

Customers Bancorp, Inc.
Form S-1/A
January 13, 2011

Registration No. 333-166225

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Amendment No. 3 to
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Customers Bancorp, Inc.
(Exact name of registrant as specified in its Charter)

Pennsylvania
(State of Incorporation)

27-2290659
(I.R.S. Employer I.D. No.)

6022
(Primary Standard Industrial
Classification Code No.)

1015 Penn Avenue
Suite 103
Wyomissing PA 19610
(610) 933-2000
(Address and telephone number of principal executive offices)

Jay S. Sidhu
Customers Bank
1015 Penn Avenue
Suite 103
Wyomissing PA 19610
(610) 933-2000
(Name, address, telephone no. of agent for service)

With a Copy to:

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Lemoyne, Pennsylvania 17043
(717) 731-1700

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this Registration Statement and the completion of the transactions described herein.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this Joint Proxy Statement-Prospectus is not complete and may be changed. CBI may not sell these securities until the Securities and Exchange Commission declares the registration statement effective. This Joint Proxy Statement-Prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated January 13, 2010

Preliminary Joint Proxy Statement-Prospectus

Prospectus of Customers Bancorp, Inc.
_____ Shares of Voting Common Stock and
_____ Shares of Class B Non-Voting Common Stock

Proxy Statement of Customers Bank and Berkshire Bancorp, Inc.

PROPOSED REORGANIZATION AND MERGER – YOUR VOTE IS VERY IMPORTANT

Special Meeting of Shareholders

For each of:

Customers Bank
99 Bridge Street
Phoenixville, Pennsylvania 19460
(610) 933-2000

Berkshire Bancorp, Inc.
1101 Woodland Road
Wyomissing, Pennsylvania 19610
(610) 376-7200

The Boards of Directors of Customers Bank and Berkshire Bancorp, Inc. have each scheduled a special meeting of shareholders for the respective entities. The Customers Bank shareholder meeting is for the purpose of approving the reorganization, pursuant to a Plan of Merger and Reorganization, of Customers Bank into a holding company structure (which is referred to as the “reorganization” in this Joint Proxy Statement-Prospectus), and approving a merger transaction in accordance with that certain Agreement and Plan of Merger, dated as of August 23, 2010, by and among Customers Bank, Customers Bancorp, Inc., Berkshire Bank and Berkshire Bancorp, Inc., pursuant to which Berkshire Bancorp, Inc. will be merged with and into Customers Bancorp, Inc., and Berkshire Bank will thereafter be merged with and into Customers Bank (in this Joint Proxy Statement-Prospectus, the agreement is referred to as the “Merger Agreement,” and the transactions contemplated by the Merger Agreement as the “merger”).

The special meeting of shareholders for Berkshire Bancorp, Inc. is for the purpose of approving and adopting the Merger Agreement and the merger. Both the reorganization and the merger are contingent upon receipt of approval from various bank regulatory agencies, and the merger is contingent upon the earlier effectuation of the reorganization. Therefore, if the shareholders of Customers Bank do not approve the reorganization or if the required bank regulatory approvals are not received, the merger will not occur.

This Joint Proxy Statement-Prospectus registers shares of Customers Bancorp, Inc. Voting Common Stock and Class B Non-Voting Common Stock to be issued in connection with both the reorganization and the merger.

With respect to the reorganization, shares of Customers Bancorp, Inc. Voting Common Stock will be issued to shareholders of record of Customers Bank as of _____, 2011 on the basis of one share of Customers Bancorp, Inc. Voting Common Stock for every three shares of Customers Bank Voting Common Stock outstanding at the effective time of the reorganization, and one share of Customers Bancorp, Inc. Class B Non-Voting Common Stock for every three shares of Customers Bank Class B Non-Voting Common Stock outstanding at the effective time of the reorganization. The reorganization will only occur if the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock vote in favor of the reorganization.

With respect to the merger, if and after the reorganization is completed, each share of Berkshire Bancorp, Inc. common stock will be converted into the right to receive a certain fraction of a share of Customers Bancorp, Inc. Voting Common Stock, based upon the exchange ratio, calculated as the Berkshire Bancorp, Inc. valuation divided by three times Customers Bank valuation, each as established in the Merger Agreement, plus cash in lieu of fractional shares, as discussed in the attached Joint Proxy Statement-Prospectus. The merger will only occur if the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock and Berkshire Bancorp, Inc. common stock vote in favor of the Merger Agreement and the merger.

If the reorganization and merger are approved, and Customers Bancorp, Inc. receives all required bank regulatory approvals, a holding company structure will be formed through a reorganization pursuant to which Customers Bank will become a wholly owned subsidiary of Customers Bancorp, Inc., and the shareholders of Customers Bank will become the shareholders of Customers Bancorp, Inc. Immediately following the completion of the reorganization, the merger will be consummated so that Berkshire Bancorp, Inc. will be merged with and into Customers Bancorp, Inc., and immediately thereafter, Berkshire Bank will be merged with and into Customers Bank, and all of the issued shares of Berkshire Bancorp, Inc. common stock outstanding immediately before the consummation of the merger will be exchanged for shares of Customers Bancorp, Inc. Voting Common

Stock in accordance with the Merger Agreement. Accordingly, the effective time of the reorganization will precede the effective time of the merger. The effective time of the merger of Berkshire Bancorp, Inc. with and into Customers Bancorp, Inc. will precede the effective time of the merger of Berkshire Bank with and into Customers Bank. The reorganization and the merger are described in detail in the attached Joint Proxy Statement-Prospectus.

The board of directors of Customers Bank has approved the reorganization, the Merger Agreement and the merger, and recommends that you vote “FOR” the reorganization, Merger Agreement and merger. The board of directors of Berkshire Bancorp, Inc. has approved the Merger Agreement and the merger and recommends that you vote “FOR” the Merger Agreement and merger.

None of Customers Bancorp, Inc.’s Voting Common Stock or the Class B Non-Voting Common Stock, nor Berkshire Bancorp, Inc.’s common stock is listed on any national securities exchange.

YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 15 OF THIS JOINT PROXY STATEMENT-PROSPECTUS BEFORE DECIDING HOW TO VOTE ON THE PROPOSED REORGANIZATION.

The following are important disclosures. Please read them carefully:

You should rely only on information contained in this document or that has been referred to in this document. Neither Customers Bancorp, Inc., Customers Bank, Berkshire Bancorp, Inc. nor Berkshire Bank have authorized anyone to provide you with information that is different. This Joint Proxy Statement-Prospectus is only accurate as of the date printed on the bottom of this page. If there is any material change affecting the formation of the holding company structure or the merger, you will be advised.

The shares of Customers Bancorp, Inc. to be issued in the proposed reorganization and merger will not be savings accounts or deposits, and will not be insured by the Federal Deposit Insurance Corporation or any other government agency. Investment in the shares involves investment risk, including possible loss of principal.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in the proposed reorganization and the merger, passed upon the accuracy of 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.

The date of this Joint Proxy Statement-Prospectus is _____, 2011.

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The merger may fail to qualify as a tax-free reorganization under the Internal Revenue Code.	18
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Both CBI and BBI shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.	19
If the merger has not occurred by March 31, 2011, either Customers or Berkshire may choose not to proceed with the merger.	19
If the merger is terminated, BBI and Berkshire Bank will continue to be subject to certain regulatory actions, restrictions, and agreements that may materially affect their ability to do business and compete.	19
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Combining CBI and BBI may be more difficult, costly or time-consuming than expected.	20
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There is no established trading market for CBI's and Customers Bank's Voting Common Stock and share price may be volatile.	20
Either Customers Bank before the reorganization or CBI after the reorganization may issue additional shares of Voting Common Stock, preferred stock or equity, debt or derivative securities, which could adversely affect the value or voting power of your Voting Common Stock.	21

Either Customers Bank before the reorganization or CBI after the reorganization may issue incentive stock options, warrants, stock or other equity securities convertible into Voting Common Stock to management, directors and employees.	21
Customers Bank Voting Common Stock is and CBI's Voting Common Stock will be subordinate to all of each such entity's existing and future indebtedness; and neither Customers Bank nor CBI is limited on the amount of indebtedness it may incur in the future.	21
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Customers Bank shareholders may be deemed to be acting in concert and thereby subject to increased regulatory scrutiny, including the application of the FDIC policy statement to Customers Bank and its investors.	25
Previously enacted and potential future legislation, including legislation to reform the U.S. financial regulatory system, could adversely affect Customers Bank's business.	26
The new Bureau of Consumer Financial Protection ("BCFP") may reshape the consumer financial laws through rulemaking and enforcement of unfair, deceptive or abusive practices, which may directly impact the business operations of depository institutions offering consumer financial products or services including Customers Bank.	26
Government regulation might have an adverse effect on Customers Bank's business.	26

Customers Bank and/or CBI may become subject to additional Pennsylvania taxes as a result of the reorganization.	26
Accounting standards periodically change and the application of Customers Bank's accounting policies and methods may require estimates about matters that are uncertain.	27
Customers Bank might not achieve profitability or consistent earnings.	27
Customers Bank might not be able to keep growing or may fail to manage its growth effectively.	27

Asset growth may not cause Customers Bank’s earnings to grow.	27
If Customers Bank does not open new branches as planned or does not achieve profitability on new branches, earnings may be reduced.	27
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FDIC assessments will negatively impact earnings.	28
The short-term and long-term impact of the new Basel III capital standards and the forthcoming new capital rules to be proposed for non-Basel III U.S. banks is uncertain.	28
Competition with other financial institutions might negatively impact Customers Bank’s profits.	28
Losses or liabilities may be higher than anticipated and may negatively impact Customers Bank’s earnings and financial position.	29
Provisions in Customers Bank’s charter documents may prevent others from obtaining control or increase the cost of completing a transaction in which control of Customers Bank is acquired by others.	29
Customers Bank’s directors and executive officers can influence the outcome of shareholder votes.	29
Customers Bank depends on its executive management, and the loss of a member of its management team could have an adverse effect on business.	29
Customers Bank’s chairman and chief executive officer also serves as Executive Chairman of Atlantic Coast Federal Corporation, the holding company for another financial institution and such responsibilities could affect his ability to devote sufficient time to his position with Customers Bank.	29
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Customers Bank and CBI intend to engage in acquisitions of other businesses from time to time, including FDIC-assisted acquisitions. These acquisitions may not produce revenue or earnings enhancements or cost savings at levels or within timeframes originally anticipated and may result in unforeseen integration difficulties.	30
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FDIC-assisted acquisition opportunities may not become available and increased competition may make it more difficult for Customers Bank or CBI to bid on failed bank transactions on terms considered to be acceptable.	32
Attractive acquisition opportunities may not be available in the future.	32
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Customers Bank is subject to certain operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors.	33
	33

Some institutions Customers Bank or CBI could acquire may have distressed assets and there can be no assurance that Customers will be able to realize the value predicted from these assets or that it will make sufficient provision for future losses in the value of, or accurately estimate the future write-downs taken in respect of, these assets.

As a result of an investment or acquisition transaction, Customers may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on Customers' financial condition and results of operations, which could cause you to lose some or all of your investment.

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Customers Bank and/or CBI may in the future hire consultants or advisors on a contingent basis, who would only receive payment in the event an investment or acquisition transaction occurred and, therefore, they might be viewed as having an interest in such investment or acquisition transaction occurring.	34
Shareholders may have no opportunity to evaluate and affect the investment decision regarding a potential investment or acquisition transaction.	34
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