

COMMUNITY BANCORP /VT

Form 8-K

October 09, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 8-K
CURRENT REPORT

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

October 4, 2007

(Date of Report - Date of earliest event reported on)

COMMUNITY BANCORP.

Vermont
(State of Incorporation)

000-16435
(Commission File Number)

03-0284070
(IRS Employer Identification No.)

Derby Road, Derby, Vermont
(Address of Principal Executive Offices)

05829
(Zip Code)

Registrant's Telephone Number: (802) 334-7915

Not Applicable

(Former name, former address, if changed since last report)

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 (17CFR 203.425)
- 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-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On October 4, 2007, Community Bancorp. (the “Company”) issued a joint press release with LyndonBank, Lyndonville, Vermont and National Bank of Middlebury, Middlebury, Vermont (“Middlebury”) announcing that the Company’s wholly-owned subsidiary, Community National Bank (“Community National”) has entered into a letter of intent for the sale to Middlebury of the Vergennes branch of LyndonBank. The parties expect that the branch sale will close immediately following completion of Community National’s previously announced merger with LyndonBank, at or near year end, 2007.

The final terms of the proposed branch sale will be contained in a purchase and assumption agreement to be executed by Community National and Middlebury, and joined in by LyndonBank, containing customary representations, warranties, covenants and conditions to closing. It is contemplated that Middlebury will assume all of the deposits booked at LyndonBank’s Vergennes branch and will purchase certain branch loans and fixed assets, including the real estate. As of August 31, 2007, there were approximately \$9.1 million in deposits booked at the Vergennes branch.

Completion of the branch sale is conditioned on completion of the Community National–LyndonBank merger, and both are subject to approval by the Office of the Comptroller of the Currency. As part of the regulatory review process for the merger, the Antitrust Division of the U.S. Department of Justice is conducting a review of the competitive aspects of the merger in Orleans and Caledonia Counties, where Community National and LyndonBank both maintain banking offices. The Company and Community National have agreed in the merger agreement with LyndonBank to bear the risk of any divestiture condition resulting from a regulatory review of the merger proposal. Completion of the merger is also subject to approval by the LyndonBank shareholders, who it is expected will vote on the merger proposal at a special meeting of shareholders to be held on November 7, 2007.

Additional information concerning the proposed branch sale is contained in the joint press release filed as Exhibit 99.1 to this report.

Additional information about the proposed merger of Community National and LyndonBank is contained in the Company’s current report on Form 8-K filed with the Commission on August 2, 2007.

Item 9.01. Financial Statements, Proforma Financial Information and Exhibits.

- (a) Inapplicable.
- (b) Inapplicable.
- (c) Inapplicable.
- (d) Exhibits.

The following exhibit, referred to in Item 8.01 of this report, is filed, herewith:

Exhibit 99.1 - Text of press release, dated October 4, 2007.

SIGNATURES

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

DATED: October 4, 2007

COMMUNITY BANCORP.

/s/ Stephen P. Marsh
Stephen P. Marsh,
President & Chief Operating
Officer
(Chief Financial Officer)

