December 31, 2012.	83,832(3)	.98
James E. McCarty (age 64) Mr. McCarty became a director in 2002 and currently serves as the lead independent director of the Board of Directors of Independent Bank Corporation. He is the retired President of McCarty Communications (commercial printing). Mr. McCarty's prior experience in a corporate leadership position and prior service as a director of a financial institution makes his service to the Board important.	24,032(4)	.28
Directors whose terms expire in 2013		
Donna J. Banks, Ph.D. (age 55) Dr. Banks is a retired Senior Vice President of the Kellogg Company. She became a director in 2005. Ms. Banks' prior experience in an executive leadership position with a major corporation makes her service to the Board particularly important. Moreover, her prior experience with a corporation that is subject to the reporting requirements of the Securities Exchange Act of 1934 is of use to the Board and the Company.	27,742(5)	.32
Jeffrey A. Bratsburg (age 68) Mr. Bratsburg served as the Chairman of the Board of Directors of Independent Bank Corporation until the 2011 Annual Meeting of Shareholders. Mr. Bratsburg served as President and CEO of Independent Bank West Michigan from 1985 until his retirement in 1999. He became a director in 2000. Mr. Bratsburg's prior experience as a bank president, as well as his 19 years of experience in the financial services	25,096(6)	.29

industry, makes him an important member of the Board.

Charles C. Van Loan (age 64)

59,724(7)

.70

Mr. Van Loan served as President and CEO of Independent Bank Corporation from 1993 until 2004 and as executive Chairman during 2005. He retired on December 31, 2005. He became a director in 1992. Mr. Van Loan has over 28 years of experience in the financial services industry. Mr. Van Loan served as the Company's CEO for over 10 years, which makes his input particularly useful to the Board.

	Amount and Nature of Beneficial Ownership(1)	Percent of Outstanding
Directors whose terms expire in 2014		
Stephen L. Gulis, Jr. (age 54) Mr. Gulis is the retired Executive Vice President and President of Wolverine Worldwide Global Operations Group. He served as Executive Vice President, CFO and Treasurer of Wolverine Worldwide prior to his appointment as President, Global Operations. He became a director in 2004. Mr. Gulis' prior experience as a chief financial officer of a major corporation is an important skill set to have on the Board. In addition, his prior experience with a corporation that is subject to the reporting requirements of the Securities Exchange Act of 1934 is important to the Board.	20,262(8)	.24
Terry L. Haske (age 63) Mr. Haske is a CPA and Principal with Anderson, Tuckey, Bernhardt & Doran, P.C. since 2008. Prior to 2008 he was the President of Ricker & Haske, CPAs, and P.C. He became a director in 1996. Mr. Haske's experience and qualifications as a CPA, as well as his prior service as a director of the Company and as a director of other banking institutions, makes his service to the Board particularly important.	26,429(9)	.31
Charles A. Palmer (age 67) Mr. Palmer is an attorney and a professor of law at Thomas M. Cooley Law School. He became a director in 1991. Mr. Palmer's training as an attorney and almost 21 years of service as a director of the Company provides additional talent to the Board.	48,501	.57

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- (1) Except as described in the following notes, each nominee or incumbent director owns the shares directly and has sole voting and investment power or shares voting and investment power with his or her spouse under joint ownership. The table includes shares of common stock that are issuable under options exercisable within 60 days.
- (2) Includes 1,061 shares held in a spousal trust.
- (3) Includes 3,272 shares allocated to Mr. Magee's account in the Independent Bank Corporation Employee Stock Ownership Plan ("ESOP").
- (4) Excludes 11,206 common stock units held in Mr. McCarty's account under our deferred compensation and stock purchase plan for non-employee directors that are payable in our common stock upon retirement. Includes 2,778 sha