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CENTRAL FEDERAL CORP  
Form 8-K  
June 27, 2005

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): June 23, 2005

CENTRAL FEDERAL CORPORATION

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(Exact Name of Registrant as Specified in its Charter)

Delaware ----- (State or Other Jurisdiction of Incorporation)	0-25045 ----- (Commission File Number)	34-1877137 ----- (IRS Employer Identification Number)
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2923 Smith Road, Fairlawn, Ohio ----- (Address of Principal Executive Offices)	44333 ----- (Zip Code)	(330) 666-7979 ----- (Registrant's Telephone Number)
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Not Applicable  
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(Former Name or Former Address, if Changed Since Last Report)

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

On June 23, 2005, the Board of Directors approved the accelerated vesting of all unvested stock options awarded to eligible participants under the 1999 Stock Based Incentive Plan and the 2003 Equity Compensation Plan. As a result of the acceleration, unvested options granted in 2003 and 2004 to acquire 102,000 shares of the registrant's common stock, which otherwise would have vested on various dates thru January 16, 2008, became immediately exercisable. All other terms and conditions applicable to options granted under these plans, including the exercise prices and the number of shares subject to the accelerated options, are unchanged. The decision to accelerate the vesting of these options was related to the issuance of Statement of Financial Accounting Standard No. 123 (revised 2004), Share Based Payment ("FAS 123R"). In accordance with the provisions of FAS 123R, the registrant will adopt the pronouncement on January 1, 2006 and believes the above-mentioned acceleration of vesting will eliminate compensation expense related to these options of approximately \$115,100, \$33,200 and \$200 in 2006, 2007 and 2008, of which approximately \$79,100, \$20,300 and \$200 for each respective year is attributable to options held by directors and executive officers. The total expense will be reflected in pro forma footnote disclosure in the Company's 2005 financial statements, as permitted under the transition guidance provided by the Financial Accounting Standards Board.

The following table lists the number of options and weighted average exercise price of options subject to acceleration for Directors and Executive Officers:

Name -----	Options subject to acceleration (# shares) -----	Weighted average exercise price -----
Directors:		
David C. Vernon	26,167	\$ 11.54
Executive Officers:		
Elouise L. Mackus	9,670	12.65
Therese A. Liutkus	9,670	13.16
Raymond E. Heh	11,422	12.84
R. Parker MacDonell	9,670	12.07
Richard J. O'Donnell	5,000	12.70

ITEM 8.01 OTHER EVENTS

On June 24, 2005, the registrant issued a press release announcing that its Board of Directors declared a cash dividend of 9 cents per share on its common stock to be paid on July 18, 2005 to shareholders of record on July 5, 2005. The Board had considered reducing the dividend and advised that payment of the dividend would continue to be evaluated. A copy of the press release is included as Exhibit 99 to this report.

ITEM 9.01 FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

99 Press release issued on June 24, 2005 announcing dividends.

SIGNATURES

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

Central Federal Corporation

Date: June 27, 2005

By: /s/ Therese Ann Liutkus

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Therese Ann Liutkus, CPA  
Treasurer and Chief Financial  
Officer