

# DONNELLY PENMAN & PARTNERS

## INVESTMENT BANKING

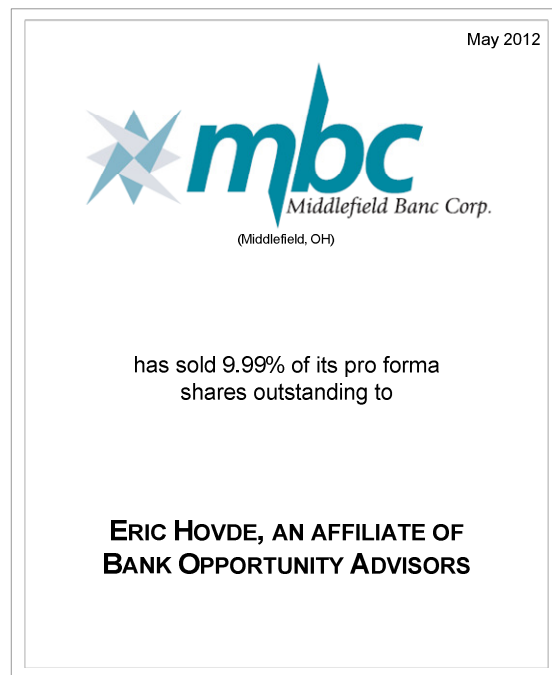
### Private Investor Acquires 9.99% of Middlefield Banc Corp. in Stock Purchase

#### Middlefield Banc Corp.

Middlefield Banc Corp. (“Middlefield”), headquartered in Middlefield, Ohio is a multi-bank holding company with total assets of \$657.9 million as of March 31, 2012. The company's lead bank, The Middlefield Banking Company, operates full service banking centers and a LPL Financial brokerage office serving Chardon, Cortland, Garrettsville, Mantua, Middlefield, Newbury, and Orwell. The company also serves the central Ohio market through its Emerald Bank subsidiary, with offices in Dublin and Westerville, Ohio.

#### Bank Opportunity Fund LLC

Bank Opportunity Advisors LLC and Bank Opportunity Fund LLC were founded by Eric D. Hovde and his associates (“Hovde”) to create partnerships and invest partner private equity within the financial services industry. Since 1994, Hovde's private equity practice has grown significantly to comprise equity investments in various community banks and thrifts and specialty finance companies.



#### The Transaction

The Stock Purchase Agreement, as amended (“SPA”), provides for Bank Opportunity Fund or its affiliates to purchase ownership up to 24.99% of Middlefield’s stock in three stages: (1) ownership of 4.99%, which occurred with the purchase by a Bank Opportunity Fund affiliate (Mr. Eric D. Hovde) of 93,050 shares at \$16.00 per share on April 17, 2012, (2) ownership of 9.99%, which occurred on April 30, 2012 with the purchase of 103,585 additional shares by Mr. Hovde at \$16.00 per share, and (3) assuming stockholder approval is obtained under the Ohio Control Share Acquisition Act, ownership of 24.99%, with the purchase of an estimated 393,600 shares at \$17.00 per share by Bank Opportunity Fund, to occur on or before July 31, 2012 – subject to both shareholder and regulatory approval. Subject to regulatory approval, Bank Opportunity Fund would also be entitled to designate one director for service on the board of Middlefield and each of its subsidiary banks.

Donnelly Penman & Partners initiated the transaction, acted as sole placement agent to Middlefield and assisted in the negotiations in connection with the transaction. Please contact **John C. Donnelly** at (313) 393-3054 or **Andrew C. Christians**, CFA at (313) 393-3074 for further information.

*Source: SNL Securities*

#### Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a [FINRA](#) licensed broker dealer and member [SIPC](#).

Donnelly Penman & Partners is owned by the employees of the firm, who have participated in more than 225 transactions since the firm's inception in September 2000 and collectively have more than 80 years of investment banking experience.