

SEACOAST BANKING CORP OF FLORIDA
Form PRE 14A
March 07, 2006

SCHEDULE 14-A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant (X)

Filed by a Party other than the Registrant ()

Check the appropriate box:

(X)

Preliminary Proxy Statement

()

Confidential, for use

of the Commission Only

(as permitted by Rule

14(a)-6(6)(2))

()

Definitive Proxy Statement

()

Definitive Additional Materials

()

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

SEACOAST BANKING CORPORATION OF FLORIDA

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (check the appropriate box):

(X)

No fee required

()

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

(1)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined.):

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

()

Fee paid previously with preliminary materials.

()

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule, or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

#

March 22, 2006

TO THE SHAREHOLDERS OF
SEACOAST BANKING CORPORATION OF FLORIDA:

You are cordially invited to attend the 2006 Annual Meeting of Shareholders of Seacoast Banking Corporation of Florida (Seacoast or the Company), which will be held at the Port St. Lucie Community Center, 2195 S.E. Airoso Boulevard, Port St. Lucie, Florida, on Thursday, April 27, 2006, at 3:00 P.M., Local Time (the "Meeting").

Enclosed are the Notice of Meeting, Proxy Statement, Proxy and our 2005 Annual Report to Shareholders (the Annual Report). At the Meeting, you will be asked to consider and vote upon the proposals outlined in the Notice of Meeting and described in detail in the Proxy Statement. We hope you can attend the Meeting and vote your shares in person. In any case, we would appreciate you completing the enclosed Proxy and returning it to us as soon as possible. This action will ensure that your preferences will be expressed on the matters that are being considered. If you are able to attend the Meeting, you may vote your shares in person, even if you have previously returned your Proxy.

We want to thank you for your support this past year. We are proud of our performance in 2005, and we encourage you to review carefully our Annual Report.

If you have any questions about the Proxy Statement or our Annual Report, please call or write us.

Sincerely,

Dennis S. Hudson, III

Chairman & Chief Executive Officer

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SEACOAST BANKING CORPORATION OF FLORIDA

815 Colorado Avenue

Stuart, Florida 34994

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 27, 2006

Notice is hereby given that the 2006 Annual Meeting of Shareholders of Seacoast Banking Corporation of Florida ("Seacoast" or the "Company") will be held at the Port St. Lucie Community Center, 2195 S.E. Airoso Boulevard, Port St. Lucie, Florida, on Thursday, April 27, 2006, at 3:00 P.M., Local Time (the "Meeting"), for the following purposes:

1.

Elect Directors. To re-elect four Class I directors;

2.

Amend Articles of Incorporation. To approve an amendment to Section 4.01 of the Company's Articles of Incorporation to increase the authorized shares of Common Stock from 22,000,000 shares to 35,000,000, and to correspondingly increase the Company's total authorized shares of Common Stock and Preferred Stock to 39,000,000, to provide additional shares of Common Stock;

3.

Adjournment of the Annual Meeting. To grant the proxy holders discretionary authority to vote to adjourn the 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 Meeting, in person or by proxy, to approve Proposal 2; and

4.

Other Business. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The enclosed Proxy Statement explains these proposals in greater detail. We urge you to read these materials carefully.

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Only shareholders of record at the close of business on February 23, 2006 are entitled to notice of, and to vote at, the Meeting or any adjournments thereof. All shareholders, whether or not they expect to attend the Meeting in person, are requested to complete, date, sign and return the enclosed Proxy in the accompanying envelope.

By Order of the Board of Directors

Dennis S. Hudson, III

Chairman & Chief Executive Officer

March 22, 2006

PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY TO SEACOAST IN THE ENVELOPE PROVIDED WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY.

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
OF SEACOAST BANKING CORPORATION OF FLORIDA

April 27, 2006

INTRODUCTION

General

This Proxy Statement is being furnished to the shareholders of Seacoast Banking Corporation of Florida, a Florida corporation ("Seacoast" or the "Company"), in connection with the solicitation of proxies by Seacoast's Board of Directors from holders of Seacoast's common stock ("Common Stock") for use at the 2006 Annual Meeting of Shareholders of Seacoast to be held on April 27, 2006, and at any adjournments or postponements thereof (the "Meeting"). Unless otherwise clearly specified, the terms "Company" and "Seacoast" include the Company and its subsidiaries.

The Meeting is being held to consider and vote upon the proposals summarized below under "Summary of Proposals" and described in greater detail elsewhere herein. Seacoast's Board of Directors knows of no other business that will be presented for consideration at the Meeting other than the matters described in this Proxy Statement.

The 2005 Annual Report to Shareholders ("Annual Report"), including financial statements for the fiscal year ended December 31, 2005, accompanies this Proxy Statement. These materials are first being mailed to the shareholders of Seacoast on or about March 22, 2006.

The principal executive offices of Seacoast are located at 815 Colorado Avenue, Stuart, Florida 34994, and its telephone number is (772) 287-4000.

Summary of Proposals

The proposals to be considered at the Meeting may be summarized as follows:

Proposal 1.

To re-elect four Class I directors;

Proposal 2.

To approve an amendment to Section 4.01 of the Company's Articles of Incorporation to increase the authorized shares of Common Stock from 22,000,000 shares to 35,000,000, and to correspondingly increase the Company's total authorized shares of Common Stock and Preferred Stock to 39,000,000, to provide additional shares of Common Stock;

Proposal 3.

To grant the proxy holders discretionary authority to vote to adjourn the 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 Meeting, in person or by proxy, to approve Proposal 2; and

Proposal 4.

To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Quorum and Voting Requirements

Holders of record of shares of the Company's Common Stock, as of the Record Date (as defined below) are entitled to one vote per share on each matter to be considered and voted upon at the Meeting. As of the Record Date, there were 17,107,034 shares of Common Stock issued, outstanding and entitled to be vote, which were held by approximately 1,097 holders of record.

To hold a vote on any proposal, a quorum must be present, which is a majority of the total votes entitled to be cast by the holders of the outstanding shares of Common Stock. In determining whether a quorum exists at the Meeting for purposes of all matters to be voted on, all votes "for" or "against," as well as all abstentions and broker non-votes, will be counted. A "broker non-vote" occurs when a nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

Proposals 1 and 3 require approval by a "plurality" of the votes cast by the holders of the outstanding shares of Common Stock entitled to vote in the election. This means that the proposal will be approved only if more votes cast at the Meeting are voted in favor of the proposal than are voted against the proposal. Neither abstentions nor broker

non-votes will be counted as votes cast for purposes of determining whether the proposal has received sufficient votes for approval.

Proposal 2 requires approval by the affirmative vote of the holders of two-thirds (66 2/3%) of all of the voting shares outstanding and entitled to vote at the Meeting. Neither abstentions nor broker non-votes will be counted as votes cast for purposes of determining whether the proposal has received sufficient votes for approval.

Unless otherwise required by the Company's Articles of Incorporation or Bylaws or the FBCA, or by applicable law, any other proposal that is properly brought before the Meeting will require approval by the affirmative vote of a plurality of votes cast at the Meeting. With respect to any such proposal, neither abstentions nor broker non-votes will be counted as votes cast for purposes of determining whether the proposal has received sufficient votes for approval.

Directors and executive officers of the Company beneficially hold approximately 22.42 percent of all the votes entitled to be cast at the Meeting.

Record Date, Solicitation and Revocability of Proxies

The Board of Directors of Seacoast has fixed the close of business on February 23, 2006 as the record date ("Record Date") for determining the shareholders entitled to notice of, and to vote at, the Meeting. Accordingly, only holders of record of shares of Common Stock on the Record Date will be entitled to notice of, and to vote at, the Meeting.

Shares of Common Stock represented by properly executed Proxies, if such Proxies are received in time and not revoked, will be voted at the Meeting in accordance with the instructions indicated in such Proxies. **If a valid Proxy is returned and no instructions are indicated, such shares of Common Stock will be voted FOR Proposal 1 and 2, and in the discretion of the proxy holder as to any other matter that may come properly before the Meeting.**

A shareholder who has given a Proxy may revoke it at any time prior to its exercise at the Meeting by either (i) giving written notice of revocation to the Secretary of Seacoast, (ii) properly submitting to Seacoast a duly executed Proxy bearing a later date, or (iii) appearing in person at the Meeting and voting in person. All written notices of revocation or other communications with respect to revocation of Proxies should be addressed as follows: Seacoast Banking Corporation of Florida, 815 Colorado Avenue, Stuart, Florida 34994, Attention: Sharon Mehl, Secretary.

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PROPOSAL 1

ELECTION OF DIRECTORS

General

The Meeting is being held to, among other things, re-elect four Class I directors of Seacoast, each to serve a three year term and until their successors have been elected and qualified. The nominees have been nominated by the Nominating/Governance Committee of the Board of Directors. All of the nominees are presently directors of Seacoast. All of the nominees also serve as members of the Board of Directors of Seacoast's principal banking subsidiary, First National Bank and Trust Company of the Treasure Coast (the "Bank"). The members of the Boards of Directors of the Bank and the Company are the same except for Marian B. Monroe and O. Jean Strickland, who are currently directors of the Bank only.

As provided in Seacoast's Articles of Incorporation, the Company's Board of Directors is divided into three classes: Class I directors, who presently are serving a term expiring at the Company's 2006 Annual Meeting of shareholders; Class II directors, who presently are serving a term expiring at the Company's 2007 Annual Meeting of shareholders; and Class III directors, who presently are serving a term expiring at the Company's 2008 Annual Meeting of shareholders. Currently, the Board is classified as follows:

<u>Class</u>	<u>Term</u>	<u>Names of Directors</u>
Class I	Term Expires at the 2006 Annual Meeting	Jeffrey C. Bruner Christopher E. Fogal Dale M. Hudson John R. Santarsiero, Jr.
Class II	Term Expires at the 2007 Annual Meeting	John H. Crane Jeffrey S. Furst Dennis S. Hudson, Jr.

Thomas E. Rossin

Thomas H. Thurlow, Jr.

Class III Term Expires at the 2008 Annual Meeting

Stephen E. Bohner

Evans Crary, Jr.

T. Michael Crook

A. Douglas Gilbert

Dennis S. Hudson, III

Evans Crary, Jr., who is 76 years old, has indicated that he will be retiring as a director of the Company on June 30, 2006.

Upon approval of Proposal 1, the Class I directors will be re-elected for a three-year term expiring at the Company's 2009 Annual Meeting of shareholders.

All shares represented by valid Proxies, and not revoked before they are exercised, will be voted in the manner specified therein. If a valid Proxy is submitted but no vote is specified, the Proxy will be voted **FOR** the election of each of the four nominees listed below. Although all nominees are expected to serve if elected, if any nominee is unable to serve, then the persons designated as Proxies will vote for the remaining nominees and for such replacements, if any, as may be nominated by Seacoast's Nominating/Governance Committee. Proxies cannot be voted for a greater number of persons than the number of nominees specified herein (four persons). Cumulative voting is not permitted.

The affirmative vote of the holders of shares of Common Stock representing a plurality of the votes cast at the Meeting at which a quorum is present is required for the election of the directors listed below.

The nominees have been nominated by Seacoast's Nominating/Governance Committee, and the Board of Directors unanimously recommends a vote "FOR" the election of all four nominees listed below.

The following table sets forth the name and age of each nominee for director, as well as each incumbent director who is not a nominee and each executive officer of the Company who is not a director or nominee, the year in which he was first elected a director or executive officer, as the case may be, a description of his position and offices with Seacoast or the Bank, a brief description of his principal occupation and business experience, and the number of shares of Common Stock beneficially owned by him as of February 23, 2006. See "Corporate Governance" for more information on the director nominating process and board committees.

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**Name, Age, Director Class and Year First Elected or
Appointed a Director
or Executive Officer**

Information About Nominees for Director

Shares of Common Stock Beneficially

Owned ⁽¹⁾

Percentage of Common Stock Outstanding ⁽¹⁾

Jeffrey C. Bruner (55)

Class I, 1983 ⁽⁴⁾

Mr. Bruner has been a self-employed real estate investor in Stuart, Florida since 1972.

95,726

(2)

(3)

Christopher E. Fogal (54)

Class I, 1997

Mr. Fogal, a certified public accountant, has been a managing partner of Fogal & Associates, a public accounting firm located in Ft. Pierce, Florida, since 1979.

24,137

(5)

(3)

Dale M. Hudson (71)

Class I, 1983 ⁽⁷⁾

Mr. Hudson became Vice Chairman of Seacoast in July 2005, after serving as Chairman since June 1998. He previously served as Chief Executive Officer of Seacoast from 1992 to June 1998, as President of Seacoast from 1990 to June 1998, and as Chairman of the Board of the Bank from September 1992 to June 1998.

1,609,516.4

(6)

9.41%

John R. Santarsiero, Jr. (61)

Class I, 1983

Mr. Santarsiero has been President, Chief Executive Officer and Director of SunCepts, Inc., since 2002. SunCepts is a manufacturing and distribution company with two primary divisions that market patented eyeglass accessories and products for spinal wellness. He has been a private investor since 1988.

25,680

(3)

#

Name, Age, Director Class and Year First Elected or

Appointed a Director

or Executive Officer

Information About

Incumbent Directors

Shares of Common Stock Beneficially

Owned ⁽¹⁾

Percentage of Common Stock Outstanding ⁽¹⁾

Stephen E. Bohner (53)

Class III, 2003

Mr. Bohner has been President and owner of Premier Realty Group, a real estate company located in Sewalls Point, Florida since 1987.

2,772

(8)

(3)

John H. Crane (76)

Class II, 1983

Mr. Crane is retired, but served as Vice President of C&W Fish Company, Inc., a fish processing plant located in the Stuart, Florida area, from 1982 through 2000. He also served as President of Krauss & Crane, Inc., an electrical contracting firm located in Stuart, Florida, from 1957 through 1997.

32,897

(9)

(3)

Evans Crary, Jr. (76)

Class III, 1983

Mr. Crary is a retired partner of Crary, Buchanan, Bowdish, Bovie, Beres, Elder & Thomas, Chartered (Crary-Buchanan), a law firm located in Stuart, Florida. Mr. Crary has practiced law in Stuart, Florida since 1952.

23,942.7

(10)

(3)

T. Michael Crook (58)

Class III, 2003 ⁽⁴⁾

Mr. Crook has been a principal with the public accounting firm of Proctor, Crook & Crowder, CPA, P.A., located in Stuart, Florida, since 1979. He was previously a member of Barnett Bank of Martin County's Board of Directors for 11 years.

8,660.3

(11)

(3)

Jeffrey S. Furst (61)

Class II, 1997

Mr. Furst was elected Property Appraiser for St. Lucie County, Florida in 2000. He has been a real estate broker since 1973 and is the former owner of Sun Realty, Inc. in Port St. Lucie, Florida.

158,634.7

(12)

(3)

A. Douglas Gilbert (65)

Class III, 1990

Mr. Gilbert was named President of Seacoast and Vice Chairman of the Bank in July 2005. Mr. Gilbert has served as Chief Credit and Chief Operating Officer of Seacoast since July 1990. Previously, he served as Senior Executive Vice

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President of Seacoast and President of the Bank from June 1998 to July 2005, and Chief Operating and Credit Officer of the Bank from October 1994 to July 2005.

190,676.5

(13)

1.11%

Name, Age, Director Class and Year First Elected or

Appointed a Director

or Executive Officer

Information About Incumbent Directors

Shares of Common Stock Beneficially

Owned ⁽¹⁾

Percentage of Common Stock Outstanding ⁽¹⁾

Dennis S. Hudson, Jr. (78)

Class II, 1983 ⁽⁷⁾

Mr. Hudson served as Chairman of the Board of Seacoast from 1990 to June 1998, when he retired from his position as Chairman.

1,345,696

(14)

7.87%

Dennis S. Hudson, III (50)

Class III, 1984 ⁽⁷⁾

Mr. Hudson was named Chairman of Seacoast in July 2005, and has served as Chief Executive Officer of the Company since June 1998 and Chairman and Chief Executive Officer of the Bank since 1992. He served as President of Seacoast from June 1998 to July 2005. Mr. Hudson is also on the board of directors of Florida Public Utilities Company (ticker: FPU), a public gas and electric utilities company headquartered in West Palm Beach, Florida. He is also a member of the board of directors of the Miami Branch of the Federal Reserve Bank of Atlanta.

1,394,075

(15)

8.15%

Thomas E. Rossin (72)

Class II, 2004

Mr. Rossin has been a practicing attorney in West Palm Beach, Florida, since 1993. He served as a Florida State Senator from 1994 to 2002, the last two years as minority leader, and was a candidate for Florida Lt. Governor in 2002. Prior to his political career, he served as President, Chief Executive Officer and Director of The Flagler Bank Corporation, located in West Palm Beach, Florida, from 1974 to 1993.

3,000

(3)

Thomas H. Thurlow, Jr. (69)

Class II, 1983 ⁽⁷⁾

Mr. Thurlow has been an officer and a director of Thurlow & Thurlow, P.A., a law firm in Stuart, Florida, since 1981, and has practiced law in Stuart, Florida since 1961.

37,863

(16)

(3)

**Name, Age, Director Class and Year First Elected or
Appointed a Director
or Executive Officer**

Information About Executive Officers

Who Are Not Also Directors or Nominees:

Shares of Common Stock Beneficially

Owned ⁽¹⁾

Percentage of Common Stock Outstanding ⁽¹⁾

C. William Curtis, Jr. (67)

1995

Mr. Curtis, Senior Executive Vice President of Seacoast and the Bank, has served as Chief Banking Officer of Seacoast and the Bank since October 1995, and was named President of the Bank's Indian River County operations in October 1999.

96,814

(17)

(3)

William R. Hahl (57)

1990

Mr. Hahl, Executive Vice President of the Finance Group, has served as the Chief Financial Officer of Seacoast and the Bank since July 1990.

67,719

(18)

(3)

O. Jean Strickland (47)

1997

Ms. Strickland was appointed to the Bank's Board of Directors in September 2005. She was named Senior Executive Vice President of Seacoast and President and Chief Operating Officer of the Bank in July 2005. She served as Executive Vice President, Systems and Operations Division, of Seacoast and the Bank and President of the Bank's Palm Beach County operations from November 2002 to July 2005. Previously, she was the Company's Chief Information Officer from February 2002 to November 2002 and Executive Vice President of Retail, Credit and Systems Support from January 1998 to November 2002.

52,644.8

(19)

(3)

Nominees and executive

officers as a group

(17 persons)

4,048,676.3

23.67%

(1)

Information relating to beneficial ownership of Common Stock by directors is based upon information furnished by each person using "beneficial ownership" concepts set forth in the rules of the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "1934 Act"). Under such rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under such rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may disclaim any beneficial ownership. Accordingly, nominees are named as beneficial owners of shares as to which they may disclaim any beneficial interest. Except as indicated in other notes to this table describing special relationships with other persons and specifying shared voting or investment power, directors and executive officers possess sole voting and investment power with respect to all shares of Common Stock set forth opposite their names.

(2)

Includes 891 shares held jointly with Mr. Bruner's wife, 7,095 shares held by Mr. Bruner as custodian for his son, and 13,200 shares held by Mr. Bruner as custodian for his two nephews, as to which shares Mr. Bruner may be deemed to share both voting and investment power. Also includes 71,567 shares held in trust for the benefit of Mr. Bruner's mother, as to which shares Mr. Bruner, as co-trustee with this brother, may be deemed to share both voting and investment power and as to which shares Mr. Bruner disclaims beneficial ownership. Also includes 300 shares held by Mr. Bruner's son, as to which shares Mr. Bruner may be deemed to share both voting and investment power and as to which shares Mr. Bruner disclaims beneficial ownership.

(3)

Less than 1 percent.

(4)

Mr. Bruner is married to Mr. Crook's sister.

(5)

Includes 21,450 shares are held jointly with Mr. Fogal's wife and 2,687 shares held by Mr. Fogal's wife, as to which shares Mr. Fogal may be deemed to share both voting and investment power.

(6)

Includes 1,456,121 shares held by Monroe Partners, Ltd., a family limited partnership ("Monroe Partners") of which Mr. Hudson and his wife, Mary T. Hudson, are general partners. Mr. Hudson may be deemed to share both voting and investment power with respect to such shares with the other general partner, and as to which Mr. Hudson disclaims beneficial ownership, except to the extent of his 50 percent interest in Monroe Partners. Also includes 152,570 shares held jointly with Mr. Hudson's wife, as to which shares Mr. Hudson may be deemed to share voting and investment power. Also includes 825.4 shares held in the Company's Profit Sharing Plan.

(7)

Dennis S. Hudson, Jr. and Dale M. Hudson are brothers. Dale M. Hudson is married to the sister of Thomas H. Thurlow, Jr. Dennis S. Hudson, III is the son of Dennis S. Hudson, Jr. and the nephew of Dale M. Hudson.

(8)

Includes 2,442 shares held in the Bank's Director's Deferred Compensation Plan for which receipt of such shares has been deferred.

(9)

All 32,897 shares are held jointly with Mr. Crane's wife, as to which shares Mr. Crane may be deemed to share both voting and investment power.

(10)

Includes 3,278.7 shares held in the Bank's Director's Deferred Compensation Plan for which receipt of such shares has been deferred.

(11)

Includes 3,487.7 shares held in the Bank's Director's Deferred Compensation Plan for which receipt of such shares has been deferred.

(12)

Includes 20,027 shares held by the trustee for an Individual Retirement Account (IRA) of Mr. Furst, and 93,670 shares held jointly with Mr. Furst's wife, as to which shares Mr. Furst may be deemed to share both voting and investment power. Also includes 3,131.7 shares held in the Bank's Directors' Deferred Compensation Plan for which receipt of such shares has been deferred. Also includes 21,281 shares held by Mr. Furst's wife, as to which shares Mr. Furst may be deemed to share both voting and investment power and as to which shares Mr. Furst disclaims beneficial ownership.

(13)

Includes 20,829 shares held jointly with Mr. Gilbert's wife, as to which shares Mr. Gilbert may be deemed to share voting and investment power. Also includes 860 shares held in Mr. Gilbert's IRA, 6,879.5 shares held in the Company's Profit Sharing Plan, and 92,400 shares that Mr. Gilbert has the right to acquire by exercising options that are exercisable within 60 days after the Record Date. Also includes 58,621 shares held by Mr. Gilbert's wife and 795 shares held by Mr. Gilbert's son, as to which shares Mr. Gilbert may be deemed to share both voting and investment power and as to which shares Mr. Gilbert disclaims beneficial ownership.

(14)

Includes 1,121,778 shares held by Sherwood Partners, Ltd., a family limited partnership ("Sherwood Partners") of which Mr. Hudson, his wife, Anne P. Hudson, and his son, Dennis S. Hudson, III, are general partners, and Mr. Hudson, his wife, and his children are limited partners. Mr. Hudson may be deemed to share voting and investment power with respect to such shares with the other general partners, and as to which Mr. Hudson disclaims beneficial ownership, except to the extent of his 27.59 percent interest in Sherwood Partners. Also includes 156,476 shares held by Mr. Hudson's wife, as to which shares Mr. Hudson may be deemed to share both voting and investment power and as to which shares Mr. Hudson disclaims beneficial ownership.

(15)

Includes 1,121,778 shares held by Sherwood Partners of which Mr. Hudson and his mother and father, Anne P. Hudson and Dennis S. Hudson, Jr., are general partners. Mr. Hudson may be deemed to share voting and investment power with respect to such shares with the other general partners, and as to which Mr. Hudson disclaims beneficial ownership, except to the extent of his 28.4 percent interest in Sherwood Partners. Also includes 74,474 shares held jointly with Mr. Hudson's wife and 24,200 shares held by Mr. Hudson's wife, as to which shares Mr. Hudson may be deemed to share voting and investment power. Also includes 148,200 shares that Mr. Hudson has the right to acquire by exercising options that are exercisable within 60 days after the Record Date.

(16)

Includes 5,197 shares owned by Mr. Thurlow's wife, as to which shares Mr. Thurlow may be deemed to share both voting and investment power. Also includes 22,275 shares held in trust for the benefit of Mr. Thurlow's mother, as to which shares Mr. Thurlow, as trustee, may be deemed to have voting and investment power. Also includes 5,194 shares held by Mr. Thurlow's mother, as to which shares Mr. Thurlow and his sister hold power of attorney and therefore may be deemed to share voting and investment power.

(17)

Includes 84,604 shares held by Mr. Curtis wife, as to which shares Mr. Curtis may be deemed to share voting and investment power. Also includes 110 shares held jointly by Mr. Curtis wife, daughters and daughter-in-laws, as to which shares Mr. Curtis may be deemed to share voting and investment power and as to which Mr. Curtis disclaims beneficial ownership. Also includes 11,000 shares that Mr. Curtis has the right to acquire by exercising options that are exercisable within 60 days after the Record Date.

(18)

Includes 11,131 shares held jointly with Mr. Hahl's wife and 263 shares held by Mr. Hahl as custodian for his granddaughters, as to which shares Mr. Hahl may be deemed to share both voting and investment power. Also includes 55,700 shares that Mr. Hahl has the right to acquire by exercising options that are exercisable within 60 days after the Record Date.

(19)

Includes 9,710 shares are held jointly with Ms. Strickland s husband, as to which shares Ms. Strickland may be deemed to share both voting and investment power. Also includes 3,690.8 shares held in the Company s Profit Sharing Plan, 4,344 shares held in the Company s Employee Stock Purchase Plan, and 34,900 shares that Ms. Strickland has the right to acquire by exercising options that are exercisable within 60 days after the Record Date.

CORPORATE GOVERNANCE

Independent Directors

The Company s Common Stock is listed on the Nasdaq National Market. Nasdaq requires that a majority of the Company s directors be independent, as defined by the Nasdaq s rules. Generally, a director does not qualify as an independent director if the director (or, in some cases, a member of a director s immediate family) has, or in the past three years had, certain relationships or affiliations with the Company, its external or internal auditors, or other companies that do business with the Company. The Board has affirmatively determined that a majority of the Company s directors are independent directors under the Nasdaq rules. The Company s independent directors are: Stephen E. Bohner, John H. Crane, Evans Crary, Jr., T. Michael Crook, Christopher E. Fogal, Jeffrey S. Furst, Thomas E. Rossin, and John R. Santarsiero, Jr.

Independent Director Meetings in Executive Sessions

The Company s independent directors have established a policy to meet separately from the other directors in regularly scheduled executive sessions at least twice annually, and at such other times as may be deemed appropriate by the

Company's independent directors. Any independent director may call an executive session of independent directors at any time.

Director Nominating Process

The Nominating/Governance Committee annually reviews and makes recommendations to the full Board regarding the composition and size of the Board so that the Board consists of members with the proper expertise, skills, attributes and personal and professional backgrounds needed by the Company, consistent with applicable Nasdaq and regulatory requirements.

The Company's Nominating/Governance Committee identifies nominees for directors primarily based upon suggestions from current directors and executives. Director candidates are interviewed by the Chair of the Nominating/Governance Committee and at least one other member of the Nominating/Governance Committee. The full Board formally nominates candidates for director to be included in the slate of directors presented for shareholder vote based upon the recommendations of the Nominating/Governance Committee following this process.

Any Company shareholder entitled to vote generally in the election of directors may recommend a candidate for nomination as a director. A shareholder may recommend a director nominee by submitting the name and qualifications of the candidate the shareholder wishes to recommend, pursuant to Section 6.03 of the Company's Articles of Incorporation, to the Company's Nominating/Governance Committee, c/o Seacoast Banking Corporation of Florida, 815 Colorado Avenue, Stuart, Florida 34994. To be considered, recommendations with respect to an election of directors to be held at an annual meeting must be received not less than 60 days nor more than 90 days prior to the anniversary of the Company's last annual meeting of shareholders (or, if the date of the annual meeting is changed by more than 20 days from such anniversary date, within 10 days after the date that the Company mails or otherwise gives notice of the date of the annual meeting to shareholders), and recommendations with respect to an election of directors to be held at a special meeting called for that purpose must be received by the 10th day following the date on which notice of the special meeting was first mailed to shareholders. Recommendations meeting these requirements will be brought to the attention of the Company's Nominating/Governance Committee. Candidates for director recommended by shareholders are afforded the same consideration as candidates for director identified by Company directors, executive officers or search firms, if any, employed by the Company. In 2005, there were no shareholder nominee recommendations received, and no third party search firms were used to identify director candidates.

Shareholder Communications

The Company's Corporate Governance Guidelines provide for a process by which shareholders may communicate with the Board, a Board committee or the non-management directors as a group, or other individual directors. Shareholders who wish to communicate with the Board, a Board committee or any other directors or individual director may do so by sending written communications addressed to the Board of Directors of Seacoast Banking Corporation of Florida, a Board committee or such group of directors or individual director, c/o Corporate Secretary,

Seacoast Banking Corporation of Florida, 815 Colorado Avenue, Stuart, Florida 34994. All communications will be compiled by the Company's Secretary and submitted to the Board, a committee of the Board or the appropriate group of directors or individual director, as appropriate, at the next regular meeting of the Board.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that are available on the Company's website at www.seacoastbanking.net.

Code of Conduct and Ethics

The Board of Directors has adopted a Code of Conduct applicable to all directors, officers and employees and a Code of Ethics for Financial Professionals applicable to the Company's Chief Executive and its financial officers, both of which are available, without charge, upon written request to Seacoast Banking Corporation of Florida, c/o Corporate Secretary, 815 Colorado Avenue, Stuart, Florida 34994. These codes comply with Nasdaq and SEC requirements.

Board Meeting Attendance

The Board of Directors held 11 meetings during 2005. All of the directors attended at least 75 percent of the total number of meetings of the Board and the Board committees on which they served. All of the Company's incumbent Directors were in attendance at the Company's 2005 Annual Meeting, except Messrs. Bohner, Crane, and Rossin. The Company encourages all its directors to attend its annual shareholders' meetings and all meetings of the Board and committees on which the directors serve.

Board Committees

Seacoast's Board of Directors has three standing committees: the Salary and Benefits Committee, the Audit Committee and the Nominating/Governance Committee. The Salary and Benefits Committee and the Audit Committee both serve the same functions for the Company and the Bank.

Salary and Benefits Committee. The Company's Salary and Benefits Committee is composed of Messrs. Crary (Chairman and Director, who will be replaced as Chairman by Thomas E. Rossin when Mr. Crary retires), Bohner, Furst, Rossin and Santarsiero, all of whom are independent directors. The Committee has the authority set forth in its

Charter, including determining the compensation of the Company's and the Bank's executive officers and employees. This committee administers the provisions of the Company's Profit Sharing Plan, Employee Stock Purchase Plan, the Seacoast Banking Corporation of Florida 1996 Long-Term Incentive Plan (the "1996 Incentive Plan"), the Seacoast Banking Corporation of Florida 2000 Long-Term Incentive Plan (the "2000 Incentive Plan"), the Non-Employee Directors Stock Compensation Plan (the "Directors Stock Plan"), the Executive Deferred Compensation Plan and the Directors Deferred Compensation Plan. This Committee held four meetings in 2005. See "Salary and Benefits Committee Report."

Audit Committee. The Audit Committee is composed of Messrs. Fogal (Chairman), Crane, Crary (retiring) and Crook, all of whom are independent directors. The Audit Committee has the responsibilities set forth in the Audit Committee Charter, as adopted by the full board of directors, including reviewing Seacoast and its subsidiaries financial statements and internal accounting controls, and reviewing reports of regulatory authorities and determining that all audits and examinations required by law are performed. It appoints the independent auditors, reviews their audit plan, and reviews with the independent auditors the results of the audit and management's response thereto. The Audit Committee also reviews the adequacy of the internal audit budget and personnel, the internal audit plan and schedule, and results of audits performed by the internal audit staff. The Audit Committee is responsible for overseeing the audit function and appraising the effectiveness of internal and external audit efforts. The Audit Committee periodically reports its findings to the Board of Directors. The Audit Committee met 10 times during 2005.

Nominating/Governance Committee. The Nominating/Governance Committee is composed of Messrs. Furst (Chairman), Bohner, Rossin and Santarsiero, all of whom are independent directors. The purpose of this Committee is to identify individuals qualified to become members of the Board of Directors of the Company and/or the Bank, and recommend to the Board of the Company and the Bank the director nominees for the next annual meeting of shareholders. The Committee also takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board the corporate governance guidelines applicable to the Company and monitoring Company compliance with these policies and guidelines for the purpose of nominating persons to serve on the Board. The responsibilities and duties of the Nominating/Governance Committee are more fully set out in the Committee's Charter. The Committee's Charter is not currently available on the Company's website; however, the Charter is attached as Exhibit A to the Company's 2004 proxy statement. The Committee met in November of 2004 to vote on its recommendations for director nominees for the Boards of the Company and the Bank for election at the 2005 annual meetings of shareholders. The Committee met in January of 2006 to vote on its recommendations for director nominees for the Boards of the Company and the Bank for election at the 2006 annual meetings of shareholders. The Committee held no meetings during 2005.

In addition to the standing committees of the Seacoast's Board of Directors, the Bank's Board of Directors has the following standing committees: Executive Committee, Investment Committee, Trust Committee and the Directors Loan Committee. Such committees perform those duties customarily performed by similar committees at other financial institutions.

Compensation of Directors

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 retainers, 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.

Directors Deferred Compensation Plan

During 2004, the Board of Directors approved 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.

Executive Officers

Executive officers are appointed annually at the organizational meeting of the respective Boards of Directors of Seacoast and the Bank following the annual meeting of Company shareholders, to serve until the next annual meeting and until successors are chosen and qualified.

Management Stock Ownership

As of February 23, 2006, based on available information, all directors and executive officers of Seacoast as a group (17 persons) beneficially owned approximately 3,835,976.3 outstanding shares of Common Stock, constituting 22.42 percent of the total number of shares of Common Stock outstanding at that date. In addition, as of the Record Date, various subsidiaries of Seacoast, as fiduciaries, custodians, and agents, had sole or shared voting power over 77,944 outstanding shares, or 0.46 percent