

TC FINANCIAL HOLDINGS, INC.



**PROXY STATEMENT**

FOR THE ANNUAL MEETING OF SHAREHOLDERS

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***Additional Information Incorporated Into the Proxy Statement***

The Bank has made copies of the audited financial statements of the Bank for the years ending December 31, 2020 and 2021 accessible at <http://www.cstproxy.com/tcfinancialholdings/2022> If you would like a paper copy of any of the information contained on the website, please contact Continental Stock Transfer and Trust Company by calling 1-888-221-0690, using the Internet by visiting <http://www.cstproxy.com/tcfinancialholdings/2022>, or sending an email to [proxy@continentalstock.com](mailto:proxy@continentalstock.com). Please include the company name and your account number in the subject line.

# TC FINANCIAL HOLDINGS, INC.



## PROXY STATEMENT

### FOR THE ANNUAL MEETING OF SHAREHOLDERS

#### *Introduction & Summary:*

TC Financial Holdings, Inc. (the “**Holding Company**”) is providing this Proxy Statement to you in connection with the solicitation of proxies for the Annual Meeting of Shareholders of the Holding Company (the “**Meeting**”). The matters to be considered and acted on are listed in the attached Notice.

<b>Annual Meeting of Shareholders</b>	
<b>Time &amp; Date:</b>	June 21, 2022 at 4:00pm, Central Time
<b>Place:</b>	Town Center Bank 1938 E Lincoln Hwy, Suite 201 New Lenox, Illinois 60451
<b>Record Date:</b>	May 2, 2022

*Shareholders of the Holding Company should rely only on the information contained in this Proxy Statement. If anyone provides a shareholder with different or inconsistent information, the shareholder should not rely on it. No person is authorized to give any information or to make any representation not contained or incorporated by reference in this Proxy Statement in connection with the solicitation of proxies by the Holding Company. You should not rely on any other information or representation as having been authorized by the Holding Company.*

*The information appearing in this Proxy Statement, as well as the documents and reports incorporated herein, is accurate only as of the date on the front cover of this Proxy Statement or the other dates given in this Proxy Statement and in the documents and reports incorporated herein. The business, financial condition of its subsidiary Town Center Bank (the “Bank”), results of operations, and prospects of the Holding Company may have changed since those dates, and, as a result, such information may not be accurate as of any other date. None of the Bank officers, directors, agents or representatives assume any responsibility or duty to amend or supplement this Proxy Statement or as the documents and reports incorporated herein.*

This Proxy Statement is dated May 2, 2022.

## FORWARD LOOKING STATEMENTS

Statements contained in this Proxy Statement that are not purely historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including our expectations, intentions, beliefs, or strategies regarding the future. Any statements in this document about expectations, intentions, beliefs, plans, objectives, assumptions, or future events or performance are not historical facts and are forward-looking statements. These statements may often, but not always, be identified by words such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding “beliefs about loan losses” and “expectations regarding customer preference.” The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. The Holding Company’s actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution each shareholder therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: fluctuations in interest rates, inflation, government regulations, conditions in the financial markets, economic conditions nationally and regionally particularly local real estate values, customer disintermediation, insufficient allowances for loan losses, environmental liability associated with lending activities, technological advancements and competitive product and pricing pressures in the geographic and business areas in which we conduct operations, as well as the results of examinations of the Holding Company and the Bank by the Federal Reserve of Chicago (“*FRB*”), Illinois Department of Financial and Professional Regulation (“*Division of Banking*”) and by the Federal Deposit Insurance Corporation (“*FDIC*”) or any other regulatory authority.

Any forward-looking statement speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for the Holding Company to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments, actual results or otherwise, except as may be required by law.

## QUESTIONS AND ANSWERS REGARDING THE MEETING

This Section highlights selected information from this Proxy Statement but may not contain all of the information that is important for you to understand the contemplated actions fully. Therefore the Holding Company urges you to read carefully the entire Proxy Statement.

### ***What are the purposes of the Meeting?***

The purposes of the Meeting are listed on the attached Notice.

### ***How can I get electronic access to the proxy materials?***

The Notice of Internet Availability of Proxy Materials provides you with instructions regarding how to view proxy materials for the Meeting on the Internet and execute a proxy.

### ***How many votes do I have?***

You will have one (1) vote for every Holding Company Share that you owned on May 2, 2022, our record date.

### ***How many votes can be cast by all shareholders?***

As of May 2, 2022, a total of 2,333,660 Holding Company Shares were issued and outstanding.

### ***How many votes must be present to hold the Meeting?***

In order for business to be conducted at the Meeting, a quorum must be present. A quorum consists of 33⅓% of the Holding Company Shares issued and outstanding on the record date and entitled to vote, or at least 777,887 shares. Holding Company Shares represented at the Meeting in person or by a properly executed proxy (including shares that abstain or do not vote with respect to one or more of the matters to be acted upon) will be counted for purposes of determining whether a quorum exists. If a quorum does not exist, the Meeting will be adjourned until a quorum is obtained. Accordingly, the Holding Company urges you to vote by proxy even if you plan to attend the Meeting so that the Holding Company will know as soon as possible that enough votes will be present to hold the Meeting.

### ***How do I vote?***

You may vote by completing and returning the proxy card, voting online by visiting <http://www.cstproxy.com/tcfinancilaholdings/2022>, voting by mobile voting, or by voting in person at the Meeting. The Holding Company encourages you to attend the Meeting, and execution of the proxy will not affect your right to attend the Meeting and vote in person. However, to ensure that your shares are voted in accordance with your wishes and that a quorum is present at the Meeting so that the Holding Company can transact business, the Holding Company urges you to complete, sign and return the proxy card as promptly as possible or vote via the Internet or mobile voting. Your prompt response will help reduce proxy costs, which are paid for by us.

### ***Can I change my vote?***

Yes. Send in a new proxy card with a later date or send a written notice of revocation to Karen Morgan, Corporate Secretary, at the Bank at 1938 E. Lincoln Highway, Unit 101, New Lenox, Illinois 60451. To be effective, the new proxy card or written revocation must be received by the Secretary prior to the exercise of the proxy at the Meeting. If you attend the Meeting and want to vote in person, you can deliver a written revocation of your proxy to the Secretary at the Meeting, and you will receive a ballot to vote at the Meeting. However, mere attendance at the shareholders' Meeting will not in itself revoke a proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

### ***What happens if the Meeting is postponed or adjourned?***

Your proxy will still be good and may be voted at the postponed or adjourned Meeting. You will still be able to change or revoke your proxy until it is voted.

### ***What vote is required to approve each item?***

The majority of the votes cast by shareholders at a lawful meeting shall be sufficient to pass on a transaction or matter and in the election of directors a plurality of those votes cast shall be sufficient to select the directors.

As of May 2, 2022 the Bank's executive officers and directors owned beneficially 581,053 shares, including vested stock options that are immediately exercisable, or approximately 22.27%, of the outstanding Holding Company Shares. The Bank's executive officers and directors have indicated that they intend at this time to vote their shares in favor of each proposal in the Proxy Statement.

### ***What does the Board of Directors recommend?***

The Holding Company's Board of Directors has unanimously approved and recommends that you vote "FOR" each of the individuals nominated as directors in this Proxy Statement and "FOR" ratifying appointment of BKD, LLP as the Bank's independent registered public accounting firm for the fiscal year ending December 31, 2022.

***Are there any other matters to be voted on at the Meeting?***

The Holding Company knows of no other business that is likely to be brought before the Meeting. If any other matters are properly brought before the Meeting, or any adjournment thereof, Daniel Regan, the person named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with his best judgment.

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

Not unless you act to cause your shares to be voted by your broker. Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker. For more information, see “THE ANNUAL MEETING—Voting of Proxies.”

***Who should I call with questions or to obtain additional copies of this Proxy Statement?***

You should contact Karen Morgan, Corporate Secretary, Town Center Bank, 1938 E. Lincoln Highway, Unit 101 New Lenox, Illinois 60451; telephone (815) 806-7018.

***Why is this document referred to as a Proxy Statement?***

This document is a Proxy Statement because it is being used by the Holding Company to solicit your vote for the election of the nominees for the director positions and the ratification of the Holding Company’s appointment of its independent registered public accounting firm.

## THE ANNUAL MEETING

### *Quorum*

A quorum requires the presence, in person or by proxy, of shareholders owning at least a third (33⅓%) of the outstanding Holding Company Shares issued and outstanding on the record date. The Holding Company will count the following shares as present at the Meeting for the purpose of determining a quorum:

- Holding Company Shares present in person at the Meeting, whether voting or not voting
- Holding Company Shares represented by proxies, whether the shareholder has voted upon or abstained on any matter
- Holding Company Shares represented by proxies from a broker with or without indication of how the shares are to be voted

### *Votes Required*

The affirmative vote of a third (33⅓%) of the outstanding Holding Company Shares entitled to vote and represented at the Meeting will be required to elect each director.

### *Voting of Proxies*

Daniel Regan, the named proxy, will vote shares represented by a properly executed proxy card received in time for the Meeting in the manner specified in each proxy. Shares represented by properly executed proxies that do not contain voting instructions will be voted in favor of the nominees for directors and the ratification of the appointment of BKD, LLP as the Holding Company's independent registered public accounting firm and, if any other business is properly brought before the Meeting, will be voted in accordance with the recommendations of management.

### *Revocability of Proxies*

If you execute a proxy, you may revoke your proxy at any time until it is voted at the Meeting by (i) delivering a written notice of revocation to the attention of Karen Morgan, Corporate Secretary, at the Bank; (ii) submitting another proxy with a later date; or (iii) appearing at the Meeting, revoking the proxy, and voting in person. Attendance at the Meeting will not in and of itself revoke a proxy that you submitted prior to the Meeting. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

### *Solicitation of Proxies*

The Holding Company will bear the cost of the solicitation of proxies from its shareholders. The Holding Company will solicit proxies by mail. In addition, the directors, officers, and employees of the Holding Company may solicit proxies from shareholders by telephone, in person, or any other lawful means. The Holding Company will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries for forwarding proxy solicitation material to the beneficial owners of stock held of record by those persons, and the Holding Company will reimburse them for reasonable out-of-pocket expenses.

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## PROPOSAL 1 – ELECTION OF DIRECTORS

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Directors of the Holding Company are elected to serve either a one-year period, two-year period or a three- year period or until their respective successors are duly elected and qualified. The following nine (9) individuals have been nominated as Director electees of the Holding Company: Kathleen Bentz, Dr. Paul Chemello, Peter Feit, Joseph Parrillo, Joseph Pascale, Daniel Regan, Michael Perry, George Reynolds, and Thomas Riordan. All of the nominees are current directors of the Bank.

A majority of the directors on our board are considered to be “independent” directors. Independent directors basically are non-insiders whom the full board has determined do not have other relationships with our company that would prevent them from making objective, independent decisions. Generally, the board oversees our business and monitors the performance of our management and does not involve itself in our day-to-day operations, which are monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the board, which are held on a monthly basis, and through committee membership.

Our board has established a fully independent audit committee that oversees the relationship with our accountants and a fully independent compensation committee, operating as the Executive Committee, that determines the compensation levels for our executive officers. The full board considers nominees for directors to be presented to shareholders.

It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to one or more nominees) will be voted at the Meeting for the election of the nominees identified herein. If the nominee is unable to serve, the shares represented by all such proxies will be voted for the election of a substitute nominee in the discretion of the designated proxy holders. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve, if elected. Cumulative voting does not apply in the election of directors. The nine (9) persons who receive an affirmative vote of at least a plurality of the Holding Company Shares voted will become directors of the Holding Company immediately following the Meeting.

The Board of Directors recommends a vote “**FOR**” all of the nominees to serve as directors.

The business experience for the past five (5) years of each of the director nominees is set forth below.

**Kathleen Bentz (56)**

Ms. Bentz became a Subway franchisee in 1990 and currently owns and operates a number of Subway restaurants. She served as Chair of the local Subway Franchisee Advertising Fund for Chicago and Northwest Indiana and is also a charter member of The North American Association of Subway Franchisees. Ms. Bentz began her employment career for Subway I & I Development before becoming a Subway franchisee. Ms. Bentz is a graduate of Michigan State University where she earned a Bachelor of Science degree in Packaging Engineering.

Committee Audit, Asset/Liability Committee and Marketing Committee

**Paul Chemello, D.O.**  
(60)  
*Director since 2006*

Dr. Chemello joined Advocate Medical Group in Frankfort, Illinois in 2004 and currently practices Family Medicine. Prior to joining Advocate Medical Group, he was the Chairman of the Family Practice Department at St. James Hospital in Chicago Heights, Illinois. Dr. Chemello was also the past Chairman of the Family Practice Department of South Suburban Hospital. A Chicago native, he and his wife have resided in Frankfort since 1991. Dr. Chemello attended Loyola University where he earned a Bachelor of Science degree in Biology. He received his medical degree in 1988 from Philadelphia College of Osteopathic Medicine.

Committee(s): Asset/Liability Committee and Marketing Committee

**Peter Feit (61)**  
*Director since 2006*

Mr. Feit is an independent trader and investor. Previously he was a partner at Vitruvian Hedge, LLC, a trading firm on the Chicago Board of Options Exchange from 2009-2013. Prior to that, he was the Managing Member of KC-CO, an options market maker firm on the Chicago Board of Options, Chicago Board of Trade and the Chicago Mercantile Exchange where he worked since 1982. Mr. Feit attended Loyola University where he earned a Bachelor of Science degree in Computer Science.

Committees: Asset/Liability Committee (Chair); Nominating Committee; Capital Planning Committee; and Executive Committee

**Joseph Parrillo, (73)**  
*Director since 2017*

Mr. Parrillo is retired from Felician Services, Inc. where he served as the Executive Vice President of Finance/CFO, Secretary and Treasurer for 26 years. Mr. Parrillo is a current member of the Sisters of the Resurrection Investment Committee and the St. Eugene Parish Finance Council. Mr. Parrillo is a Certified Public Accountant and attended University of Illinois where he earned his Bachelor of Science degree in Accounting.

Committee(s): Asset/Liability Committee and Audit Committee

**Joseph Pascale (64)**  
*Director since 2006*

Mr. Pascale has been owner of Aurelio's Pizza in Frankfort, Illinois since 1980. Mr. Pascale served as a director of Harris Bank Frankfort from 1997 to 2005. He is a graduate of Rich Central High School in Olympia Fields, Illinois, and attended Prairie State Junior College in Chicago Heights, Illinois and Riverside Community College in Riverside, California.

Committee(s): Marketing Committee (Chair) and Loan Committee

**Michael D. Perry (65)**  
*Chairman of the Board*  
*Chief Executive Officer*  
*Director since 2006*

Mr. Perry serves as Chairman of the Board and Chief Executive Officer of Town Center Bank. Mr. Perry also serves as Chairman of the Board and Chief Executive Officer of 21st Century Financial Services, a provider of customized data processing services for community banks. Previously, Mr. Perry owned and operated Positive Connections, a school bus operator in Illinois and Minnesota. Mr. Perry attended Normandale Community College in Bloomington, Minnesota.

Committee(s): Executive Committee (Chair); Nominating Committee (Chair); Asset/Liability Committee; Capital Planning Committee (Chair); and Loan Committee (Chair)

**Daniel Regan (58)**  
*President*  
*Chief Lending Officer*  
*Director since 2015*

Mr. Regan has served as President of the bank since July 2015 and as Executive Vice President/Chief Lending Officer since 2013. Mr. Regan has in excess of thirty years of executive, management, business development, and lending experience with various community banks serving the south and southwest markets of the Chicagoland area. Mr. Regan has served and currently serves on the Board of local non for profit community organizations. Mr. Regan attended Eastern Illinois University where he earned his Bachelor of Science degree in Economics.

Committee(s): Loan Committee; Capital Planning Committee; and Marketing Committee

**George Reynolds (64)**  
*Director since 2006*

Mr. Reynolds is a former partner in Desmond and Ahern, LTD., Certified Public Accountants, where he worked since 1982 and had been a partner from 1989-2016. Mr. Reynolds provided servicing defined contribution and Section 125 plans for nonprofit, business, and credit union clients. Mr. Reynolds is a Certified Public Accountant and earned his Bachelor of Science degree from Saint Xavier University.

Committee(s): Audit Committee (Chair); Executive Committee; Loan Nominating Committee; and Capital Planning Committee;

**Thomas Riordan, (65)**  
*Director since 2006*

Mr. Riordan is employed by Arthur J Gallagher & Co. as an insurance producer. Prior to that he had been a Member of Riordan and Scully Insurance Services, LLC. Mr. Riordan is a Certified Public Accountant and attended Northern Illinois University where he earned his Bachelor of Science degree in Accounting.

Committee(s): Executive Committee; Loan Committee; Capital Planning Committee; and Audit Committee

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**PROPOSAL 2 – ADVISORY VOTE RATIFYING THE APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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The Audit Committee of the Board is responsible for appointing the Holding Company’s independent registered public accounting firm, and the Committee has selected BKD, LLP, to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2022. We are submitting this selection for shareholder ratification at the Annual Meeting. We expect to have a representative of BKD, LLP to be present at the Annual Meeting and to have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders. BKD, LLP also served as our independent registered public accounting firm for our fiscal year ending December 31, 2021.

Although we are not required to have our shareholders ratify the selection of our independent registered public accounting firm, our Board has determined to seek this ratification from shareholders. If our shareholders do not ratify the selection, the Audit Committee will reconsider whether to retain BKD, LLP, but may retain them nonetheless. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Holding Company.

**MANAGEMENT OF THE HOLDING COMPANY; BENEFICIAL OWNERSHIP OF SECURITIES; COMPENSATION**

The following table sets forth certain information with respect to the beneficial ownership of the outstanding Holding Company Shares of the date of this Proxy Statement (i) by each person who beneficially owns more than five percent of the Holding Company Shares, (ii) by each of the directors and executive officers of the Holding Company, and (iii) by all current directors and the executive officers as a group. The directors and executive officers of the Holding Company, their ages as of the date of this Proxy Statement and their positions with the Holding Company are also included below.

The percentage of class was calculated based on 2,333,660 Holding Company Shares outstanding as of May 2, 2022. This number also includes shares subject to options which are currently exercisable and deemed to be outstanding and beneficially owned by the person holding such options for purposes of computing the percentage ownership of that person.

<b>Proxy Statement</b>						
<b>2020 Beneficial Owners</b>						
<b>As of 05/02/2022</b>						
<b>Beneficial Owner</b>	<b>Age</b>	<b>Position with the Bank</b>	<b>Title of Class</b>	<b>Total number of shares beneficially owned (1)</b>	<b>Percentage of common stock outstanding</b>	
Kathleen Bentz	56	Director	Bank Shares	68,716	2.63%	
Paul Chemello	60	Director	Bank Shares	44,066	1.69%	
Peter Feit	61	Director	Bank Shares	74,019	2.84%	
Joseph Parrillo	73	Director	Bank Shares	1,000	0.04%	
Joseph Pascale	64	Director	Bank Shares	43,679	1.67%	
Michael Perry	65	Chairman/CEO/Director	Bank Shares	174,127	6.67%	
Daniel Regan	58	President/CLO/Director	Bank Shares	22,900	0.88%	
George Reynolds	64	Director	Bank Shares	70,848	2.72%	
Thomas Riordan	65	Director	Bank Shares	81,698	3.13%	
				<b>581,053</b>	<b>22.27%</b>	
All directors and executive officers, as a group (9 persons)						

(1) Includes the following Holding Company Shares subject to options exercisable by the directors and executive officers: Kathleen Bentz (31,132 shares); Paul Chemello (15,566 shares); Peter Feit (28,019 shares); Joseph Pascale (18,679 shares); Michael Perry (68,491 shares); Daniel Regan (20,000), George Reynolds (46,698 shares); and Thomas Riordan (46,698 shares).

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