

CITIZENS FINANCIAL SERVICES INC  
Form S-3D  
March 22, 2013

As filed with the Securities and Exchange Commission on March 22, 2013

Registration No. 333-

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

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FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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Citizens Financial Services, Inc.  
(Exact name of registrant as specified in its charter)

Pennsylvania  
(State or other jurisdiction of  
incorporation or organization)

23-2265045  
(IRS Employer  
Identification No.)

15 South Main Street  
Mansfield, Pennsylvania 16933  
(570) 662-2121  
(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

copies to:

Randall E. Black  
Chief Executive Officer and President  
15 South Main Street  
Mansfield, Pennsylvania 16933  
(570) 662-2121

Sean P. Kehoe, Esq.  
Joseph J. Bradley, Esq.  
Kilpatrick Townsend & Stockton LLP  
607 14th Street, N.W., Suite 900  
Washington, D.C. 20005  
(202) 508-5800

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

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

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment

plans, please check the following box.

If any securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

#### CALCULATION OF REGISTRATION FEE

Title of Shares to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Common Stock, par value \$1.00 per share	300,000	\$49.50	\$14,850,000	\$2,026

(1) Pursuant to Rule 416, this Registration Statement also covers an indeterminate number of shares of Common Stock that may be issued as a result of stock splits, stock dividends, or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee. Based on the average of the high and low prices of the Common Stock as of March 18, 2013, pursuant to Rule 457(c). The filing fee of \$2,026 was previously paid in connection with the Registration Statement on Form S-3 (No. 333-187380) ("Prior Registration Statement") filed on March 20, 2013 and subsequently withdrawn on March 22, 2013. No securities were sold in connection with the Prior Registration Statement. Accordingly, pursuant to Rule 457(p) the Registrant is entitled to offset, against

the filing fee due for this Registration Statement, the amount of the Prior Registration Statement filing fee paid with respect to the unissued securities under the Prior Registration Statement, such amount being \$2,026 (calculated at the rate in effect at the time the Prior Registration Statement was filed).

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CITIZENS FINANCIAL SERVICES, INC.  
AMENDED AND RESTATED DIVIDEND REINVESTMENT PLAN

PROSPECTUS

300,000 Shares  
Common Stock, Par Value \$1.00 Per Share

This prospectus relates to shares of common stock that we may offer and sell from time to time according to the terms of the Citizens Financial Services, Inc. Amended and Restated Dividend Reinvestment Plan (the "Plan"). Participants should retain this prospectus for future reference.

This prospectus describes the Plan. Any holder of record of our common stock is eligible to participate in the Plan. Participants in the Plan will have the cash dividends paid on their shares of Citizens Financial Services, Inc. common stock automatically reinvested in additional shares of Citizens Financial Services, Inc. common stock. Shares of common stock purchased under the Plan will be (i) purchased on the open market or (ii) purchased directly from us from authorized but unissued shares or from treasury shares.

Investing in our common stock involves certain risks. Please refer to "Risk Factors" beginning on page 3 of this prospectus.

Our common stock is quoted on the OTC Bulletin Board under the trading symbol CZFS.

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

The shares offered are our equity securities and are not savings accounts, deposits, or other obligations of any bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund, or any other governmental agency.

We have not authorized anyone to provide you with information that is different from what is contained in or incorporated by reference into this prospectus. The Plan is not available to any person to whom we may not legally offer it. You should not assume that the information in this prospectus is still accurate as of any date later than the date of this prospectus.

The date of this prospectus is March 22, 2013

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the "SEC") relating to the shares of our common stock to be offered and sold pursuant to the Plan. This prospectus, which does not include all of the information in the registration statement, provides you with a general description of the Plan and the securities offered under the Plan. The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us, the Plan, and the securities offered. The registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading "Where You Can Find More Information."

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus, including the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not offering the securities in any state or jurisdiction where the offer is prohibited. You should not assume that the information in this prospectus or any document incorporated by reference is accurate or complete at any date other than the date indicated on the cover page of this document.

Unless otherwise stated or the context requires otherwise, all references in this prospectus to "we," "us," "our," or similar references mean Citizens Financial Services, Inc. and its consolidated subsidiary, First Citizens Community Bank, the "Bank."

## WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly, and current reports, proxy statements, and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's website at [www.sec.gov](http://www.sec.gov).

## INCORPORATION BY REFERENCE

The SEC's rules allow us to incorporate by reference certain information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document with the SEC. Any reports we file with the SEC after the date of this prospectus, but before the date that the offering of the securities by means of this prospectus is terminated, will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed according to SEC rules):

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on March 7, 2013; and
- All documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before the termination of this offering. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (in each case other than those portions furnished under Item 2.02 or 7.01 of Form 8-K unless indicated otherwise in any such Form 8-K), as well as proxy statements

filed by the Company.

We will provide to each person who so requests, including any beneficial owner to whom this prospectus is delivered, a copy of these documents from us, at no cost, by contacting us at:

Citizens Financial Services, Inc.  
Attention: Shareholder Relations  
15 South Main Street  
Mansfield, Pennsylvania 16933  
Phone: 570-662-2121

## A WARNING ABOUT FORWARD-LOOKING STATEMENTS

This prospectus and the other documents we incorporate by reference in this prospectus, may include forward-looking statements regarding our prospective performance and strategies within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of said safe harbor provisions.

Forward-looking statements, which are based on certain assumptions, and describe our future plans, strategies, and expectations of the Company, are generally identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “plan” or future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” “seek,” “strive,” or “try,” or expressions. Our ability to predict results or the actual effects of our plans or strategies is inherently uncertain. Accordingly, actual results may differ materially from those contemplated, expressed or implied, by the forward-looking statements contained in this prospectus. Important factors that could cause actual results to differ materially from our forward-looking statements are set forth under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, and in other reports filed with the SEC. There are a number of factors, many of which are beyond our control, that could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. These factors include, but are not limited to:

- Interest rates could change more rapidly or more significantly than we expect.
- The economy could change significantly in an unexpected way, which would cause the demand for new loans and the ability of borrowers to repay outstanding loans to change in ways that our models do not anticipate.
- The stock and bond markets could suffer a significant disruption, which may have a negative effect on our financial condition and that of our borrowers, and on our ability to raise money by issuing new securities.
- It could take us longer than we anticipate implementing strategic initiatives designed to increase revenues or manage expenses, or we may be unable to implement those initiatives at all.
- Acquisitions and dispositions of assets could affect us in ways that management has not anticipated.
- We may become subject to new legal obligations or the resolution of litigation may have a negative effect on our financial condition.
- We may become subject to new and unanticipated accounting, tax, or regulatory practices or requirements.
- We could experience greater loan delinquencies than anticipated, adversely affecting our earnings and financial condition. We could also experience greater losses than expected due to the ever increasing volume of information theft and fraudulent scams impacting our customers and the banking industry.
- We could lose the services of some or all of our key personnel, which would negatively impact our business because of their business development skills, financial expertise, lending experience,



technical expertise and market area knowledge.

- Exploration and drilling of the natural gas reserves in the Marcellus Shale in our market area may be affected by federal, state and local laws and regulations such as restrictions on production, permitting, changes in taxes and environmental protection, which could negatively impact our customers and, as a result, negatively impact our loan and deposit volume and loan quality.
- Similarly, customers dependent on the exploration and drilling of the natural gas reserves may be dependent on the market price of natural gas. As a result, decreases in the market price of natural gas could also negatively impact our customers.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in or incorporated by reference into, this prospectus, which speak only as of the date of this prospectus. Except as required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

## RISK FACTORS

There are risks and uncertainties involved with an investment in shares of our common stock. See the “Risk Factors” section of our annual reports on Form 10-K and quarterly reports on Form 10-Q, which we file with the SEC and incorporate by reference into this prospectus, for a discussion of the factors that you should consider in connection with an investment in shares of our common stock.

### CITIZENS FINANCIAL SERVICES, INC.

Citizens Financial Services, Inc., a Pennsylvania corporation, was incorporated on April 30, 1984 to be the holding company for First Citizens Community Bank (the “Bank”), which until 2012, and in connection with its conversion from a national bank to a Pennsylvania-chartered bank and trust company, operated under the name First Citizens National Bank. Citizens Financial Services, Inc. is primarily engaged in the ownership and management of the Bank and the Bank’s wholly-owned insurance agency subsidiary, First Citizens Insurance Agency, Inc.

The Bank is a full-service bank engaged in a broad range of banking activities and services for individual, business, governmental and institutional customers. These activities and services principally include checking, savings, time and deposit accounts; residential, commercial and agricultural real estate, commercial and industrial, state and political subdivision and consumer loans; and a variety of other specialized financial services. The Trust and Investment division of the Bank offers a full range of client investment, estate, mineral management and retirement services.

The Bank’s primary market area consists of the Pennsylvania Counties of Bradford, Potter and Tioga in North Central Pennsylvania. It also includes Allegany, Steuben, Chemung and Tioga Counties in Southern New York. The economy of the Bank’s market area is diversified and includes manufacturing industries, wholesale and retail trade, service industries, family farms and the production of natural resources of gas and timber. We are dependent geographically upon the economic conditions in north central Pennsylvania and the southern tier of New York. In addition to the main office, the Bank has 17 other full service branch offices in its market area and loan production offices located in Clinton and Luzerne Counties in Pennsylvania.

Additional information about us is available at our website, [www.firstcitizensbank.com](http://www.firstcitizensbank.com).

Our common stock is quoted on the OTC Bulletin Board under the trading symbol “CZFS.” Our main office is located at 15 South Main Street, Mansfield, Pennsylvania 16993 and our telephone number is (570) 662-2121.

### USE OF PROCEEDS

To the extent that shares of common stock used to fund the Plan are purchased on the open market, there will be no proceeds to us from the purchase of those shares. The net proceeds to us from the sale of newly issued shares of common stock issued under the Plan will be used for general corporate purposes. The precise amounts and timing of the application of net proceeds will depend upon our funding requirements and the availability of other funds.

## DESCRIPTION OF OUR DIVIDEND REINVESTMENT PLAN

The following questions and answers explain and constitute the Plan. This Plan amends and restates the former Citizens Financial Services, Inc. Dividend Reinvestment Plan. If you participated in the former plan, then you automatically are a participant in this Plan in the same manner, and to the same extent, as you participated in the former plan, unless you elect to terminate your participation in this Plan or wish to change your participation in some way (e.g., opt for partial reinvestment rather than full reinvestment of your dividends).

### THE PURPOSE AND FEATURES OF THE PLAN

#### 1. What is the purpose of the plan?

The plan provides shareholders with a simple and convenient way to buy additional shares of our common stock. Participation in the plan is entirely optional.

#### 2. What are the features of the plan?

Under the plan, you may designate how many of your shares will be held by the plan. Dividends on these shares will be reinvested in our common stock. We will pay any remaining dividends to you, by check or by ACH transfer.

In addition to whole shares, we will credit fractions of shares (to four decimal places), to your account. This feature permits reinvestment of all your dividends.

The plan's safekeeping feature relieves you of the responsibility of caring for your stock certificates.

Plan participants receive quarterly statements of account.

You will have no control over the price at which shares are purchased for your account. Purchases are made during each period, as described in the plan. The participant bears the risk of fluctuations in the market price of our common stock. See "Share Purchases and Price".

### ADMINISTRATION

#### 3. Who administers the plan?

Citizens Financial Services, Inc. administers the plan. We pay all costs of plan administration. In addition, we receive and invest your dividends, maintain your plan account records, issue periodic account statements, and perform other duties related to the plan. If you have questions regarding the plan, you may contact the plan administrator at:

Citizens Financial Services, Inc.  
Attention: Shareholder Services  
15 South Main Street  
Mansfield, PA 16933  
Phone: 1-800-326-9486

We may choose a new administrator at any time.

### ELIGIBILITY

4. Who is eligible to participate in the plan?

Record holders of our common stock registered in their name(s) are eligible to participate in the plan so long as they enroll a minimum of 100 shares. However, we may refuse to offer the plan to certain shareholders, including, but not limited to:

- Those shareholders who are residents of a state that may require registration, qualification or exemption of our common stock, or require registration or qualification of us or any of our officers or employees as a broker-dealer, a salesperson or an agent; we will determine, in our sole discretion, whether the expense that we might incur in the state is justified; and

- Those shareholders whose shares are held in the name of a nominee, such as a brokerage firm or securities depository.

Shares for which dividends are reinvested by the plan must be registered in your name or held in your plan account. If you are the beneficial owner of shares that are registered in another name (for example, in the name of a broker, bank or other nominee) and you want the dividends on those shares reinvested by the plan, you must transfer those shares into your name. Beneficial owners must have at least 100 shares transferred into their names and enrolled in the plan in order to participate.

## ENROLLING IN THE PLAN

### 5. How do I become a participant?

You may elect to become a plan participant at any time by completing an enrollment form and mailing it to the plan administrator.

You may obtain an additional enrollment form by writing to the plan administrator or calling 1-800-326-9486.

The plan administrator must receive a properly completed enrollment form at least 10 calendar days before a dividend record date in order for those dividends to be reinvested under the plan.

You must make one of the following elections on the enrollment form:

- FULL DIVIDEND REINVESTMENT:** We will automatically reinvest all cash dividends that you are eligible to receive on all of the shares of our common stock then or subsequently owned by you under the plan; or
- PARTIAL DIVIDEND REINVESTMENT:** We will automatically reinvest all cash dividends that you are eligible to receive on a portion of the shares of common stock (must be at least 100 shares) then or subsequently owned by you under the plan.

If we receive your authorization to reinvest any of your dividends at least 10 calendar days prior to the dividend record date for a quarterly or special cash dividend, we will use your dividends for that quarter or special dividend event to purchase common stock for your account. If we receive your authorization to reinvest dividends less than 10 calendar days prior to the dividend record date, we will pay those dividends to you by check or ACH transfer, and begin reinvestment on the next dividend payment date.

We will register your plan shares in the name of the plan or its nominee and credit them to your account in the plan.

### 6. Must a shareholder authorize dividend reinvestment on a minimum number of shares?

Yes. You must enroll at least 100 shares in the plan. If the amount of shares enrolled in the plan falls below 100, the account will no longer be eligible to participate in the plan. In this event, a stock certificate representing the number of whole shares in the plan account will be issued to the former plan participant along with a cash payment for any fractional shares based on the prior day's closing price of our common stock.

Shareholders are not charged a fee for the initial enrollment for partial participation in the plan. However, future adjustments (either to increase or decrease the number of shares held in the plan) made after initial enrollment are subject to administrative fees, as provided in Question 13 of the plan. Regardless of full or partial election, dividends

will be reinvested on the designated number of shares.

If you elect partial reinvestment, you must indicate on the enrollment form the number of shares to be reinvested. You must deliver plan shares to us for safekeeping. The dividends from shares held in safekeeping will be reinvested. The shares not enrolled in the plan will continue to receive normal cash dividends as declared, if any.

7. How do the FULL DIVIDEND REINVESTMENT feature and the PARTIAL DIVIDEND REINVESTMENT feature of the plan work?

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If you mark FULL DIVIDEND REINVESTMENT on your enrollment form, we will reinvest dividends on all of your shares of our common stock then or subsequently owned by you under the plan.

If you mark PARTIAL DIVIDEND REINVESTMENT on your enrollment form, we will continue to make payments of dividends to you by check, or by ACH transfer, on the number of shares you retain and will reinvest the cash dividends paid on the shares you deliver with your enrollment form and subsequently owned by you under the plan.

8. May a participant change the number of shares subject to the plan?

Yes. You may change the number of shares enrolled in the plan at any time by submitting a written request to the administrator. The change will be effective with the first dividend payment after the administrator receives your request, provided that the notice of change is received at least 10 calendar days before a dividend record date. A notification received less than 10 calendar days prior to a dividend record date will only be effective for the following quarterly dividend payment. Adjusting the number of shares in the plan may subject you to certain fees. See Question 13 of the plan.

SHARE PURCHASES AND PRICE

9. How are shares acquired for the plan?

Shares of our common stock are purchased for the plan either in the open market by an independent broker on behalf of the plan, directly from us as original issue or treasury shares, or through negotiated transactions, or a combination of these methods. Purchases of common stock in the open market or through negotiated transactions may occur over one or more trading days. We, in our sole discretion, decide how the shares will be acquired.

10. When will common stock be purchased for participants' accounts?

Cash is used to purchase common stock as promptly as possible after the applicable dividend payment date, and in no event more than 30 days after the applicable dividend payment date. No interest or earnings will be paid on dividend payments pending their investment in shares of our common stock.

11. What price will I pay for common stock purchased through the plan?

In making purchases of shares of our common stock for a participant's account associated with each dividend reinvestment, participant's funds will be commingled with those of other participants under the plan. Shares of our common stock needed to fund the plan may be acquired by any of the following methods:

- OPEN MARKET PURCHASES. An independent broker will buy shares of the common stock for the plan by purchasing them in the open market. The price will be the weighted average price paid for all shares purchased by the independent broker during the period in which the open market purchases were made. All brokerage fees, commissions or other service charges will be borne by the plan participants, proportionally, and not by us.

Except for any limitations imposed by federal or state securities laws, the independent broker will have full discretion as to all matters relating to open market purchases under the plan. The broker will determine the number of shares, if any, to be purchased on any given day, the time of day, the price to be paid for the shares, the markets in which shares are to be purchased (which

may include any securities exchange or over-the-counter market) and the persons (including brokers or dealers) from or through whom purchases are made.

- **ORIGINAL ISSUE SHARES ACQUIRED DIRECTLY FROM US.** If no open market purchases are made for the plan for a quarterly or special dividend reinvestment purchase, then the price of shares purchased directly from us is the average of the daily averages of the high and low sales prices for the common stock as it is reported on the Over-the-Counter Bulletin Board for the ten days prior to a dividend payment date for which trades of our common stock have been made.
- **COMBINATION OF DIFFERENT METHODS.** If shares are both purchased from the open market and issued directly from us, the price paid for the issued shares will be calculated as if purchased in the open market.

12. How many shares will be purchased for me?



The number of shares to be purchased depends on the amount of your dividends and the applicable purchase price, as determined in the manner described in Question 11. Your account will be credited with that number of shares, including fractions computed to 4 decimal places, which equal the total dollar amount to be invested, divided by the applicable purchase price.

The amount to be invested is the sum of the dividends on all shares held in your name and enrolled in the plan as of the dividend record date.

The amount to be invested for any participant will be reduced by the amount of any required tax withholding, including any "backup withholding" and any withholding required on dividends received by foreign participants, as applicable.

#### EXPENSES

13. What fees and charges will I have to pay in connection with purchases, or other services under the plan?