

DENTSPLY INTERNATIONAL INC /DE/  
Form 8-K  
July 30, 2015

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

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

July 30, 2015 (July 30, 2015)  
Date of Report (Date of earliest event reported)

0-16211  
(Commission File Number)

DENTSPLY International Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

39-1434669  
(IRS Employer Identification No.)

221 West Philadelphia Street,  
York, Pennsylvania  
(Address of principal executive offices)

17405-0872  
(Zip Code)

Registrant's telephone number, including area code: (717) 845-7511

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 - Results of Operations and Financial Condition

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On July 30, 2015, the Company issued a press release disclosing its second quarter 2015 sales and earnings. This earnings release references net sales, excluding precious metal content, and net income, adjusted for certain charges, both of which are considered measures not calculated in accordance with generally accepted accounting principles in the United States of America (non-US GAAP measure). Due to the fluctuations of precious metal prices and because the precious metal content of the Company's sales is largely a pass-through to customers and has minimal effect on earnings, the Company reports sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. Earnings from operations, adjusted for certain charges, are presented to enhance the comparability between periods. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

Item 9.01 - Financial Statements and Exhibits

(d) Exhibits:

99.1 The DENTSPLY International Inc. Second Quarter 2015 earnings release issued July 30, 2015, as referenced in Item 2.02.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the duly authorized undersigned.

DENTSPLY International Inc.

By: /s/Christopher T. Clark  
President and  
Chief Financial Officer

Date: July 30, 2015

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align="right">333,500 <sup>(6)</sup>

C. William Curtis, Jr.

\$104,058 \$9,036 \$8,267 \$207,525<sup>(7)</sup>

Jean Strickland

\$44,440 \$13,788 \$15,524 \$195,404<sup>(8)</sup>

Michael W. Sheffey

(1) Total amount included in the Salary column of the Summary Compensation Table.

(2) Total amount included in the All Other Compensation column of the Summary Compensation Table.

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- (3) None of this amount is included in the Summary Compensation Table since no earnings or dividends paid under the Executive Deferred Compensation Plan are above-market or preferential.
- (4) Includes \$152,858 contributed by the Company, as well as executive contributions, included in the Summary Compensation Tables in previous years.
- (5) Includes \$20,477 contributed by the Company, as well as executive contributions, included in the Summary Compensation Tables in previous years.
- (6) Includes \$148,851 contributed by the Company, as well as executive contributions,

included in the Summary Compensation Tables in previous years.

(7) Includes \$44,699 contributed by the Company, as well as executive contributions, included in the Summary Compensation Tables in previous years.

(8) Includes \$3,454 contributed by the Company, as well as executive contributions, included in the Summary Compensation Tables in previous years.

**2006 OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS**

The following table quantifies, for each of the Named Executive Officers, except Michael W. Sheffey, the potential post-employment payments under the provisions and agreements described above in the narrative discussion, assuming that the triggering event occurred on December 31, 2006 and the price of the Company's securities is the closing market price on December 29, 2006 (\$24.80).

Name	Term (in years) (#)	Annual Base Salary (\$)	Annual Bonus (\$)	Value of Other Annual Benefits (\$)	Total Value of Outstanding Stock Awards that Immediately Vest (\$)	Total Value of Outstanding Stock Option Awards or SARs that Immediately Vest (\$)	Total Value of Change-in-Control Benefit (\$)
					Outstanding Stock Awards that Immediately Vest (\$)	Outstanding Stock Option Awards or SARs that Immediately Vest (\$)	
Dennis S. Hudson, III							



Upon Termination without Cause <sup>(1)</sup>	3 <sup>(2)</sup>	\$ 506,450	\$ 125,000	\$ 57,683				\$ 1,378,265
Upon Change-in-Control <sup>(3)</sup>	3	\$ 506,450	\$ 376,000	\$ 57,683	\$ 865,520	\$ 274,800		\$ 3,960,718
<b>William R. Hahl</b>								
Upon Change-in-Control <sup>(3)</sup>	2	\$ 270,300	\$ 167,000	\$ 30,591	\$ 208,444	\$ 47,344		\$ 1,191,570
<b>A. Douglas Gilbert</b>								
Upon Termination without Cause <sup>(1)</sup>	3 <sup>(2)</sup>	\$ 500,700	\$ 125,000	\$ 66,619				\$ 1,384,637
Upon Change-in-Control <sup>(3)</sup>	3	\$ 500,700	\$ 376,000	\$ 66,619	\$ 1,917,040			\$ 4,746,996
<b>C. William Curtis, Jr.</b>								
Upon Termination without Cause <sup>(1)</sup>	3 <sup>(2)</sup>	\$ 302,250	\$ 70,000	\$ 33,790				\$ 812,079
Upon Change-in-Control <sup>(3)</sup>	2	\$ 302,250	\$ 197,000	\$ 33,790	\$ 223,200	\$ 56,400		\$ 1,345,679
<b>Jean Strickland</b>								
Upon Termination without Cause <sup>(1)</sup>	3 <sup>(2)</sup>	\$ 417,000	\$ 104,000	\$ 36,168				\$ 1,114,336
Upon Change-in-Control <sup>(3)</sup>	1	\$ 417,000	\$ 222,000	\$ 36,168	\$ 139,128	\$ 39,728		\$ 854,024
<b>Michael W. Sheffey</b> <sup>(4)</sup>								

(1) As provided for in the Employment agreement described above. Named Executive Officer receives full base salary, including any other cash compensation to which Named Executive Officer would be entitled at termination date. Other annual benefits include

hospitalization  
insurance  
premium  
(including major  
medial),  
long-term  
disability and  
life insurance  
premiums, and  
payments under  
all current  
employee  
benefit plans  
and  
arrangements in  
which  
management is  
permitted to  
participate.

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- (2) Term of agreement is as indicated, but benefits under the agreement are paid for a period of two years following the termination date.
  
- (3) As provided for in the Change in Control agreement described above. Annual Base Salary is equal to 12 times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to Named Executive Officer by the Company in the 12-month period immediately preceding the month in which the triggering event occurs. Annual Bonus is equal to Named Executive Officer's highest annual bonus for the last three full fiscal years prior to the triggering event. Other annual benefits include

Company-paid profit-sharing contributions, medical, prescription, dental, employee life, group life, accidental death and travel accident insurance plans and programs paid by the Company prior to the triggering event.

- (4) Mr. Sheffey had an employment agreement with the Company related to the merger of Century National Bank with and into the Bank. The agreement was terminated on January 9, 2007. There is no employment or change-in control agreement between Mr. Sheffey and the Company at this time.

#### PERFORMANCE GRAPH

The following line-graph compares the cumulative, total return on Seacoast's Common Stock from December 31, 2001 to December 31, 2006, with that of the Nasdaq Bank Index (an average of all bank and thrift institutions whose stock is traded on the Nasdaq Stock Market) and the Russell 2000 Financial Services Index (an average of all financial service companies included in the Russell 2000 Index). Cumulative total return represents the change in stock price and the amount of dividends received over the indicated period, assuming the reinvestment of dividends.

	2001	2002	2003	2004	2005	2006
Seacoast	100	124.46	129.42	170.00	179.78	199.05
Nasdaq Bank Index	100	106.98	141.83	160.89	157.70	179.22

Russell 2000 Financial Services Index	100	103.57	143.97	173.74	177.26	211.23
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The table below sets forth the elements that comprise total compensation for Board members who are not Named Executive Officers of the Company or the Bank.

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	All Other Compensation (\$)	Total (\$)
Stephen E. Bohner	\$ 45,600 <sup>(2)</sup>	\$ 1,432 <sup>(3)</sup>	47,032
Jeffrey C. Bruner	\$ 38,400	178 <sup>(3)</sup>	38,578
John H. Crane	\$ 49,100	178 <sup>(3)</sup>	49,278
Evans Crary, Jr. <sup>(4)</sup>	\$ 23,717 <sup>(2)</sup>	4,839 <sup>(3)</sup>	28,555
T. Michael Crook	\$ 40,400 <sup>(2)</sup>	178 <sup>(3)</sup>	40,578
Christopher E. Fogal	\$ 40,500	2,357 <sup>(3)</sup>	42,857
Jeffrey S. Furst	\$ 48,300 <sup>(2)</sup>	1,196 <sup>(3)</sup>	49,496
Dale M. Hudson		278,095 <sup>(5)</sup>	278,095
Dennis S. Hudson, Jr.	\$ 36,300	178 <sup>(3)</sup>	36,478
Thomas E. Rossin	\$ 36,600	1,207 <sup>(3)</sup>	37,807
John R. Santarsiero, Jr.	\$ 42,900	178 <sup>(3)</sup>	43,078
Thomas H. Thurlow, Jr.	\$ 34,300 <sup>(2)</sup>	178 <sup>(3)</sup>	34,478
Edwin E. Walpole, III	\$ 23,233	178 <sup>(3)</sup>	23,411

(1) Board members who are not executive officers of the Company or the Bank are paid an annual retainer of \$23,000 for their service as directors of the Company and its subsidiaries. In addition to the annual retainer, Board members who are not executive officers receive \$700 for each Board meeting attended,

\$700 for each committee meeting attended and \$800 for each committee meeting chaired. The members of the Salary and Benefits Committee, Audit Committee and Nominating/Governance Committee receive an additional \$100 for each of these committee meetings attended and \$200 for each of these committee meetings chaired. Executive officers that are also directors do not receive any additional compensation for services provided as a director. Dale M. Hudson is the only director listed that is also an executive officer of the Company.

- (2) Deferred into the Company's Director's Deferred Compensation Plan described below.
- (3) Includes the incremental value of expenses paid by Company for the director's spouse to attend a Company meeting and the value of gifts from the Company.
- (4) Evans Crary, Jr. retired as director of the Company on June 30, 2006, and received a lump sum payment for the balance in his account in the Directors Deferred Compensation Plan.
- (5) Executive compensation paid to Mr. Hudson as

Vice Chairman of the Company, including \$558 that was deferred into the Company's Executive Deferred Compensation Plan. Includes salary of \$245,000, \$12,100 in employer matching contribution to the Profit Sharing Plan, \$6,600 in profit sharing, \$4,400 in employer discretionary retirement contributions, \$3,025 in employer matching contributions to the Executive Deferred Compensation Plan, \$550 paid by the employer into the Cafeteria Plan, \$4,944 in excess life insurance benefits, \$485 in supplemental long-term disability benefits, and \$991 for the incremental value of expenses paid by Company for Mr. Hudson's spouse to attend Company meetings and the value of gifts from the Company.



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**Directors Deferred Compensation Plan**

The Company has a Directors Deferred Compensation Plan to allow non-employee directors of the Company and its subsidiaries to defer receipt of fees paid to them for their service on the boards of directors and committees of the Company and its subsidiaries until their termination of employment with the Company. Each participant annually directs how his account in the Directors Deferred Compensation Plan is invested among four investment vehicle options: three mutual funds and a derivative security comprised of Company Common Stock ( Stock Account ). The plan s investment options are reviewed and selected annually by a Committee appointed by the Board of Directors of the Company to administer the plan. No earnings or dividends paid under the Directors Deferred Compensation Plan are above-market or preferential.

The assets of the Directors Deferred Compensation Plan are held, invested and administered from a rabbi trust established by the Company as a funding vehicle for the plan, and all amounts paid under the plan are paid in cash or stock from the general assets of the Company. Nothing contained in the plan creates a trust or fiduciary relationship of any kind between the Company and a participant, beneficiary or other person having a claim to payments under the plan. A participant or beneficiary does not have an interest greater than that of an unsecured creditor.

The plan s rabbi trust is administered pursuant to a trust agreement between the Company and Marshall & Ilsley Trust Company N.A. (the Trust ), Trustee of the Trust. Under the Trust agreement the Company has agreed to indemnify and to hold Marshall & Ilsley Trust Company N.A. ( M&I ) harmless from and against all claims, expenses (including reasonable attorney fees), liabilities, damages, actions or other charges incurred by or assessed against M&I as a direct or indirect result of M&I s reliance upon the directions, acts or omissions of the Plan Administrator, the Company, any Investment Advisor, or any participant of the plan or as a direct or indirect result of any act or omission of any other person charged under any agreement affecting the assets of the Trust with investment responsibility with respect to such assets.

Upon a participant s termination of membership on the Board, the participant will receive the balance of his account, excluding the balance held in his Stock Account, in cash in one of the following three forms specified by the participant at the time of initial deferral election: (a) a lump sum; (b) monthly installments over a period not to exceed five (5) years; or (c) a combination of an initial lump sum of a specified dollar amount and the remainder in monthly installments over a period not to exceed five (5) years. Upon termination of membership on the Board, any balance in the participant s Stock Account will be made to him in one payment of Common Stock, with the value of fractional shares paid in cash.

The plan includes a provision for a hardship withdrawal , a distribution to the participant prior to his termination on the Board of an amount in the participant s account made due to severe financial hardship. Such withdrawal must be requested in writing by the participant and deemed necessary by, and in the sole discretion of, the chief executive officer of the Company. Hardship withdrawals are restricted for Section 16 insiders who have transferred funds into or out of the Stock Account within the previous six months.

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**SALARY AND BENEFITS COMMITTEE REPORT**

The Salary and Benefits Committee assists the Board of Directors with administering its responsibilities relating to the compensation of the Company's executive officers, including the chief executive officer. In addition, this Committee also has overall responsibility for evaluating and approving the Company's compensation plans, policies and programs. The Salary and Benefits Committee operates under a written charter that was revised in 2006 upon approval by the Board of Directors. The Committee Charter is available on the Company's website at [www.seacoastbanking.net](http://www.seacoastbanking.net).

The Salary and Benefits Committee currently is composed of four persons, all of whom are independent. The Committee also serves as the salary and benefits committee of the Bank.

The Salary and Benefits Committee believes that it has taken the actions necessary and appropriate to fulfill its responsibilities under the Salary and Benefits Committee's Charter. To carry out its responsibilities, the Committee held four meetings in 2006.

In fulfilling its oversight responsibilities, the Salary and Benefits Committee reviewed with management the Compensation Discussion and Analysis to be included in this Proxy Statement and required as part of the Company's Annual Report on Form 10-K for the year ended December 31, 2006, including a discussion of the quality and the clarity of disclosures contained therein. Based on this review and discussion, the Salary and Benefits Committee recommended to the Board of Directors that the Compensation Discussion and Analysis contained in this Proxy Statement be included by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 for filing with the SEC. The Board has approved and ratified such recommendation.

Salary and Benefits Committee:

Thomas E. Rossin, Chairman

Stephen E. Bohner

John R. Santarsiero, Jr.

Edwin E. Walpole, III

March 19, 2007

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**AUDIT COMMITTEE REPORT**

The Audit Committee monitors the Company's financial reporting process on behalf of the Board of Directors. The Audit Committee operates under a written charter that was last revised in 2003 following the adoption of new Nasdaq governance standards, and was approved by the Board of Directors. The Audit Committee charter is available on the Company's website at [www.seacoastbanking.net](http://www.seacoastbanking.net). This report reviews the actions taken by the Audit Committee with regard to the Company's financial reporting process during 2006 and particularly with regard to the Company's audited consolidated financial statements as of December 31, 2006 and 2005 and for the three years in the period ended December 31, 2006.

The Audit Committee currently is composed of four persons, all of whom are independent. In addition, the Board of Directors has determined that Christopher E. Fogal, Chairman of the Committee, is both independent under NASD rules and an audit committee financial expert as defined by the SEC. The Audit Committee also serves as the audit committee of the Bank.

The Company's management has the primary responsibility for the Company's financial statements and reporting process, including the systems of internal controls and reporting. The Company's independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The Audit Committee monitors the integrity of the Company's financial reporting process and system of internal controls and monitors the independence and performance of the Company's independent auditors and internal auditors.

The Audit Committee believes that it has taken the actions necessary or appropriate to fulfill its oversight responsibilities under the Audit Committee charter. To carry out its responsibilities, the Audit Committee held six meetings in 2006.

In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited financial statements to be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, including a discussion of the quality (rather than just the acceptability) of the accounting principles, the reasonableness of significant judgments and assumptions and the clarity of disclosures in the financial statements.

The Audit Committee also reviewed with the Company's independent auditors, KPMG LLP, the audited financial statements, their judgments as to the quality (rather than just the acceptability) of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under Statement on Auditing Standards No. 61, *Communication with Audit Committees*. In addition, the Audit Committee discussed with KPMG LLP its independence from management and the Company, including the written disclosures, letter and other matters required of KPMG LLP by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*. The Audit Committee also considered whether the provision of services during 2006 by KPMG LLP that were unrelated to its audit of the financial statements referred to above and to their reviews of the Company's interim financial statements during 2006 is compatible with maintaining KPMG LLP's independence, and determined that the provision of non-audit services by KPMG LLP did not impair its independence.

Additionally, the Audit Committee discussed with the Company's internal and independent auditors the overall scope and plan for their respective audits. The Audit Committee met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. The Audit Committee also discussed KPMG LLP's evaluation of management's assessment of the Company's internal control over financial reporting and KPMG LLP's audit opinion under Section 404 of the Sarbanes Oxley Act of 2002 and the Public Company Accounting Oversight Board Standard Number 2.

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In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 for filing with the SEC. The Audit Committee also recommended to the Board that the Company retain KPMG LLP as the Company's independent auditors for 2007. The Board has approved and ratified such recommendation. In addition, the Audit Committee has approved the scope of non-audit services anticipated to be performed by KPMG LLP in 2007 and the estimated budget for those services.

Audit Committee:

Christopher E. Fogal, Chairman

John H. Crane, Member

T. Michael Crook, Member

Jeffrey S. Furst, Member

March 19, 2007

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**SALARY AND BENEFITS COMMITTEE INTERLOCKS  
AND INSIDER PARTICIPATION**

Messrs. Rossin (Chairman), Bohner, Santarsiero and Walpole are the members of the Salary and Benefits Committee, none of whom is or has been an officer or employee of Seacoast or its subsidiaries.

Thomas E. Rossin, a director of Seacoast and the Bank, Chairman of the Salary and Benefits Committee, and a member of the Company's Nominating/Governance Committee, is co-owner of Thomas E. Rossin, Esq. and Associates, which provided legal services to the Bank during the fiscal year ended December 31, 2006 and received approximately \$29,749 for such services.

E. Edwin Walpole, III, a director of Seacoast and the Bank and a member of the Salary and Benefits Committee, is president, owner and director of Walpole Inc., which provided vehicle repair services for the Bank during the fiscal year ended December 31, 2006 and received approximately \$642 for such services.

There are no interlocks, as defined by the SEC, with respect to any member of the Salary and Benefits Committee.

**CERTAIN TRANSACTIONS AND BUSINESS RELATIONSHIPS**

Several of Seacoast's directors, executive officers and their affiliates, including corporations and firms of which they are directors or officers or in which they and/or their families have an ownership interest, are customers of Seacoast and its subsidiaries. These persons, corporations and firms have had transactions in the ordinary course of business with Seacoast and its subsidiaries, including borrowings, all of which, in the opinion of Seacoast's management, were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unaffiliated persons and did not involve more than the normal risk of collectibility or present other unfavorable features. Seacoast and its subsidiaries expect to have such transactions on similar terms with their directors, executive officers, and their affiliates in the future.

As a federally insured bank, the Bank is subject to Regulation O, which governs loans to insiders, defined as any executive officer, director or principal shareholder who exercises power or influence over broad policy-making functions of the bank, of its parent company or of any other subsidiary of its parent company. Loans to an insider may include loans to a related interest of the insider, which includes any business in which the insider has a controlling interest or owns 25 percent or more of the stock, or in which the insider owns 10 percent or more and maintains control over the company's policies and procedures. Regulation O imposes lending limits on loans to insiders and requires that the bank ensure that preferential treatment is not given to insiders (i.e., that the terms and conditions of the credit are substantially the same as those extended to other customers of the bank). Board approval is required of any extensions of credit to executive officers or if the aggregate debt of a director exceeds \$500,000 or 5 percent of the bank's unimpaired capital and unimpaired surplus (excluding first mortgages on personal residences up to \$100,000). The Bank is also required to maintain records on all insiders, update them with any change in executive management, and present a report to its board of directors at least annually which details extensions of credit to insiders from correspondent banks. In addition, the Bank's board of directors reviews, on a monthly basis, loans to directors, officers, employees and their related interests, as well as any occurrences of non-sufficient funds on director and executive officer accounts.

The aggregate amount of loans outstanding by the Bank to directors, executive officers, and related parties of Seacoast or the Bank as of December 31, 2006, was approximately \$11,209,835, which represented approximately 5.28 percent of Seacoast's consolidated shareholders' equity on that date.

Transactions with related persons which do not involve indebtedness to the Bank are reported to and reviewed quarterly by the Audit Committee. Messrs. Fogal (Chairman), Crane, Crook and Furst are the members of the Audit Committee, none of whom is or has been an officer or employee of Seacoast or its subsidiaries.

Jeffrey C. Bruner, a director of Seacoast and the Bank, is a controlling shareholder of Mayfair Investments, which leases to the Bank 21,400 square feet of space adjacent to the Seacoast National Center in Stuart, Florida, pursuant to a lease agreement which expires in May 2008. At the end of the lease term, the Bank has two options to extend the

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lease for a period of five years each. The Bank paid rent of approximately \$310,822 on this property in 2006, of which Mr. Bruner's individual interest was \$34,190 and the Bruner family interest was \$124,329. Seacoast believes the terms of this lease are commercially reasonable and comparable to rental terms negotiated at arm's length between unrelated parties for similar property in Stuart.

For information concerning specific transactions and business relationships between Seacoast or the Bank and certain of its directors or executive officers, see Salary and Benefits Committee Interlocks and Insider Participation .

**PRINCIPAL SHAREHOLDERS**

As of February 22, 2007, the only shareholders known to Seacoast to be the beneficial owners, as defined by SEC rules, of more than five percent of the outstanding shares of Common Stock were the following, for whom beneficial ownership information is set forth in the following table.

Name and Address of Beneficial Owner	Number and Percent of Common Stock Beneficially Owned	
	Number	%
Dale M. Hudson <sup>(1)(2)</sup> 192 S.E. Harbor Point Drive Stuart, FL 34996	1,609,516.4	8.47%
Dennis S. Hudson, Jr. <sup>(1)(3)</sup> 157 S. River Road Stuart, FL 34996	1,345,696	7.04%
Dennis S. Hudson, III <sup>(1)(3)</sup> 2341 NW Bay Colony Court Stuart, FL 34994	1,394,075	7.38%
Mary T. Hudson <sup>(1)(2)</sup> 192 S.E. Harbor Point Drive Stuart, FL 34996	1,609,516.4 <sup>(4)</sup>	8.47%
Anne P. Hudson <sup>(1)(3)</sup> 157 S. River Road Stuart, FL 34996	1,345,696 <sup>(5)</sup>	7.04%
Eaton Vance Management 255 State Street Boston, MA 02109	1,004,378 <sup>(6)</sup>	5.3%
Private Capital Management, L. P. 8889 Pelican Bay Blvd., Suite 500 Naples, FL 34108	1,128,700 <sup>(7)</sup>	6.0%

(1) Dennis S. Hudson, Jr. and Dale M. Hudson are brothers. Anne P. Hudson is the wife of

Dennis S.  
Hudson, Jr.  
Mary T. Hudson  
is the wife of  
Dale M.  
Hudson. Dennis  
S. Hudson, III is  
the son of  
Dennis S.  
Hudson, Jr. and  
the nephew of  
Dale M.  
Hudson. See the  
table under  
Proposal One  
Election of  
Directors for  
further  
information on  
their beneficial  
ownership.

- (2) Dale M. Hudson  
and his wife,  
Mary T.  
Hudson, are the  
general partners  
of Monroe  
Partners, their  
family limited  
partnership,  
which as of  
February 22,  
2007 owned  
1,456,121  
shares of  
Company  
Common Stock.  
Each of Dale M.  
Hudson and  
Mary T.  
Hudson, as  
general partners,  
may be deemed  
to share voting  
and

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investment power with the other general partner and each of them disclaims beneficial ownership with respect to such shares except to the extent of their respective partnership interests. See Proposal One Election of Directors for further information regarding their beneficial ownership.

- (3) Dennis S. Hudson, Jr. and his wife, Anne P. Hudson, together with their son, Dennis S. Hudson, III, are the general partners of Sherwood Partners, their family limited partnership, which as of February 22, 2007 owned 1,121,778 shares of Company Common Stock. Mr. and Mrs. Dennis Hudson, Jr. and their children are also limited partners of Sherwood Partners. Mr. and Mrs. Hudson have transferred certain of their limited partnership interests into trusts for the benefit of their family members and plan to make additional transfers from time to time. Each of Dennis S. Hudson, Jr., Anne P. Hudson and Dennis S. Hudson, III, as general partners, may be deemed to share voting and investment power with the other general partners and each of them disclaims beneficial ownership with respect to such shares except to the extent described in the table under Proposal One Election of Directors , which contains further information regarding their beneficial ownership.
- (4) Includes 147,095 shares held jointly with Mrs. Hudson s husband, as to which shares Mrs. Hudson may be deemed to share voting and investment power.
- (5) Includes 67,442 shares held by Mrs. Hudson s husband, as to which shares Mrs. Hudson may be deemed to share voting and investment power.
- (6) Eaton Vance Management ( Eaton Vance ) is investment management company. Of the shares beneficially owned, Eaton Vance reports it has both sole voting and sole dispositive power as to 1,004,378 shares. The information regarding Eaton Vance, including the number and percent of Common Stock beneficially owned, is based solely upon a Schedule 13G/A dated January 29, 2007 and filed by Eaton Vance with respect to Common Stock beneficially owned by Eaton Vance as of December 31, 2006.
- (7) Private Capital Management ( PCM ) is investment management company. Of the shares beneficially owned, PCM reports it has sole voting and sole dispositive power as to 28,800 shares, and shared voting and dispositive power as to 1,099,900 shares. The information regarding PCM, including the number and percent of Common Stock beneficially owned, is based solely upon a Schedule 13G dated February 14, 2007 and filed by PCM with respect to Common Stock beneficially owned by PMC as of December 31, 2006.



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**PROPOSAL 2**  
**AMENDMENT OF THE 2000 LONG-TERM INCENTIVE PLAN**

The Board of Directors has adopted a resolution and is asking shareholders to amend Section 5.1 of the 2000 Incentive Plan to remove the restriction of the percentage of shares that may be granted as awards of restricted stock and unrestricted stock.

The 2000 Incentive Plan was adopted by the Board and approved by shareholders at the 2000 Annual Meeting of shareholders to promote the success and enhance the value of the Company by linking the personal interests of officers and key employees to those of the shareholders, by providing such officers and key employees with an incentive for outstanding performance. The 2000 Incentive Plan provides for awards of up to 1,320,000 shares of Common Stock (after accounting for stock splits) as stock options, stock appreciation rights, performance shares, restricted stock awards, dividend equivalents and other stock based awards. As of February 22, 2007, there were approximately 25 officers and employees eligible to participate in the 2000 Incentive Plan. A copy and description of the 2000 Incentive Plan is included in the Company's Proxy Statement for the 2000 Annual Meeting, available on the Company's Website at [www.seacoastbanking.net](http://www.seacoastbanking.net).

The 2000 Incentive Plan currently provides that not more than 25% of the shares authorized for awards under the 2000 Incentive Plan may be granted as awards of restricted stock or unrestricted stock awards. The proposed amendment will eliminate the restriction on the number of shares that may be made as restricted stock or unrestricted stock, facilitating the Company's compensation policies and the ability of executives to meet the share ownership guidelines established by the Company. Proposal 2 will amend Section 5.1 of the 2000 Incentive Plan to read in its entirety as follows:

**5.1 NUMBER OF SHARES.**

Subject to adjustment as provided in Section 14.1, the aggregate number of shares of Stock reserved and available for Awards or which may be used to provide a basis of measurement for or to determine the value of an Award (such as with a Stock Appreciation Right or Performance Share Award) shall be 1,320,000.

Awards granted under the 2000 Incentive Plan have been in the form of options, stock-settled stock appreciation rights and restricted stock. The following table presents (a) the number of shares subject to awards granted under the 2000 Incentive Plan from its inception through February 22, 2007 to all current executive officers as a group, all current non-executive directors as a group and all employees (including all current officers who are not executive officers) as a group and (b) with respect to options, the weighted-average exercise price payable per share granted to each individual and group indicated. No associate of any officer, non-executive director or director standing for election has been granted an award under the 2000 Incentive Plan, except Dennis S. Hudson, III. No person has received five percent or more of the total awards granted under the 2000 Incentive Plan, except Messrs. Dennis S. Hudson, III, A. Douglas Gilbert and Michael W. Sheffey, who have received 20.1 percent, 11.2 percent and 5.1 percent, respectively.

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<b>Name</b>	<b>Number of Shares Subject to Granted Options<sup>(1)</sup></b>	<b>Weighted-Average Exercise Price of Granted Options</b>	<b>Number of Restricted Shares Granted</b>	<b>Number of Deferred Shares Granted</b>	<b>Number of Share Equivalent Units Granted</b>
Dennis S. Hudson, III	132,600	\$20.2901	52,027		
William R. Hahl	25,350	\$20.9243	12,854		
A. Douglas Gilbert			103,500		
C. William Curtis, Jr.	22,000	\$18.7727	12,000		
Jean Strickland	33,200	\$23.0055	7,700		
Michael W. Sheffey	34,200	\$20.5419	13,000		
All current executive officers as a group <sup>(2)</sup>	213,150	\$20.6319	188,081		
All non-executive directors as a group					
All employees, including all current officers who are not executive officers, as a group	246,710	\$20.8953	271,779		

(1) Net of cancelled options, but including exercised options.

(2) Includes all Named Executive Officers except Michael W. Sheffey.

This Proposal requires approval by the affirmative vote of a majority of votes cast at the Meeting.

**The Board of Directors unanimously recommends a vote FOR Proposal 2.**

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**PROPOSAL 3  
ADJOURNMENT OF THE ANNUAL MEETING**

Proposal 3 would give the proxy holders discretionary authority to vote to adjourn the Meeting for up to 120 days if there are not sufficient shares voted at the Meeting, in person or by proxy, to approve Proposal 2.

If the Company desires to adjourn the Meeting, the presiding officer at the Meeting will request a motion that the Meeting be adjourned for up to 120 days with respect to Proposal 2 (and solely with respect to Proposal 2, provided that a quorum is present at the Meeting), and no vote will be taken on Proposal 2 at the originally scheduled Meeting. Unless revoked prior to its use, any proxy solicited for the Meeting will continue to be valid for any adjourned meeting, and will be voted in accordance with instructions contained therein, and if no contrary instructions are given, for Proposal 2.

Approval of this proposal will allow the Company, to the extent that shares voted by proxy are required to approve a proposal to adjourn the Meeting, to solicit additional proxies to determine whether sufficient shares will be voted in favor of or against Proposal 2. If the Company is unable to adjourn the Meeting to solicit additional proxies, Proposal 2 may fail, not because shareholders voted against the proposal, but rather because there were not sufficient shares represented at the Meeting to approve Proposal 2. The Company has no reason to believe that an adjournment of the Meeting will be necessary at this time.

This Proposal requires approval by the affirmative vote of a majority of votes cast at the Meeting.

**The Board of Directors unanimously recommends a vote FOR Proposal 3.**

**Table of Contents****INDEPENDENT AUDITORS**

The Board of Directors, upon the recommendation of the Audit Committee, has appointed KPMG LLP, an independent registered certified public accounting firm, as independent auditors for Seacoast and its subsidiaries for the current fiscal year ending December 31, 2006. KPMG LLP's report on Seacoast's consolidated financial statements for the fiscal year ended December 31, 2006 did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles. KPMG LLP's report on Seacoast's internal control over financial reporting expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2006. KPMG LLP has advised Seacoast that neither the firm nor any of its partners has any direct or material interest in Seacoast and its subsidiaries except as auditors and independent certified public accountants of Seacoast and its subsidiaries.

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual consolidated financial statements for the years ended December 31, 2005 and December 31, 2006, and fees billed for other services rendered by KPMG LLP during these years.

	<b>2005</b>	<b>2006</b>
Audit Fees <sup>(1)</sup>	\$639,500	\$660,000
Audit-Related Fees <sup>(2)</sup>	\$ 56,430	\$ 29,000
Tax Fees <sup>(3)</sup>	\$ 33,000	\$ 61,000
All Other Fees <sup>(4)</sup>	\$ 0	\$ 0

(1) Includes the aggregate fees billed by KPMG LLP for professional services and expenses rendered for the audit of the Company's consolidated financial statements, reviews of consolidated financial statements included in the Company's Forms 10-Q filed during the respective fiscal year, and audit of the Company's internal control over financial reporting.

- (2) Includes the aggregate fees billed by KPMG LLP for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under Audit Fees. These services related to the audit of the broker-dealer subsidiary of the Bank, as well as services performed in connection with the Company's filing of certain registration statements.
- (3) Includes the aggregate fees billed by KPMG LLP for preparation of the Company's federal and state corporate tax returns, as well as representing the Company before the Internal Revenue Service in its examination of the Company's federal income

tax return, and representing the Bank before the Florida Department of Revenue in its examination of the Bank's Florida income tax return for the year ended December 31, 2003.

- (4) No fees were billed by KPMG LLP in the fiscal years ended December 31, 2005 and December 31, 2006 other than as stated above under the captions Audit Fees, Audit-Related Fees and Tax Fees.

Representatives of KPMG LLP will be present at the Meeting and will be given the opportunity to make a statement on behalf of the firm, if they so desire, and will also be available to respond to appropriate questions from shareholders.

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**Pre-Approval Policy**

Under the Audit Committee's Charter, the Audit Committee is required to approve in advance the terms of all audit services provided to the Company as well as all permissible audit-related and non-audit services to be provided by the independent auditors. All services set forth above under the captions Audit Fees, Audit-Related Fees and Tax Fees were approved by the Company's Audit Committee pursuant to SEC Regulation S-X Rule 2.01(c)(7)(i).

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

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than 10 percent of the Company's Common Stock, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Directors, executive officers and persons owning more than 10 percent of the Company's Common Stock are required to furnish the Company with copies of all Section 16(a) reports they file. Based on the Company's review of such reports and written representations from the reporting persons, the Company believes that, during and with respect to fiscal 2006, all filing requirements applicable to its directors, executive officers and beneficial owners of more than 10 percent of its Common Stock were complied with in a timely manner, with the following exceptions:

The Form 4 for C. William Curtis, Jr. filed on May 5, 2006, which reported the disposition of 566 shares of Common Stock by his wife, was inadvertently filed late. The Company believes that the Form 5 filed on February 12, 2007 reflects his current holdings.

The Form 4 for Christopher E. Fogal filed on May 23, 2006, which reported his acquisition of 1,000 shares of Common Stock on May 11, 2006, was inadvertently filed late. The Company believes that the Form 4 filed on October 31, 2006 reflects his current holdings.

The Form 4 for Jean Strickland filed on August 8, 2006, which reported the exercise of stock options on 6,600 shares of Common Stock on July 31, 2006, was inadvertently filed. The Company believes that the Form 5 filed on February 15, 2007 reflects her current holdings.

The Form 4 for A. Douglas Gilbert filed on November 7, 2006, which reported the acquisition of 900 shares of Common Stock into his IRA and the acquisition of 300 shares of Common Stock by his wife on October 26, 2006, was inadvertently filed late. The Company believes that the Form 4 filed on February 13, 2007 reflects his current holdings.

**SHAREHOLDER PROPOSALS FOR 2008**

To be considered for inclusion in the Company's Proxy Statement and Proxy for the 2008 Annual Meeting of Shareholders, a shareholder proposal must be received at the Company's principal executive offices no later than November 20, 2007, which is 120 calendar days before the one-year anniversary of this Proxy Statement. Any shareholder proposal not received at the Company's principal executive offices by February 3, 2008, which is 45 calendar days before the one-year anniversary of the date the Company mailed this Proxy Statement to shareholders, will be considered untimely and, if presented at the 2008 Annual Meeting of Shareholders, the proxy holders will be able to exercise discretionary authority to vote your shares on any such proposal to the extent authorized by Rule 14a-4(c) under the 1934 Act

**OTHER MATTERS**

Management of Seacoast does not know of any matters to be brought before the Meeting other than those described above. If any other matters properly come before the Meeting, the persons designated as Proxies will vote on such matters in accordance with their best judgment.

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**OTHER INFORMATION**

**Proxy Solicitation Costs**

The cost of soliciting Proxies for the Meeting will be paid by Seacoast. In addition to the solicitation of shareholders of record by mail, telephone, electronic mail, facsimile or personal contact, Seacoast will be contacting brokers, dealers, banks, or voting trustees or their nominees who can be identified as record holders of Common Stock; such holders, after inquiry by Seacoast, will provide information concerning quantities of proxy materials and 2006 Annual Reports to Shareholders needed to supply such information to beneficial owners, and Seacoast will reimburse them for the reasonable expense of mailing proxy materials and 2006 Annual Reports to such persons. Seacoast may retain other unaffiliated third parties to solicit proxies and pay reasonable expenses and charges of such third parties for their services.

**Annual Report on Form 10-K**

Upon the written request of any person whose Proxy is solicited by this Proxy Statement, Seacoast will furnish to such person without charge (other than for exhibits) a copy of Seacoast's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, including financial statements and schedules thereto, as filed with the SEC. Requests may be made to Seacoast Banking Corporation of Florida, c/o Corporate Secretary, P.O. Box 9012, Stuart, Florida 34995.

By Order of the Board of Directors,

DENNIS S. HUDSON III

*Chairman & Chief Executive Officer*

March 19, 2007



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**PROXY**

**COMMON STOCK**

**THIS PROXY SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS  
SEACOAST BANKING CORPORATION OF FLORIDA  
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON  
THURSDAY, MAY 3, 2007**

The undersigned hereby appoints William R. Hahl and John R. Turgeon, or either of them, each with full power of substitution, as Proxies, to vote all shares of the Common Stock of Seacoast Banking Corporation of Florida ( Seacoast ) which the undersigned may be entitled to vote if personally present at the Annual Meeting of Shareholders to be held at the Port St. Lucie Community Center, 2195 S.E. Airoso Boulevard, Port St. Lucie, Florida, on Thursday, May 3, 2007, at 3:00 P.M., local time, and at any adjournments or postponements thereof (the Annual Meeting ), as directed below, upon the proposals described in the Proxy Statement and the Notice of Annual Meeting of Shareholders, both dated March 19, 2007, the receipt of which is acknowledged.

**(Continued, and to be marked, dated and signed, on the other side)**

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When this proxy is properly executed, all shares will be voted in the manner directed herein by the undersigned shareholder. If no direction is specified, this proxy will be voted **FOR** all proposals.

Please mark your votes like this x

**1. Election of Class II Directors**

To withhold authority to vote for any individual nominee, strike a line through that nominee's name in the list below

- |                          |                           |
|--------------------------|---------------------------|
| 01 John H. Crane         | 04 Thomas E. Rossin       |
| 02 Jeffrey S. Furst      | 05 Thomas H. Thurlow, Jr. |
| 03 Dennis S. Hudson, Jr. |                           |

FOR all nominees  
for director listed  
(except as marked  
to the contrary)

WITHHOLD  
AUTHORITY  
(to vote all  
nominees listed)

o

o

**2. Amend the 2000 Long-Term Incentive Plan**

To approve an amendment to Seacoast's 2000 Long-Term Incentive Plan to remove the restriction on the percentage of authorized shares of the Company's common stock that may be granted under the Plan as awards of restricted and unrestricted stock.

FOR

AGAINST

ABSTAIN

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**3. Adjournment of the Annual Meeting**

To grant the Proxies discretionary authority to vote to adjourn the Annual Meeting for up to 120 days to allow for the solicitation of additional proxies in the event that there are insufficient shares voted at the Annual Meeting to approve Proposal 2.

FOR

AGAINST

ABSTAIN

o

o

o

4. In their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the Annual Meeting or any adjournment or postponement thereof.

**THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF SEACOAST BANKING CORPORATION OF FLORIDA, AND MAY BE REVOKED PRIOR TO ITS EXERCISE.**

\_\_\_\_\_  
**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

Please sign exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.