

PARK NATIONAL CORP /OH/  
Form 11-K  
June 27, 2016

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

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-91178

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Park National Corporation  
Employees Stock Ownership Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Park National Corporation  
50 North Third Street  
Newark, Ohio 43055

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REQUIRED INFORMATION

The following financial statements and supplemental schedules for the Park National Corporation Employees Stock Ownership Plan are being filed herewith:

Audited Financial Statements:

Report of Independent Registered Public Accounting Firm - Crowe Horwath LLP

Statements of Net Assets Available for Benefits at December 31, 2015 and 2014

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2015 and 2014

Notes to Financial Statements - December 31, 2015 and 2014

Supplemental Schedules:

Schedule of Assets Held for Investment Purposes, Schedule H, Line 4(i) - December 31, 2015

Schedule of Reportable Transactions, Schedule H, Line 4(j) - December 31, 2015

The following exhibit is being filed herewith:

Exhibit No. Description

23.1 Consent of Independent Registered Public Accounting Firm – Crowe Horwath LLP

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PARK NATIONAL  
CORPORATION  
EMPLOYEES STOCK  
OWNERSHIP PLAN

By THE PARK NATIONAL BANK,  
Trustee

Date: June 27, 2016

By: /s/ Brady T. Burt

Printed Name: Brady T. Burt

Title: Chief Financial Officer

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PARK NATIONAL CORPORATION  
EMPLOYEES STOCK OWNERSHIP PLAN

ANNUAL REPORT ON FORM 11-K  
FOR FISCAL YEAR ENDED DECEMBER 31, 2015

INDEX TO EXHIBITS

Exhibit No. Description

23.1 Consent of Independent Registered Public Accounting Firm – Crowe Horwath LLP

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Financial Statements and Supplemental Schedules

Park National Corporation  
Employees Stock Ownership Plan  
Years Ended December 31, 2015 and 2014  
With Report of Independent Registered Public Accounting Firm

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Park National Corporation  
Employees Stock Ownership Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2015 and 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Executive Committee of the Board of Directors of Park National Corporation and  
Plan Administrator of Park National Corporation Employees Stock Ownership Plan  
Newark, Ohio

We have audited the accompanying statements of net assets available for benefits of Park National Corporation Employees Stock Ownership Plan as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j– Schedule of Reportable Transactions as of December 31, 2015 and for the year then ended have been subjected to audit procedures performed in conjunction with the audit of Park National Corporation Employees Stock Ownership Plan's financial statements. The supplemental schedules are the responsibility of the Plan's management. Our audit procedures included determining whether the information presented in the supplemental schedules reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio  
June 27, 2016

Park National Corporation  
 Employees Stock Ownership Plan  
 Statements of Net Assets Available for Benefits  
 December 31, 2015 and 2014

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	2015	2014
ASSETS		
Investments, at fair value:		
Park National Corporation Common Stock	\$82,248,853	\$78,976,717
Mutual Funds	30,641,580	29,571,228
Interest-bearing account, issued by The Park National Bank	2,326,033	2,332,277
Total Investments	115,216,466	110,880,222
Accrued interest and dividends	7,977	6,597
<b>TOTAL ASSETS AND NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 115,224,443</b>	<b>\$ 110,886,819</b>

See accompanying notes to financial statements

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Park National Corporation  
 Employees Stock Ownership Plan  
 Statements of Changes in Net Assets Available for Benefits  
 For the years ended December 31, 2015 and 2014

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	2015	2014
Investment income:		
Net realized and unrealized appreciation in fair value of investments	\$1,151,618	\$4,825,492
Interest and dividends	4,104,297	3,916,754
Total investment income	5,255,915	8,742,246
Contributions:		
Employer	1,177,791	1,099,627
Employee	4,978,003	4,614,398
Rollover	127,196	339,943
Total contributions	6,282,990	6,053,968
Benefit payments to participants	7,201,281	6,927,751
Net increase in net assets available for benefits	4,337,624	7,868,463
Net assets available for benefits at beginning of year	110,886,819	103,018,356
Net assets available for benefits at end of year	\$115,224,443	\$110,886,819

See accompanying notes to financial statements

Park National Corporation  
Employees Stock Ownership Plan  
Notes to Financial Statements  
December 31, 2015 and 2014

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## 1. Description of the Plan

The following description of the Park National Corporation Employees Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

### General

The Plan is a defined contribution plan covering full-time or part-time employees of Park National Corporation and subsidiaries (“Park”) who have completed 30 days of service, and are age eighteen or older. In the event that a Participant fails to make a new affirmative deferral election, such Participant shall be deemed to have made a pre-tax deferral election equal to 3% of compensation per pay period. Auto enrollment is only applicable for employees who became participants on or after January 1, 2014. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

### Contributions

Each year, participants may contribute up to 25% of their pretax annual compensation, as defined in the Plan. Beginning January 1, 2014 the Plan introduced a Roth investment option which allows for after tax contributions. Participants may also contribute rollover amounts representing distributions from other qualified defined contribution plans. The maximum salary deferral permitted by the Internal Revenue Code (“Code”) was \$18,000 for 2015 and \$17,500 for 2014. The Plan also permits participants who are age 50 or older to make catch-up contributions in accordance with Code Section 414(v).

Park provides a matching contribution at a level established annually by Park. For both 2014 and 2015, Park’s employer matching contribution was 25% of all employee KSOP contributions, excluding any catch-up contributions.

### Participant Accounts

Each participant’s account is credited with the participant’s salary deferral, an allocation of Park’s contribution and Plan earnings, and charged with participant withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s account.

### Vesting

Participants’ accounts are 100% vested at all times.

Park National Corporation  
Employees Stock Ownership Plan  
Notes to Financial Statements  
December 31, 2015 and 2014

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#### Payments of Benefits

Upon termination or after age 59½, a participant may elect lump sum, rollover, or installments over a period not to exceed the participant's (and their designated beneficiary's) life expectancy in an amount equal to the value of his or her account. A participant can elect to take a distribution of their account balance in cash or shares of Park National Corporation Common Stock.

#### Employees Stock Ownership Plans ("ESOP")

Effective January 1, 2002, the Plan was amended and restated to become an ESOP that invests in shares of Park National Corporation Common Stock. The Plan is not leveraged and all new contributions (both employer and employee) will be used to purchase only Park National Corporation Common Stock. Participants are permitted to diversify their investments on a quarterly basis. The Plan's investments are held in trust by The Park National Bank, a wholly owned subsidiary of Park National Corporation.

## 2. Summary of Accounting Policies

#### Basis of Presentation

The financial statements of the Plan are prepared on the accrual basis and are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### Valuation of Investments

The Plan's investments are reported at fair value. Refer to Note 9 - Fair Values. Purchases and sales of securities are recorded on a trade date basis.

#### Investment Income

Dividends are recorded as of their ex-dividend date. Interest income is recorded on an accrual basis when earned. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Administrative Expenses

All administrative expenses charged to the Plan are borne by Park. Park also provides other accounting and administrative services to the Plan. Investment management fees and operating

Park National Corporation  
Employees Stock Ownership Plan  
Notes to Financial Statements  
December 31, 2015 and 2014

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expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of the investment return for such investments.

#### Payment of Benefits

Benefits are recorded when paid.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of investment income and expenses during the reporting period. Actual results could differ from those estimates.

#### Concentration of Credit Risk

At both December 31, 2015 and 2014, approximately 71% of the Plan's assets were invested in Park National Corporation Common Stock.

#### Adoption of New Accounting Pronouncements

Accounting Standards Update ("ASU") 2015-12 - Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965): In July 2015, the Financial Accounting Standards Board (the "FASB") issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965). This ASU eliminates certain disclosure requirements in order to reduce the complexity of employee benefit plan accounting. The new guidance is effective for fiscal years beginning after December 15, 2015 and should be applied retrospectively. Early adoption is permitted. The adoption of this guidance impacted disclosures but did not impact the financial statements of the Plan.

### 3. Plan Termination

Although Park has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Park National Corporation  
 Employees Stock Ownership Plan  
 Notes to Financial Statements  
 December 31, 2015 and 2014

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#### 4. Nonparticipant-Directed Investments

The following information represents the assets and the significant components of changes in assets related to the Plan's investment in Park National Corporation Common Stock, an undetermined portion of which is nonparticipant directed based upon Plan provisions. Initial contributions are deposited into the Plan in the form of cash with shares of Park National Corporation Common Stock purchased on a delayed basis.

	December 31,	
	2015	2014
Investment, at fair value:		
Park National Corporation Common Stock	\$82,248,853	\$78,976,717
The Park National Bank FDIC Account	31,199	81,625
	\$82,280,052	\$79,058,342
Changes in assets:		
Contributions	\$6,177,562	\$6,024,209
Interest and dividend income	3,381,311	3,343,247
Distributions to participants	(4,997,156 )	(4,874,495 )
Net transfers to participant directed investments	(3,187,238 )	(3,962,838 )
Net appreciation in fair value of investments	1,847,231	3,063,206
Increase in assets	\$3,221,710	\$3,593,329

#### 5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 19, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

GAAP requires plan management to evaluate tax positions taken by the Plan. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

Park National Corporation  
 Employees Stock Ownership Plan  
 Notes to Financial Statements  
 December 31, 2015 and 2014

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## 6. Party-in-Interest

The Plan held the following party-in-interest investments (at fair value):

	December 31,	
	2015	2014
Park National Corporation Common Stock	\$82,248,853	\$78,976,717
The Park National Bank FDIC Account	2,326,033	2,332,277
	\$84,574,886	\$81,308,994

At December 31, 2015, the Plan held 909,028 shares of Park National Corporation Common Stock, with a fair value of \$82,248,853. At December 31, 2014, the Plan held 892,594 shares of Park National Corporation Common Stock, with a fair value of \$78,976,717.

During 2015 and 2014, cash dividends of \$3,381,311 and \$3,343,247, respectively, were paid to the Plan by Park National Corporation.

At December 31, 2015 and 2014, the Plan held a participant-directed interest bearing account issued by The Park National Bank of \$2,294,834 and \$2,250,652, respectively. At December 31, 2015 and 2014, the Plan held nonparticipant-directed, interest-bearing accounts issued by Park National Bank of \$31,199 and \$81,625, respectively. During 2015 and 2014, interest of \$2,478 and \$2,527, respectively, were paid to the Plan by The Park National Bank.

During 2015 and 2014, the Plan purchased 46,892 shares and 59,197 shares, respectively, of Park National Corporation Common Stock.

## 7. Form 5500 Reconciliation

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	December 31,	
	2015	2014
Net assets available for benefits per the financial statements	\$115,224,443	\$110,886,819
Less: Accrued interest and dividends	(7,977 )	(6,597 )
Net assets per the Form 5500	\$115,216,466	\$110,880,222

Park National Corporation  
 Employees Stock Ownership Plan  
 Notes to Financial Statements  
 December 31, 2015 and 2014

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The following is a reconciliation of net change in net assets available for benefits per the financial statements to the Form 5500:

	2015
Net increase in net assets available for benefits per the financial statements	\$4,337,624
Less: Accrued interest and dividends	(7,977 )
Plus: Prior year accrued interest and dividends	6,597
Net income per the Form 5500	\$4,336,244

#### 8. Risks and Uncertainties

The Plan invests in various investment securities including Park National Corporation Common Stock, mutual funds, and interest bearing accounts. Investment securities are exposed to various risks such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

#### 9. Fair Values

GAAP defines fair value as the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. GAAP establishes a fair value hierarchy which requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Park National Corporation  
Employees Stock Ownership Plan  
Notes to Financial Statements  
December 31, 2015 and 2014

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Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair values of mutual fund investments and common stock are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs). Additionally, due to their short-term nature, the fair value of interest-bearing cash balances are determined by reference to their face value (level 1 input). The fair value of all of the investments held by the Plan have been determined using Level 1 inputs (refer to the Statement of Net Assets Available for Benefits).

There were no transfers between level 1, level 2 or level 3 during 2015 or 2014. Management's policy is to transfer assets from one level to another when the methodology to obtain the fair value changes such that there are more or fewer unobservable inputs as of the end of the reporting period.



SUPPLEMENTAL SCHEDULES

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Park National Corporation  
 Employees Stock Ownership Plan  
 Schedule H, Line 4i  
 Schedule of Assets (Held at End of Year)  
 December 31, 2015

Name of Plan Sponsor:	Park National Corporation		
Employer identification number:	31-1179518		
Three digit plan number:	002		
(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Interest-bearing account			
* The Park National Bank FDIC Account	Interest rate of 0.10%	\$2,326,033	\$2,326,033
Common Stock:			
* Park National Corporation Common Stock	909,028 shares	\$50,988,580	\$82,248,853
Mutual Funds:			
Vanguard Institutional Index Fund	47,371 shares	**	\$8,840,356
Vanguard Developed Markets Index Fund Admiral Shares	21,299 shares	**	251,757
Vanguard Short-Term Investment Grade Fund Admiral Shares	213,062 shares	**	2,249,940
Vanguard Small-Cap Index Fund Admiral Shares	10,070 shares	**	534,199
Vanguard Growth Index Fund Admiral Shares	81,207 shares	**	4,447,726
Vanguard Extended Market Index Fund Admiral Shares	51,441 shares	**	3,270,639
Vanguard Intermediate-Term Bond Index Fund Admiral Shares	137,991 shares	**	1,553,775
Vanguard Balanced Index Fund Admiral Shares	133,366 shares	**	3,896,944
Vanguard Total International Stock Index Fund Admiral Shares	62,440 shares	**	1,513,554
Vanguard Target Retirement 2015 Fund	48,475 shares	**	689,805
Vanguard Target Retirement 2025 Fund	69,820 shares	**	1,090,585
Vanguard Target Retirement 2035 Fund	55,194 shares	**	929,468
Vanguard Target Retirement 2045 Fund	59,926 shares	**	1,065,481
Vanguard Target Retirement 2055 Fund	9,969 shares	**	307,351
Total Mutual Funds		**	\$30,641,580
Total Investments Held at End of Year			\$115,216,466
* Indicates party-in-interest to the Plan.			

\*\* Disclosure of historical cost is not required for participant-directed investments.

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Park National Corporation  
 Employees Stock Ownership Plan  
 Schedule H, Line 4j  
 Schedule of Reportable Transactions  
 For the year ended December 31, 2015

Name of Plan Sponsor: Park National Corporation  
 Employer identification number: 31-1179518  
 Three digit plan number: 002

(a) Identity or Party Involved	(b) Description of Asset Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(c) Cost	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Category (iii) – A series of transactions in excess of 5% of plan assets						
The Park National Bank	FDIC Account, 89 purchases	\$ 10,220,280	\$	—\$10,220,280	\$ 10,220,280	\$ —
The Park National Bank	FDIC Account, 147 sales	—	10,226,586	10,226,586	10,226,586	—