

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 27, 2009

MACATAWA BANK CORPORATION

(Exact name of Registrant as specified in its charter)

Michigan
(State or Other Jurisdiction
of Incorporation)

000-25927
(Commission File Number)

38-3391345
(IRS Employer
Identification No.)

10753 Macatawa Drive, Holland, MI
(Address of principal executive offices)

49424
(Zip Code)

Registrant's telephone number, including area code **(616) 820-1444**

Not Applicable

(Former name or former address, if changed since last year)

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 (17 CFR 230.425).
 - 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)).
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Item 1.01 Entry Into a Material Definitive Agreement.

As previously disclosed, Macatawa Bank Corporation (the “Company”) and Macatawa Bank entered into a Settlement and Release and Stock and Warrant Issuance Agreement and amendments (as amended, the “Settlement Agreement”) in connection with the legal proceedings related to Trade Partners, Inc. The legal proceedings related to Trade Partners and the Settlement Agreement are more fully described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008, the Company’s Current Report on Form 8-K dated January 30, 2009, and the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.

The settlement with respect to a approximately 91% of the number of plaintiffs and the aggregate amount of their claims was completed and became effective on June 17, 2009, as described in Item 8.01 of the Company’s Current Report on Form 8-K dated June 16, 2009. The final amounts of the settlement payments are described in Item 8.01 of this Form 8-K.

In connection with the settlement, the Company and Registrar and Transfer Company entered into a Warrant Agreement dated June 16, 2009. The Warrant Agreement was attached as Exhibit 4.1 to the Current Report on Form 8-K dated June 16, 2009.

On July 27, 2009, the Company and Registrar and Transfer Company entered into an Addendum to the Warrant Agreement. The Addendum is attached as Exhibit 4.1 to this Current Report on Form 8-K. The Addendum identifies the number of warrants issued on June 17 and on July 27 and includes the form of warrant certificate for the warrants issued on July 27, 2009.

Pursuant to the Settlement Agreement and the Warrant Agreement the Company has issued warrants to purchase an aggregate of 1,478,811 shares of common stock of the Company (the “Warrants”). Warrants to purchase a total of 1,361,753 shares of common stock were issued on June 17, 2009, and Warrants to purchase a total of 117,058 shares of common stock were issued on July 27, 2009.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 above is incorporated by reference into this Item 3.02.

On July 27, 2009, the Company issued the Warrants to purchase 117,058 shares of its common stock. The Warrants issued in the settlement were issued in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Section 3(a)(10) of the Securities Act. The Warrants were issued as part of the settlement in a transaction approved by courts of the United States and the State of Michigan. The approvals were received after a hearing on the fairness of the terms and conditions of the exchange, at which all plaintiffs had the right to appear and adequate notice was given. The shares of common stock underlying the Warrants will be registered under the Securities Act as described in the Warrant Agreement.

The Warrants have an exercise price of \$9.00 per share (subject to certain adjustments for stock splits, stock dividends and certain other recapitalizations as described in the Warrant Agreement). The Warrants become exercisable following the later of (a) 366 days after the Warrants are issued, and (b) the effective date of the Registration Statement to register with the Securities and Exchange Commission the shares to be issued upon exercise of the Warrants. The Warrants have a term of five years from the date on which they become exercisable (subject to certain extensions described in the Warrant Agreement).

Item 8.01 Other Information.

On June 17, 2009, the Company received signed releases and completed the initial settlement with plaintiffs representing approximately 91% of the total number of plaintiffs and approximately 91% of the total dollar amount of all claims to be resolved (the "June Settling Plaintiffs"). The Company paid the June Settling Plaintiffs an aggregate of \$5.46 million in cash and issued them Warrants to purchase 1,361,753 shares of common stock at an exercise price of \$9.00 per share.

On July 27, 2009, the Company completed a second settlement with additional plaintiffs representing approximately 8.7% of the total number of original plaintiffs (the "July Settling Plaintiffs"). The Company paid the July Settling Plaintiffs an aggregate of \$451,766 in cash and issued them Warrants to purchase 117,058 shares of common stock at an exercise price of \$9.00 per share.

Including both the June 17 and the July 27 settlements, the Company paid a total of \$5.91 million for the cash portion of the settlement and issued Warrants to purchase a total of 1,478,811 shares of common stock at an exercise price of \$9.00 per share. The Company's insurers contributed \$950,000 to the \$5.91 million cash portion of the settlement.

Both the June 17 and the July 27 settlements were expensed in the second quarter and reduced the Company's net income by approximately \$3.60 million on an after-tax basis.

Following the June 17 and July 27 settlements, only 17 plaintiffs remain who have not settled with the Company out of the approximately 1,200 original plaintiffs. The settlements have resulted in the Company eliminating over 99% of its potential liability with respect to the Trade Partners litigation and any remaining potential liability is immaterial.

The Settlement Agreement did not contain any admission of liability or wrongdoing by the Company or Macatawa Bank.

9.01 Financial Statements and Exhibits

(d) Exhibits. The following exhibits are filed herewith:

4.1 Addendum to Warrant Agreement, dated as of July 27, 2009, between Macatawa Bank Corporation and Registrar and Transfer Company.

4.2 Form of Macatawa Bank Corporation Warrant Certificate for second series of warrants.

SIGNATURE

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

MACATAWA BANK CORPORATION
(Registrant)

Dated: July 31, 2009

By: /s/ Jon W. Swets

Jon W. Swets
Chief Financial Officer

WARRANT AGREEMENT ADDENDUM

This Warrant Agreement Addendum (this "Addendum") is entered into as of the 27th day of July, 2009, by and between Macatawa Bank Corporation, a Michigan corporation (the "Company") and Registrar and Transfer Company, a New Jersey corporation (the "Warrant Agent"). This Addendum amends and supplements the Warrant Agreement dated, June 16, 2009, between the Company and the Warrant Agent (the "Warrant Agreement").

The Warrants shall be issued in two series. The total aggregate number of Warrants including both series shall in no event entitle the Holders of such Warrants to purchase more than an aggregate of one million five hundred thousand (1,500,000) Warrant Shares (subject to adjustment pursuant to Section 8 of the Warrant Agreement).

The first series (CUSIP No. 554225 11 0) consisted of 1,361,753 Warrants issued to the initial Holders of the first series on June 17, 2009. For purposes of determining the Exercise Period under the Warrant Agreement for the first series, the first series Warrants were issued to the initial Holders on June 17, 2009. The form of Warrant Certificate for the first series was attached to the June 17, 2009 Warrant Agreement.

The second series (CUSIP No. 554225 12 8) consists of 117,058 Warrants to be issued to the initial Holders of the second series on July 27, 2009. For purposes of determining the Exercise Period under the Warrant Agreement for the second series, the second series Warrants are issued to the initial Holders on July 27, 2009. The form of Warrant Certificate for the second series is attached to this Addendum.

Except as modified by this Addendum, the terms of the Warrant Agreement remain in full force and effect.

All capitalized terms used but not defined in this Addendum shall have the meanings ascribed to them in the Warrant Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

COMPANY:

Macatawa Bank Corporation

By: _____

Name: _____

Title: _____



WARRANT AGENT:

Registrar and Transfer Company

By: _____

Name: _____

Title: _____

Attachment: Form of second series Warrant Certificate

TO BE IN THE FORM OF A BANKNOTE CERTIFICATE

CUSIP No. 554225 12 8

THIS WARRANT IS GOVERNED BY AND SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT. A COPY OF THE WARRANT AGREEMENT MAY BE OBTAINED UPON REQUEST FROM MACATAWA BANK CORPORATION OR THE WARRANT AGENT.

Warrant to Purchase Common Stock of Macatawa Bank Corporation

This Warrant (the "Warrant") is issued to _____, or his, her or its registered assigns (the "holder") by Macatawa Bank Corporation, a Michigan corporation (the "Company"), on the date set forth on this certificate. This Warrant is issued pursuant to that certain Warrant Agreement, dated June 16, 2009 and as amended July 27, 2009 (the "Warrant Agreement"), between the Company and Registrar and Transfer Company, a New Jersey corporation (the "Warrant Agent") and in furtherance of that certain Settlement and Release and Stock and Warrant Issuance Agreement, dated November 12, 2008, as amended by the First Amended Settlement and Release Agreement and Stock and Warrant Issuance Agreement dated January 30, 2009, as further amended by the Second Amendment to the Settlement and Release Agreement and Stock and Warrant Issuance Agreement dated April 30, 2009, in settlement of the lawsuit pending in the United States District Court for the Western District of Michigan, entitled *In re Trade Partners, Inc. Investor Litigation*, Case No. 1:07-MD-1846-RHB, and the lawsuit pending in the Kent County Circuit Court in Grand Rapids, Michigan, entitled *Giese et al. v. Macatawa Bank Corp et al.*, Case No. 06-11707-CZ.

1. **Definitions.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Warrant Agreement.
 2. **Purchase Shares.** Subject to the terms and conditions hereinafter set forth, the holder is entitled, upon surrender of this Warrant to the Warrant Agent, to purchase from the Company up to that number of fully paid and non-assessable shares of the Company's Common Stock equal to the number of Warrants set forth above. The number of shares of Common Stock issuable pursuant to this Section 2 shall be subject to adjustment pursuant to Section 8 of the Warrant Agreement.
 3. **Exercise Price.** The purchase price for each Warrant Share shall be \$9.00 per share, as adjusted from time to time pursuant to Section 8 of the Warrant Agreement (the "Exercise Price"). All payments shall be made in lawful money of the United States of America by certified or official bank check or checks payable to the order of the Company or by wire transfer.
 4. **Exercise Period.** This Warrant shall be exercisable, in whole or in part, on any Business Day, from and after the later of (a) July 28, 2010, and (b) the Effective Date of the Registration Statement and until 5:00 p.m., Holland, Michigan time, on the fifth anniversary of the later of (a) or (b), as such period may be extended pursuant to the terms of the Warrant Agreement (the "Exercise Period").
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5. Method of Exercise. While this Warrant remains outstanding and during the Exercise Period, the holder may exercise, in whole or in part, the purchase rights evidenced hereby. Such exercise shall be effected by: (a) the surrender of this Warrant, together with a duly executed copy of the form of Notice of Election (attached to this Warrant), to the Warrant Agent at its principal offices; and (b) the payment to the Warrant Agent for the account of the Company of an amount equal to the aggregate Exercise Price for the number of Warrant Shares being purchased in any manner permitted in the Warrant Agreement.

6. Certificates for Warrant Shares. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Warrant Shares so purchased shall be issued as soon as practicable thereafter (with appropriate restrictive legends, if applicable), and in any event within thirty (30) days of the delivery of the Notice of Election. In case the holder shall exercise this Warrant with respect to less than all of the Warrant Shares that may be purchased under this Warrant, the Company shall execute a new warrant in the form of this Warrant for the balance of such Warrant Shares and deliver such new warrant to the holder of this Warrant.

7. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares, the Company shall make a cash payment for such fractional shares or scrip on the basis of the Trading Price determined as of the date of exercise.

8. No Shareholder Rights. Prior to exercise of this Warrant, the holder shall not be entitled to any rights of a shareholder with respect to the Warrant Shares, including (without limitation) the right to vote such Warrant Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and such holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company. However, nothing in this Section 8 shall limit the right of the holder to be provided the notices required under the Warrant Agreement.

9. Transfers of Warrant. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights (but only with all related obligations) under this Warrant are transferable in whole or in part by the holder. The transfer shall be recorded on the books of the Company upon (a) the surrender of this Warrant, properly endorsed, or as otherwise provided for in Section 3 of the Warrant Agreement, to the Warrant Agent at its principal offices, and (b) the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. In the event of a partial transfer, the Company shall issue to the holders one or more appropriate new warrants.

10. Successors and Assigns. The terms and provisions of this Warrant and the Warrant Agreement shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

11. Amendments and Waivers. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the holder. Any waiver or amendment effected in accordance with this Section shall be binding upon each holder of any Warrant Shares purchased under this Warrant at the time outstanding (including securities into which such Warrant Shares have been converted), each future holder of all such Warrant Shares, and the Company.

12. Notices. All notices required under this Warrant shall be deemed to have been given or made for all purposes (a) upon personal delivery, (b) five (5) days after deposit in the mail, postage prepaid, first class mail, or (c) one (1) day after deposit with a recognized overnight courier, postage prepaid. Notices to the Company shall be sent to 10753 Macatawa Drive, Holland, Michigan 49424 (or at such other place as the Company shall notify the holder hereof in writing). Notices to the holder shall be sent to the address of the holder in the Warrant Register. Notices to the Warrant Agent shall be sent to 10 Commerce Drive, Cranford, New Jersey 07016, Attn: Dan Flynn (or such other address as the Warrant Agent shall indicate in a notice to the Company and the holder).

13. Captions. The section and subsection headings of this Warrant are inserted for convenience only and shall not constitute a part of this Warrant in construing or interpreting any provision hereof.

14. Governing Law. The terms and conditions of this Warrant shall be governed, construed, interpreted, and enforced in accordance with the domestic laws of the State of Michigan, without regard to its conflict of laws principles.

15. Warrant Agreement. This Warrant is governed by and subject to the terms and conditions contained in the Warrant Agreement. In the event of a conflict between the provisions of the Warrant Agreement and this Warrant, the provisions of the Warrant Agreement shall govern. A copy of the Warrant Agreement may be obtained at no cost upon request from the Company at its principal office or from the Warrant Agent.

IN WITNESS WHEREOF, the Company and the Warrant Agent have caused this Warrant to be executed by their duly authorized officers.

Macatawa Bank Corporation

By: _____
Ronald L. Haan
Chief Executive Officer and Secretary

COUNTERSIGNED AND REGISTERED:

Registrar and Transfer Company,
as Warrant Agent
(Cranford, NJ)

By: _____
Authorized Officer

**MACATAWA BANK CORPORATION
WARRANT NOTICE OF EXERCISE**

To: Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

1. The undersigned hereby elects to purchase _____ shares of Common Stock of Macatawa Bank Corporation, a Michigan corporation (the "Company"), pursuant to the terms of the attached Warrant and the Warrant Agreement referenced in such Warrant. To the extent the undersigned is not exercising this Warrant in full, please reissue and return to the undersigned a new Warrant to purchase the remaining number of shares of Common Stock.

2. Payment of the Exercise Price per share required under such Warrant accompanies this notice in the amount of \$ _____ by means of:

_____ wire transfer of immediately available funds to the Warrant Agent for the account of the Company,

_____ certified or official bank check or checks to the order of the Company, or

_____ surrender of the right to receive Warrant Shares having an aggregate Trading Price determined as of the date hereof equal to the aggregate Exercise Price.

Signature: _____

Name in Which Shares Are to be Registered:

Print Name: _____

Name: _____

SSN: _____

SSN: _____

Address: _____

Address: _____

Date: _____

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended.

Signature Guaranteed by: _____

**MACATAWA BANK CORPORATION
WARRANT TRANSFER**

To: Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

For value received, the undersigned hereby sells, assigns and transfers unto _____ the right to purchase _____ (_____) shares of Common Stock, no par value, of Macatawa Bank Corporation, a Michigan corporation (the "Corporation") pursuant to the attached Warrant and does hereby irrevocably constitute and appoint Registrar and Transfer Company as the undersigned's attorney-in-fact, with full power of substitution, to transfer the Warrant, or such portion as is transferred hereby, on the books of the Corporation. The undersigned requests that the Registrar and Transfer Company issue to the transferee a Warrant certificate evidencing such transfer and to issue to the undersigned a new Warrant evidencing the right to purchase Common Stock for the balance not so transferred, if any.

Signature: _____
Print Name: _____
SSN: _____
Address: _____

Name in Which Shares Are to be Registered:
Name: _____
SSN: _____
Address: _____

Date: _____

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended.

Signature Guaranteed by: _____