

Edgar Filing: Community Bankers Acquisition Corp. - Form 424B3

Community Bankers Acquisition Corp.

Form 424B3

March 31, 2008

**Filed Pursuant to Rule 424B3  
Registration No. 333-149384**

**COMMUNITY BANKERS ACQUISITION CORP.  
9912 Georgetown Pike, Suite D-203  
Great Falls, Virginia 22066  
Telephone: (703) 759-0751**

March 25, 2008

Dear Community Bankers Acquisition Corp. Stockholder:

You are cordially invited to attend the special meeting of the stockholders of Community Bankers Acquisition Corp., a Delaware corporation ( Community Bankers ). The special meeting will be held on April 25, 2008, at 2:00 p.m., local time, at the offices of Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, D.C. 20001.

At the special meeting, you will be asked to consider and vote on (1) a proposal to adopt the Agreement and Plan of Merger, dated as of December 13, 2007, by and between Community Bankers Acquisition Corp. and BOE Financial Services of Virginia, Inc.; (2) a proposal to adopt an amendment to the certificate of incorporation of Community Bankers to reset the terms of the classes of Community Bankers directors, effective upon consummation of the merger with BOE; and (3) a proposal to authorize the board of directors to adjourn the special meeting to allow time for further solicitation of proxies.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Community Bankers common stock entitled to vote at the special meeting.

Adoption of the amendment to the certificate of incorporation requires the affirmative vote of a majority of the shares of Community Bankers outstanding common stock entitled to vote at the special meeting.

Authorization for the board of directors to adjourn the special meeting until a later date requires the affirmative vote of the holders of a majority of the shares of Community Bankers common stock present in person or represented by proxy and entitled to vote at the special meeting, whether or not a quorum is present.

Each of these proposals is more fully described in the accompanying joint proxy statement/prospectus.

The Community Bankers board of directors has unanimously determined that each of the proposals and the merger with BOE are in the best interests of Community Bankers and its stockholders. The board of directors recommends that you vote, or give instruction to vote, **FOR** the adoption of each of the proposals.

Enclosed is a notice of special meeting and the joint proxy statement/prospectus containing detailed information concerning the merger proposal and the transactions contemplated by the merger agreement, as well as detailed information concerning each of the proposals. We urge you to read the joint proxy statement/prospectus and attached annexes carefully.

Your vote is important. Because adoption of the merger agreement and the amendment to the certificate of incorporation requires the affirmative vote of a majority of the outstanding shares of Community Bankers common stock entitled to vote at the meeting, your failure to vote will have the same effect as a vote against these proposals.

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Whether or not you plan to attend the special meeting in person, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided.

I look forward to seeing you at the meeting.

Sincerely,

Eugene S. Putnam, Jr.  
Chairman of the Board

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**COMMUNITY BANKERS ACQUISITION CORP.**  
**9912 Georgetown Pike, Suite D-203**  
**Great Falls, Virginia 22066**  
**Telephone: (703) 759-0751**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**  
**To Be Held On April 25, 2008**

To the Stockholders of Community Bankers Acquisition Corp.:

Community Bankers Acquisition Corp. will hold a special meeting of stockholders on April 25, 2008, at 2:00 p.m., local time, at the offices of Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, D.C. 20001 for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of December 13, 2007, by and between Community Bankers Acquisition Corp. and BOE Financial Services of Virginia, Inc., pursuant to which BOE Financial Services of Virginia, Inc. will merge with and into Community Bankers Acquisition Corp., as described in more detail in the enclosed joint proxy statement/prospectus;
2. To consider and vote upon a proposal to adopt an amendment to the certificate of incorporation of Community Bankers to revise Section F of Article SIXTH to reset the terms of the classes of Community Bankers directors; and
3. To consider and vote on a proposal to authorize the board of directors to adjourn the special meeting to a later date or dates, if necessary, to allow time for further solicitation of proxies, in the event there are insufficient votes present in person or represented by proxy at the special meeting to approve the proposals.

Unless Community Bankers and BOE agree otherwise, the merger will only be consummated if the stockholders of Community Bankers adopt the amendment to the certificate of incorporation of Community Bankers. In addition, the amendment to the certificate of incorporation will only be effected in the event and at the time the merger with BOE is consummated.

Community Bankers has fixed the close of business on March 25, 2008 as the record date for determining those stockholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only stockholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Whether or not you plan to attend the special meeting in person, please complete, date, sign and return the enclosed proxy card as promptly as possible. Community Bankers has enclosed a postage prepaid envelope for that purpose. Any Community Bankers stockholder may revoke his or her proxy by following the instructions in the joint proxy statement/prospectus at any time before the proxy has been voted at the special meeting. Even if you have given your proxy, you may still vote in person if you attend the special meeting. Please do not send any stock certificates to us at this time.

Community Bankers encourages you to vote on these very important matters. **The board of directors of Community Bankers unanimously recommends that Community Bankers stockholders vote FOR each of the proposals**

**above.**

By Order of the Board of Directors,

Eugene S. Putnam, Jr.  
Chairman of the Board

March 25, 2008

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**BOE FINANCIAL SERVICES OF VIRGINIA, INC.**  
**1325 Tappahannock Boulevard**  
**Tappahannock, Virginia 22560**  
**(804) 443-4343**

March 25, 2008

Dear BOE Financial Services of Virginia, Inc. Stockholder:

You are cordially invited to attend a special meeting of the stockholders of BOE Financial Services of Virginia, Inc. ( BOE ). The special meeting will be held on April 25, 2008, at 10:00 a.m., local time, at the Tappahannock - Essex Volunteer Fire Department meeting hall at 620 Airport Road, Tappahannock, Virginia 22560.

At the special meeting, you will be asked to consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated December 13, 2007, by and between BOE and Community Bankers Acquisition Corp. You will also be asked to vote on a proposal to authorize the board of directors to adjourn the special meeting to allow time for further solicitation of proxies, should that be necessary.

Approval of the merger proposal requires approval by more than two-thirds of all votes entitled to be cast by the holders of BOE common stock.

Approval of the proposal to authorize the board of directors to adjourn the special meeting until a later date requires the votes cast favoring the action to exceed the votes cast opposing the action, whether or not a quorum is present.

Each of these proposals is more fully described in the accompanying joint proxy statement/prospectus.

The BOE board of directors has determined unanimously that the proposals and the merger are in the best interests of BOE and its stockholders. The board of directors recommends that you vote, or give instruction to vote, **FOR** the adoption of each of the proposals.

Enclosed is a notice of special meeting and the joint proxy statement/prospectus containing detailed information concerning the merger proposal and the transactions contemplated by the merger agreement. We urge you to read the joint proxy statement/prospectus and attached annexes carefully.

Your vote is important. Because approval of the merger proposal requires more than two-thirds of all votes entitled to be cast by the holders of BOE common stock, abstaining from voting (including by way of a broker non-vote), either in person or by proxy, will have the same effect as a vote against approval of the merger agreement. **Whether or not you plan to attend the special meeting in person, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided.** We look forward to seeing you at the special meeting, and we appreciate your continued loyalty and support.

Sincerely,

George M. Longest, Jr.  
President & Chief Executive Officer

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**BOE FINANCIAL SERVICES OF VIRGINIA, INC.**  
**1325 Tappahannock Boulevard**  
**Tappahannock, Virginia 22560**  
**(804) 443-4343**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**  
**To Be Held On April 25, 2008**

To the Stockholders of BOE Financial Services of Virginia, Inc.:

BOE Financial Services of Virginia, Inc. will hold a special meeting of stockholders on April 25, 2008, at 10:00 a.m., local time, at the Tappahannock - Essex Volunteer Fire Department meeting hall at 620 Airport Road, Tappahannock, Virginia 22560 for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of December 13, 2007, by and between Community Bankers Acquisition Corp. and BOE Financial Services of Virginia, Inc., pursuant to which BOE Financial Services of Virginia, Inc. will merge with and into Community Bankers Acquisition Corp., as more particularly described in the enclosed joint proxy statement/prospectus; and
2. To consider and vote on a proposal to authorize the board of directors to adjourn the special meeting to allow time for further solicitation of proxies, in the event there are insufficient votes represented in person or by proxy at the special meeting to approve the merger proposal.

BOE has fixed the close of business on March 25, 2008, as the record date for determining those stockholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only stockholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Whether or not you plan to attend the special meeting in person, please complete, date, sign and return the enclosed proxy card as promptly as possible. BOE has enclosed a postage prepaid envelope for that purpose. Any BOE stockholder may revoke his or her proxy by following the instructions in the joint proxy statement/prospectus at any time before the proxy has been voted at the special meeting. Even if you have given your proxy, you may still vote in person if you attend the special meeting. Please do not send any stock certificates to BOE at this time.

BOE encourages you to vote on this very important matter. **The board of directors of BOE Financial Services of Virginia, Inc. unanimously recommends that BOE Financial Services of Virginia, Inc. s stockholders vote FOR the proposals above.**

By Order of the board of directors,

George M. Longest, Jr.  
President and Chief Executive Officer

March 25, 2008

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**JOINT PROXY STATEMENT/PROSPECTUS  
FOR THE  
PROPOSED MERGER OF  
COMMUNITY BANKERS ACQUISITION CORP.  
AND  
BOE FINANCIAL SERVICES OF VIRGINIA, INC.**

The boards of directors of Community Bankers Acquisition Corp. and BOE Financial Services of Virginia, Inc. have unanimously agreed to a merger of our companies. If the proposed merger is completed, BOE stockholders will receive 5.7278 shares of Community Bankers common stock for each share of BOE common stock they own, subject to possible adjustment as described in this joint proxy statement/prospectus. This 5.7278 multiple, as it may be adjusted, is referred to as the exchange ratio.

Community Bankers was formed to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business in the banking industry. Its common stock is listed on the American Stock Exchange under the symbol BTC. BOE common stock is listed on the Nasdaq Capital Market under the symbol BSXT. Based on the closing price of Community Bankers common stock on March 25, 2008 of \$7.49, BOE stockholders will receive approximately \$42.90 worth of Community Bankers common stock for each share of BOE stock they own. The actual value of the Community Bankers common stock received by BOE stockholders in the merger will depend on the market value of Community Bankers common stock at the time of closing.

This joint proxy statement/prospectus provides detailed information about the merger and the special meeting of Community Bankers stockholders and the special meeting of BOE stockholders. It also provides information about the Community Bankers common stock to be issued to BOE stockholders in the event the merger is approved. As described in this proxy statement/prospectus, we cannot complete the merger unless we obtain the necessary government approvals and unless the stockholders of both Community Bankers and BOE approve the merger proposal.

In addition to the proposed merger of Community Bankers with BOE, Community Bankers has entered into an agreement and plan of merger, dated as of September 5, 2007, with TransCommunity Financial Corporation, a financial holding company based in Glen Allen, Virginia. TransCommunity common stock is quoted on the OTC Bulletin Board under the symbol TCYF.OB. Although the stockholders of BOE will not be voting on Community Bankers proposed merger with TransCommunity at its special meeting, this joint proxy statement/prospectus contains certain information about TransCommunity, and the proposed merger with TransCommunity. Community Bankers must complete its merger with TransCommunity prior to closing its merger with BOE. If Community Bankers does not complete its merger with TransCommunity by June 7, 2008, Community Bankers will be forced to dissolve and liquidate and will not be able to close the merger with BOE.

**Please carefully review and consider this joint proxy statement/prospectus which explains the merger proposal in detail, including the discussion under the heading Risk Factors beginning on page 20.** It is important that your shares are represented at your stockholders meeting, whether or not you plan to attend. Accordingly, please complete, date, sign, and return promptly your proxy card in the enclosed envelope. You may attend the meeting and vote your shares in person if you wish, even if you have previously returned your proxy.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**



*This joint proxy statement/prospectus is dated March 25, 2008. It is first being mailed to Community Bankers and BOE's stockholders on or about March 28, 2008.*

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## QUESTIONS AND ANSWERS FOR ALL STOCKHOLDERS

### **Q: Why is BOE merging with and into Community Bankers?**

**A:** BOE is merging with and into Community Bankers because the boards of directors of both companies believe that the merger will provide stockholders of both companies with substantial benefits and enable Community Bankers, following the completion of its merger with TransCommunity, to use BOE as a growth platform to build a larger banking franchise and further increase the operating efficiencies and the growth opportunities of the surviving corporation. It is anticipated that TransCommunity Bank, N.A., the bank subsidiary of TransCommunity, will merge with and into Bank of Essex, the bank subsidiary of BOE, in the event Community Bankers' merger with BOE is consummated. A detailed discussion of the background of and reasons for the proposed merger is contained under the headings "The Merger - Background of the Merger," "The Merger - Community Bankers' Reasons for the Merger," and "The Merger - BOE's Reasons for the Merger."

### **Q: How does the board recommend that I vote on the merger?**

**A:** You are being asked to vote **FOR** the approval of the merger of BOE with and into Community Bankers pursuant to the terms of the merger agreement. The board of directors of each of Community Bankers and BOE has unanimously determined that the proposed merger is in the best interests of its stockholders, unanimously approved the merger agreement and unanimously recommend that its stockholders vote **FOR** the approval of the merger.

### **Q: What vote is required to approve the merger?**

**A:** *Community Bankers.* Pursuant to Delaware law, adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Community Bankers common stock entitled to vote at the special meeting. As of the Community Bankers record date, there were 9,375,000 shares of Community Bankers common stock outstanding. Because a majority vote of all outstanding shares of Community Bankers' common stock is required to adopt the merger agreement, your failure to vote will have the same effect as a vote against the merger proposal.

*BOE.* Pursuant to Virginia law, approval of the merger proposal requires approval by more than two-thirds of all votes entitled to be cast by holders of BOE common stock. As of the BOE record date, there were 1,213,044 shares of BOE common stock outstanding. Because a two-thirds vote of all outstanding shares of BOE common stock is required to approve the merger, your failure to vote will have the same effect as a vote against the merger proposal.

### **Q: What is required for Community Bankers to complete the merger with BOE?**

**A:** In order to complete the merger with BOE, the approval of the Community Bankers and BOE stockholders and the necessary regulatory approvals must be received. Community Bankers filed applications for approval to merge with BOE with the Board of Governors of the Federal Reserve System, or the Federal Reserve, and the Bureau of Financial Institutions of the Virginia State Corporation Commission on January 25, 2008. In addition, Community Bankers must complete its merger with TransCommunity prior to closing its merger with BOE.

### **Q: What happens if the merger with TransCommunity is not completed?**

**A:** If the merger with TransCommunity is not completed, then the merger with BOE cannot be consummated. In addition, if Community Bankers does not effect the merger with TransCommunity by June 7, 2008, Community Bankers must dissolve and liquidate.

**Q: Why must Community Bankers complete its merger with TransCommunity prior to closing its merger with BOE?**

**A:** The merger with TransCommunity is an initial business combination under Community Bankers certificate of incorporation and therefore must be completed prior to the closing of the merger with BOE. As Community Bankers must dissolve and liquidate if the merger with TransCommunity is not completed by June 7, 2008, it would not be advisable to complete the merger with BOE prior to completing the merger with TransCommunity.

**Q: What should I do now?**

**A:** After you have carefully read this joint proxy statement/prospectus, please indicate on your proxy card how you want to vote, and then date, sign and mail your proxy card in the enclosed envelope as soon as possible so that your shares will be represented at the meeting. If you date, sign and send in a proxy card but do not indicate how you want to vote, your proxy will be voted in favor of the merger proposal.

**Q: If my shares are held in street name by my broker, will my broker vote my shares for me?**

**A:** It depends. A broker holding your shares in street name must vote those shares according to any specific instructions it receives from you. You should instruct your broker how to vote your shares following the directions your broker provides. If specific instructions are not received, in certain limited circumstances your broker may vote your shares in its discretion. On certain routine matters, brokers have authority to vote their customers' shares if their customers do not provide voting instructions. When brokers vote their customers' shares on a routine matter without receiving voting instructions, these shares are counted both for establishing a quorum to conduct business at the meeting and in determining the number of shares voted **FOR** or **AGAINST** the routine matter. On non-routine matters, brokers cannot vote the shares on that proposal if they have not received voting instructions from the beneficial owner of such shares. If you hold your shares in street name, you can either obtain physical delivery of the shares into your name, and then vote your shares yourself, or request a legal proxy directly from your broker and bring it to the special meeting, and then vote your shares yourself. In order to obtain shares directly into your name, you must contact your brokerage house representative. Brokerage firms may assess a fee for your conversion; the amount of such fee varies from firm to firm.

*Community Bankers.* Your broker may not vote your shares, unless you provide voting instructions, with regard to adoption of the merger agreement, adoption of the amendment to the certificate of incorporation and the proposal to adjourn the special meeting to allow time for further solicitation of proxies in the event there are insufficient votes present at the meeting to approve the proposals, since these matters are not routine. Failure to instruct your broker how to vote your shares will have the same effect as a vote against the adoption of the merger agreement and the adoption of the amendment to the certificate of incorporation, but will have no effect on the proposal to adjourn the special meeting to allow time for further solicitation of proxies in the event there are insufficient votes present at the meeting to approve the proposals.

*BOE.* Your broker may not vote your shares, unless you provide voting instructions, with regard to approval of the merger proposal and the proposal to adjourn the special meeting to allow time for further solicitation of proxies in the event there are insufficient votes present at the meeting to approve the merger proposal, since these matters are not routine. Failure to instruct your broker how to vote your shares will have the same effect as a vote against the merger proposal, but will have no effect on the proposal to adjourn the special meeting to allow time for further solicitation of proxies in the event there are insufficient votes present at the meeting to approve the merger proposal.

**Q: Can I change my vote after I have submitted my proxy?**

**A:** Yes. There are a number of ways you can change your vote. First, you may send a written notice to the person to whom you submitted your proxy stating that you would like to revoke your proxy. Second, you may complete and submit a later-dated proxy with new voting instructions. The latest vote actually received by Community Bankers or BOE prior to the applicable special meetings, will be your vote. Any earlier votes will be revoked. Third, you may attend the applicable special meeting and vote in person. Any earlier votes will be revoked. Simply attending the applicable special meeting without voting, however, will not revoke your proxy. If you have

instructed a broker to vote your shares, you must follow the directions you will receive from your broker to change or revoke your proxy.

**Q: Must Community Bankers complete its proposed merger with TransCommunity prior to closing the merger with BOE?**

**A:** Yes. Community Bankers must complete its merger with TransCommunity prior to closing its merger with BOE. If Community Bankers does not complete its merger with TransCommunity by June 7, 2008,

Community Bankers will be forced to dissolve and liquidate and will not be able to close the merger with BOE.

**Q: When do you expect to complete the merger of Community Bankers and BOE?**

**A:** We presently expect to complete the merger in the second quarter of 2008. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of Community Bankers and BOE's stockholders at their respective special meetings and receive the necessary regulatory approvals, and Community Bankers must complete the merger with TransCommunity.

**Q: Whom should I contact with questions about the merger of Community Bankers and BOE?**

**A:** If you want additional copies of this joint proxy statement/prospectus, or if you want to ask questions about the merger, you should contact:

**Gary A. Simanson**  
**President and Chief Executive Officer**  
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You may also contact Morrow & Co., LLC, Community Bankers and BOE's proxy solicitor at 470 West Avenue, Stamford, Connecticut 06492, toll free (800) 607-0088.

## QUESTIONS AND ANSWERS FOR COMMUNITY BANKERS STOCKHOLDERS

**Q: Why is Community Bankers proposing the merger?**

**A:** Community Bankers was organized for the purpose of effecting a business combination with an operating business in the banking industry. Community Bankers believes that BOE, a registered bank holding company, is positioned for significant growth in its current and expected future markets and believes that following the completion of its merger with TransCommunity a business combination with BOE will provide Community Bankers stockholders with an opportunity to participate in a company with significant potential and will further enhance the management expertise, operating efficiencies and growth opportunities of the surviving corporation.

**Q: What is being proposed, other than the merger, to be voted on at the Community Bankers special meeting?**

**A:** At the annual meeting of stockholders on April 25, 2008, Community Bankers stockholders are being asked to adopt two amendments to the certificate of incorporation to be effected upon consummation of the merger with TransCommunity: an amendment to reset the terms of the classes of Community Bankers directors and an amendment to change the corporation's name to Community Bankers Trust Corporation. At the special meeting, Community Bankers is asking its stockholders to adopt an additional amendment to the certificate of incorporation, the purpose of which is to further reset the terms of the various classes of Community Bankers directors. Community Bankers is also asking its stockholders to authorize the board of directors to adjourn the special meeting to allow time for further solicitation of proxies in the event there are insufficient votes present at the meeting to approve the proposals.

Unless Community Bankers and BOE agree otherwise, the merger will only be consummated if the stockholders of Community Bankers adopt the amendment to the certificate of incorporation. In addition, the amendment to the certificate of incorporation will only be effected in the event and at the time the merger with BOE is consummated.

**Q: What will Community Bankers stockholders receive in the proposed merger?**

**A:** Community Bankers stockholders will receive nothing in the merger. Community Bankers stockholders will continue to hold the same number of shares of Community Bankers common stock that they owned prior to the merger. Community Bankers stockholders do not have appraisal rights in connection with the merger under applicable Delaware corporate law.

**Q: How much of Community Bankers voting interests will existing Community Bankers stockholders own upon completion of the merger?**

**A:** It depends. The percentage of Community Bankers voting interests that existing Community Bankers stockholders will own after the merger will vary depending on whether:

any TransCommunity stockholders exercise appraisal rights with respect to the merger of Community Bankers and TransCommunity;

any of Community Bankers 7,500,000 outstanding warrants are exercised;

I-Bankers Securities, Inc., Maxim Group LLC and Legend Merchant Group, Inc., the representatives of the underwriters in Community Bankers' initial public offering, exercise their unit purchase option to purchase 525,000 units (each unit comprised of one share of common stock and one warrant to purchase one share of common stock); and

any holders of Community Bankers common stock issued in Community Bankers' initial public offering exercise their right to convert their shares into cash equal to a pro rata portion of the Community Bankers trust account with respect to the merger with TransCommunity.

Depending on the scenario, Community Bankers' stockholders will own from 36.93% to 57.13% of Community Bankers' voting interests after the merger, based on the number of shares of each of Community Bankers, TransCommunity and BOE issued and outstanding as of the date of their respective merger agreements. For a table outlining the effect of the various scenarios on the percentage of Community Bankers' voting interests that existing Community Bankers stockholders will own after the

merger with BOE is completed, see The Merger Stock Ownership of Existing Community Bankers and BOE Stockholders After the Merger.

**Q: Do the Community Bankers stockholders have conversion rights?**

**A:** No. As the merger with BOE will not be Community Bankers initial business combination, no Community Bankers stockholder will have conversion rights in connection with the merger.

**Q: Will I lose my warrants or will they be converted to shares of common stock if the merger is consummated?**

**A:** No. After we complete the merger with TransCommunity, your warrants will become exercisable. Consummation of the merger with BOE will not in any way affect your warrants. However, in the event that Community Bankers does not consummate the merger with TransCommunity by June 7, 2008, Community Bankers will be required to liquidate and any Community Bankers warrants you own will expire without value.

**Q: What happens if the merger is not consummated or is terminated?**

**A:** If the merger is not consummated, Community Bankers certificate of incorporation will not be further amended pursuant to the proposal to adopt an amendment to the certificate of incorporation.

Should the merger agreement be terminated due to a material breach of such agreement by Community Bankers, then a termination fee of \$500,000 would be payable by Community Bankers to BOE. Further, if either party terminates because the stockholders of the other party fail to approve the merger or if either party terminates because the transactions contemplated are not consummated by June 30, 2008, and another acquisition transaction, involving a change in control, is announced and results in a definitive agreement or a consummated acquisition transaction with the terminating party within 12 months of termination, then the party entering into the definitive agreement or consummating the acquisition transaction will owe the other party a termination fee of \$500,000. If a party terminates the merger agreement due to a material breach of the other party or the failure of the other party to recommend the merger to its stockholders, the termination fee of \$500,000 is payable upon termination. In the case of a termination involving a competing acquisition transaction, the termination fee of \$500,000 is payable upon the earlier of the execution of a definitive agreement or the consummation of the transaction. In those cases where a competing acquisition transaction with a third party is consummated, an additional termination fee of \$1,200,000 will also be payable upon consummation of the acquisition transaction.



## QUESTIONS AND ANSWERS FOR BOE STOCKHOLDERS

**Q: Why is BOE proposing the merger?**

**A:** We believe that the proposed merger will provide substantial benefits to BOE stockholders. The BOE board of directors believes the merger provides BOE stockholders with liquidity, capital raising and strategic and growth opportunities, such as the merger with TransCommunity, that would not have been readily available to BOE on a stand-alone basis. To review the BOE reasons for the transaction in greater detail, see [The Merger](#) BOE's Reasons for the Merger.

**Q: What will BOE stockholders receive in the merger?**

**A:** Each issued and outstanding share of BOE common stock you own will be converted into 5.7278 shares of Community Bankers common stock, subject to possible adjustment. In the event the average of the daily closing prices for Community Bankers common stock as reported on the American Stock Exchange for the 20 consecutive full trading days ending on the fifth day before the anticipated closing date of the merger is less than \$7.42, the exchange ratio will be increased to the quotient obtained by dividing \$42.50 by the average of the daily closing prices during those 20 consecutive full trading days, rounded to the nearest one-ten-thousandth. In addition, holders of outstanding options for BOE common stock will receive options exercisable for of Community Bankers common stock. The number of shares underlying the options and the exercise price of the options will be adjusted to reflect the 5.7278 exchange ratio.

**Q: Will BOE stockholders be taxed on the Community Bankers common stock that they receive in exchange for their BOE shares?**

**A:** No. We expect the merger to qualify as a reorganization for United States federal income tax purposes. If the merger qualifies as a reorganization for United States federal income tax purposes, BOE stockholders will not recognize any gain or loss to the extent BOE stockholders receive Community Bankers common stock in exchange for their BOE shares. We recommend that BOE stockholders carefully read the complete explanation of the material United States federal income tax consequences of the merger beginning on page 69, and that BOE stockholders consult their tax advisors for a full understanding of the tax consequences of their participation in the merger.

**Q: How much of Community Bankers' voting interests will BOE stockholders own upon completion of the merger?**

**A:** It depends. The percentage of BOE's voting interests that existing BOE stockholders will own after the merger will vary depending on whether:

any TransCommunity stockholder exercises appraisal rights with respect to the merger with TransCommunity;

any of Community Bankers' 7,500,000 outstanding warrants are exercised;

I-Bankers Securities, Inc., Maxim Group LLC and Legend Merchant Group, Inc., the representatives in Community Bankers' initial public offering, exercise their unit purchase option to purchase 525,000 units (each unit comprised of one share of common stock and one warrant to purchase one share of common stock); and

any holders of Community Bankers common stock issued in Community Bankers initial public offering exercise their right to convert their shares into cash equal to a pro rata portion of the Community Bankers Trust account with respect to the merger between Community Bankers and TransCommunity.

