

CONNS INC
Form DEF 14A
April 15, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant: Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

CONN S, INC.

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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CONN S, INC.

4055 Technology Forest Blvd.

Suite 210

The Woodlands, Texas 77381

(936) 230-5899

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 28, 2014

To the Stockholders of Conn s, Inc.:

NOTICE IS HEREBY GIVEN that the 2014 annual meeting of stockholders of Conn s, Inc. will be held on Wednesday, May 28, 2014, at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381, commencing at 11:00 A.M., Central Daylight time, for the following purposes:

1. to elect seven directors nominated by our board of directors;
2. To consider a proposal to approve an amendment to the Company s Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
4. to hold an advisory vote to approve the compensation of our named executive officers; and
5. to transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 1, 2014, are entitled to notice of and to vote at the 2014 annual meeting of stockholders or any postponement or adjournment thereof. A list of such stockholders, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each such stockholder, will be available for examination by any stockholder for any purpose relating to the meeting during ordinary business hours for a period of at least ten days prior to the meeting at our principal offices located at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381.

We are pleased to take advantage of the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing to our stockholders, other than those who previously requested electronic or paper delivery of the proxy materials, a **Notice of Internet Availability of Proxy Materials** (the Notice) for the fiscal year ended January 31, 2014, on or about April 14, 2014. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2014 and a form of proxy card or voting instruction card.

The vote of each stockholder is important. You may vote your shares via a toll-free telephone number or over the Internet. If you received a proxy card or voting instruction card by mail, you may submit your proxy card or voting instruction card by completing, signing, dating and mailing your proxy card or voting instruction card in the envelope provided. Any stockholder attending the meeting may vote in person, even if you have already returned a proxy card or voting instruction card.

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By Order of the Board of Directors,

/s/ Robert F. Bell
Robert F. Bell
Corporate Secretary

April 14, 2014

The Woodlands, Texas

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PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

Date: May 28, 2014

Time: 11:00 A.M., Central Daylight time

Location: Conn s, Inc.

4055 Technology Forest Blvd.

Suite 210

The Woodlands, Texas 77381

Record Date and Number of Votes: April 1, 2014. Holders of our Common Stock (Common Stock) are entitled to one vote for each share of Common Stock they owned as of the close of business on April 1, 2014. You may not cumulate votes.

- Agenda:**
1. To elect seven directors nominated by our board of directors;
 2. To consider a proposal to approve an amendment to the Company s Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
 3. To vote on a proposal to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
 4. To hold an advisory vote to approve the compensation of our named executive officers; and
 5. To transact such other business as may properly come before the meeting.

Proxies: Unless you tell us on the form of proxy to vote differently, the named proxies will vote signed returned proxies:

1. FOR the election of the seven directors nominated by the board of directors and named in this proxy statement;
2. FOR the amendment to the Company s Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;

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3. FOR the proposal to ratify the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015; and

4. FOR the approval, on an advisory basis, of the compensation of our named executive officers.

The proxy holders will use their discretion on other matters. If a nominee for the board of directors cannot serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.

Proxies Solicited By: The Board of Directors

Distribution Date: The Notice or the proxy materials, including this proxy statement, proxy card or voting instruction card and our Annual Report on Form 10-K, are being distributed and made available on or about April 14, 2014.

YOUR VOTE IS IMPORTANT. PLEASE VOTE PROMPTLY.

Prompt return of your proxy will help reduce the costs of re-solicitation.

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GENERAL INFORMATION REGARDING THE 2014 ANNUAL MEETING OF STOCKHOLDERS

What constitutes a quorum? What is the Record Date? How many shares are outstanding?

The holders of a majority of the outstanding shares of Common Stock entitled to vote at the 2014 annual meeting of stockholders, represented in person or by proxy, will constitute a quorum at the meeting. However, if a quorum is not present or represented at the meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to adjourn the meeting, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

On April 1, 2014, the Record Date, there were 36,143,013 shares of our Common Stock issued and outstanding and entitled to vote, meaning that 18,071,509 shares of our Common Stock must be present in person or by proxy to have a quorum.

What matters will be voted on at the Annual Meeting?

The following matters will be voted on at the Annual Meeting:

1. the election of seven directors;
2. a proposal to approve an amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. a proposal to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
4. an advisory vote to approve the compensation of our named executive officers; and
5. such other business as may properly come before the meeting.

How does the board of directors recommend that I vote?

The board of directors recommends that you vote:

1. FOR the election of the seven (7) directors nominated by the board of directors and named in this proxy statement;
2. FOR an amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. FOR the ratification of the appointment by the Audit Committee of Ernst & Young LLP, as our independent registered public accounting firm for the fiscal year ending January 31, 2015; and
4. FOR the approval, on an advisory basis, of the compensation of our named executive officers.

What is the effect of a broker non-vote?

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Brokers or other nominees who hold shares of our Common Stock for a beneficial owner only have the discretion to vote on routine proposals when they have not received voting directions from the beneficial owner at least ten days prior to the annual meeting. Rule 452 of the New York Stock Exchange, which has been adopted by The NASDAQ Stock Market, provides that a broker or other nominee holding shares for a beneficial owner may generally vote on routine matters, but not non-routine matters, without receiving voting instructions. The uncontested election of directors (Proposal One) is now considered non-routine; the proposal to amend our Certificate of Incorporation to increase our authorized shares of Common Stock (Proposal Two) is considered routine, the proposal to ratify the appointment of Ernst & Young as our independent registered public accounting firm (Proposal Three) is considered routine, the advisory vote on executive compensation (Proposal Four) is also a non-routine matter. Please provide instructions to your broker or nominee on how to vote your shares. If you do not provide such voting instructions, your shares will not be voted for Proposals One or Four. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but will only be considered entitled to vote on the proposal to amend our Certificate of Incorporation to increase the number of authorized shares of our Common Stock and to ratify the

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Audit Committee's appointment of our independent registered public accounting firm. To minimize the number of broker non-votes and to ensure that your voice is heard in the election of directors and the other matters to be voted on at the 2014 annual meeting of stockholders, we encourage you to provide voting instructions to the broker or other organization that holds your shares by carefully following the instructions in the Notice.

What vote is required to approve the proposals?

Provided a quorum exists, the following votes are required for each proposal:

Proposal One: Election of Directors To be elected, each director must receive a majority of the votes cast with respect to the director. For purposes of this vote, a majority of the votes cast means that the number of shares voted for a director must exceed the number of shares voted against that director. Abstentions and broker non-votes will have no effect on this proposal.

Proposal Two: Amendment to our Certificate of Incorporation to Increase the Number of Authorized Shares An affirmative vote of a *majority* of the outstanding shares entitled to vote is necessary to approve the amendment to our certificate of incorporation to increase the number of shares of capital stock which the Company shall have authority to issue to be 101,000,000 shares of stock, of which 100,000,000 shares are Common Stock, par value of \$0.01 per share, and 1,000,000 shares are Preferred Stock. Abstentions and broker non-votes will have the same effect as a vote against the proposal.

Proposal Three: Ratify the Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm An affirmative vote of a majority of shares present, in person or proxy, and entitled to vote at the meeting is required to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

Proposal Four: Advisory Vote on Executive Compensation An affirmative vote of a *majority* of the shares present, in person or proxy, and entitled to vote at the meeting is required to give advisory (non-binding) approval of the compensation of our named executive officers as disclosed in this proxy statement. Because your vote is advisory, it will not be binding on the board of directors or on us; however, the board of directors and we will review the voting results and take them into consideration when making future decisions regarding executive compensation. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record as of the close of business on, April 1, 2014, the Record Date, are entitled to notice of and to vote at the meeting or any adjournments of the meeting. Each share of Common Stock entitles the holder to one vote per share.

What will happen if I do not specify how my shares are to be voted, but do submit a proxy?

Stockholders of Record. If you are a stockholder of record and you submit a proxy, but you do not provide voting instructions, your shares will be voted:

FOR the election of the seven directors nominated by our board of directors and named in this proxy statement.

FOR the amendment of the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share from 50,000,000 to 100,000,000.

FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP, as our independent registered public accounting firm for the fiscal year ending January 31, 2015.

FOR advisory approval of the compensation of our named executive officers, as disclosed in this proxy statement.

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Beneficial Owners. If you are a beneficial owner and you do not provide voting instructions to the broker or other nominee that holds your shares, the broker or other nominee will determine if it has the discretionary

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authority to vote on a particular proposal, and may not be able to vote on all proposals presented for a vote at the annual meeting.

What will happen if I do not vote my shares?

Stockholders of Record. If you are the stockholder of record and you do not vote by proxy card, by telephone, by the Internet or in person at the annual meeting, your shares will not be voted at the annual meeting. For each of the Proposals, other than Proposal Two, the amendment to the Certificate of Incorporation, if you are not present at the meeting in person or by proxy, the failure to vote will not affect the outcome of the proposal. With respect to Proposal Two, the amendment to the Certificate of Incorporation, the failure to vote will have the same effect as a vote against the proposal.

Beneficial Owners. If you are the beneficial owner of shares, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote, including all Proposals presented by this Proxy.

How do I vote and what are the voting deadlines?

Stockholders of Record. If you are a stockholder of record, you may vote by any of the following methods:

By Mail. You may submit your vote by completing, signing and dating your proxy card received and returning it in the prepaid envelope so that it is received no later than May 27, 2014.

By Internet or Telephone. You may vote your shares by Internet or telephone, by following the instructions in your Notice. If you vote by Internet or telephone, you should not return your proxy card. These votes must be received by 11:59 P.M., Eastern Time, on May 27, 2014.

In person at the Annual Meeting. You may vote your shares in person at the annual meeting. Proxy cards will be available for you at the meeting, or you may bring the one provided you, and deliver the completed and executed card to the inspector of election at the annual meeting.

Beneficial Owners. If you are a beneficial owner of your shares, you should receive a Notice of Internet Availability of Proxy Materials or voting instructions from the broker or nominee holding your shares. You should follow the instructions provided to you by your broker in order to properly advise them of your voting instructions. Shares held beneficially may be voted at the annual meeting only if you obtain a legal proxy from your broker or nominee giving you the right to vote, and presenting that legal proxy together with your vote to the inspector of election at the annual meeting.

Can I revoke or change my vote?

Stockholders of Record. If you are a stockholder of record, you may revoke your vote at any time before the final vote at the annual meeting by:

signing and returning a new proxy card at a later date;

submitting a vote by telephone or the Internet at a later date;

attending the annual meeting and voting in person; or

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delivering a written revocation to our Corporate Secretary at the address provided to you in this proxy statement or to **Broadridge Financial Services, 51 Mercedes Way, Edgewood, NY 11717, Attn: Vote Processing.**

Beneficial Owners. If you are the beneficial owner of your shares, you must contact your broker or nominee holding your shares, and follow their instructions for revocation or changing your vote.

Your attendance at the annual meeting will not automatically revoke your proxy unless you vote again at the annual meeting.

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Who will count the votes?

Broadridge Financial Solutions, Inc. has been engaged as our independent agent to receive and tabulate our stockholder votes, and will act as our independent inspector of election, who will certify the election results and perform any other acts required by the Delaware General Corporation Law.

How are Stockholder Proposals included in the proposals submitted to Stockholders for voting? How is any Other Business voted on by stockholders?

Stockholders have the right to seek to nominate directors and present proposals for inclusion in our proxy statement for consideration at an annual meeting of stockholders. To be included in our proxy statement and considered at our next annual meeting, you must submit nominations of directors or other proposals, in addition to meeting other legal requirements within appropriate time periods. We must receive your nominations and proposals for our 2015 annual meeting for possible consideration at the meeting no earlier than December 15, 2014 and no later than January 14, 2015, and for possible inclusion in the proxy statement by no later than December 15, 2014. However, if the date of the 2015 annual meeting changes by more than 30 days from the first anniversary date of this year's meeting, then we will provide notice of the new date of the 2015 annual meeting in our earliest possible quarterly report on Form 10-Q and we must receive your nominations and proposals within a reasonable time before we begin to print and mail our proxy materials if you want them included in the proxy statement.

We do not intend to bring any business before the 2014 annual meeting other than the matters described in this proxy statement and we have not been informed of any matters or proposals that may be presented at the meeting by stockholders. If however, any other business should properly arise and be properly submitted for a vote at the 2014 annual meeting, the persons appointed in the proxy have discretionary authority to vote in accordance with their best judgment.

Who is paying the cost of solicitation of proxies?

We will bear the cost of soliciting proxies. In addition to the solicitation of proxies by mail, solicitation may be made by our directors, officers and employees by other means, including telephone, e-mail or in person. No special compensation will be paid to directors, officers or employees for the solicitation of proxies. To solicit proxies, we may also request the assistance of banks, brokerage houses and other custodians, nominees or fiduciaries, and, upon request, will reimburse such organizations or individuals for their reasonable expenses in forwarding the Notice and other soliciting materials to beneficial owners and in obtaining authorization for the execution of proxies.

Do we provide for Electronic Delivery of Proxy Materials?

Pursuant to rules adopted by the SEC, we provide access to the proxy materials over the Internet. Accordingly, we are sending a **Notice of Internet Availability of Proxy Materials**, the Notice, to our stockholders owning shares of our Common Stock as of the Record Date. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2014, and a form of proxy card or voting instruction card. In addition, the Notice will provide stockholders with instructions on how to request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. A stockholder's election to receive proxy materials by mail or electronically by e-mail will remain in effect until the stockholder terminates such election. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of the annual meeting and lower the costs of printing and distributing our proxy materials. If you choose to receive future proxy materials by e-mail, you will receive an e-mail message each successive year with instructions containing a link to those materials and a link to the proxy voting website.

Our proxy materials are also available on our website at www.conns.com, at www.proxyvote.com, and at the SEC's website at www.sec.gov.

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How can I find the result of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final results will be published in a current report on Form 8-K or in our Form 10-Q for the quarter ending April 30, 2014. The Form 8-K or Form 10-Q will be posted on our website at www.conns.com, under Investor Relations .

PROPOSALS FOR STOCKHOLDER ACTION

PROPOSAL ONE:

ELECTION OF DIRECTORS

Number of Directors to be Elected

Our board is currently constituted with ten director positions, seven of which positions are to be elected at the 2014 annual meeting of stockholders. We currently intend to leave three vacant board positions in place to allow the board time to determine viable and qualified candidates to fill one or all of those positions. The seven directors elected at the annual meeting will hold office until the 2015 annual meeting of stockholders or until their respective successors have been elected and qualified or their earlier death, resignation or removal. You may not vote for a greater number of directors than those nominated.

Criteria for Nomination to the Board of Directors. Those persons nominated to our board of directors are selected by the Nominating and Corporate Governance Committee in accordance with the Committee's charter, our Certificate of Incorporation and Bylaws, our Corporate Governance Guidelines, and the criteria determined by the board for our director candidates. The Nominating and Corporate Governance Committee of our board of directors in considering the nomination of the directors identified below to serve until the 2015 annual meeting, sought and considered individuals with strong personal reputations and experience in business and other areas that are relevant and important to the financing, strategy and operations of the Company, as well as financial expertise to qualify as a financial expert for our Audit Committee. Each nominee for election as a director at this annual meeting of the stockholders of the Company holds or has held senior executive positions in organizations providing such background and expertise objectives, and each has the necessary business and financial experience sought by the Company in those areas, including strategic and financial planning, public company financing and reporting, compliance, risk management and leadership. Each of the nominated directors also has experience of serving on boards or in senior executive management of publicly held companies or governmental services requiring strong business and leadership acumen and implementation.

The Nominating and Corporate Governance Committee also considered and believes that each of the nominated individuals to serve as members of the board of directors has valuable personal and business attributes that have and will continue to be valuable to the Company in their advice and guidance to executive management of the Company. The Nominating and Corporate Governance Committee takes into account in its considerations, diversity in range of backgrounds, perspectives and experience of the individuals it recommends for nomination to our board of directors. For information on the specific experience of each nominee considered by the Nominating and Corporate Governance Committee see Board of Directors .

Board Nominees

Our board of directors met in March 2014 and considered the candidates for nomination for election to the board at the 2014 annual meeting of stockholders. The Nominating and Corporate Governance Committee of the board of directors, consisting of three independent members of the current board of directors, recommended that the full board nominate the following individuals for re-election to the board of directors at the 2014 annual meeting:

Jon E.M. Jacoby

Kelly M. Malson

Bob L. Martin

Douglas H. Martin

David Schofman

Scott L. Thompson

Theodore M. Wright

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Each of the nominated directors was elected at our 2013 annual meeting and served on the board of directors during fiscal year ended January 31, 2014 and during the current fiscal year through the date of the 2014 annual meeting. In making these recommendations, the Nominating and Corporate Governance Committee considered the experience, qualifications, attributes and skills of each of the nominees as described above and the requirements and qualifications discussed under Board of Directors Nomination Policies and Procedures . Based on this recommendation, our board of directors has nominated the following individuals to be elected by the stockholders at the 2014 annual meeting:

				Fiscal 2014
Name	Position	Age	Director Since	Committee Membership
Jon E.M. Jacoby	Independent Director	76	September 2003	Compensation Committee - Chair; Nominating and Corporate Governance Committee - Chair
Kelly M. Malson	Independent Director	43	August 2012	Audit Committee - Chair (Financial Expert)
Bob L. Martin	Lead Independent Director	65	September 2003	Nominating and Corporate Governance Committee; Compensation Committee
Douglas H. Martin	Director	60	February 2003	None
David Schofman	Independent Director	42	May 2012	Audit Committee
Scott L. Thompson	Independent Director	55	June 2004	Audit Committee (Financial Expert); Compensation Committee-Chair
Theodore M. Wright	Chairman of the Board, Chief Executive Officer and President	51	September 2003	None

Assuming each director is elected by our stockholders, in March 2014 our Nominating and Corporate Governance Committee recommended, and the board approved, that the committees of the board be comprised of the same individuals, and with the same chairs, in fiscal 2015 as in fiscal 2014, other than with respect to the chairmanship of the Compensation Committee. Mr. Thompson, if elected, will serve as chairman of the Compensation Committee in lieu of Mr. Jacoby who will step down as chairman.

Those identified as independent director have been determined by our board to be independent. All nominees have consented to serve as directors. The board has no reason to believe that any of the nominees will be unable or unwilling to act as a director. In the event any nominated director is unable to stand for election, the board of directors may either reduce the size of the board or designate a substitute.

For biographical information and the experience, qualifications, attributes and skills of each that caused the Nominating and Corporate Governance Committee and our board of directors to determine that the nominees should serve as one of our directors regarding each of the board's nominees for director, please refer to Board of Director Nominees for 2014 and 2015 .

Each director will be elected by the vote of a majority of the votes cast. This means the number of votes cast for a director must exceed 50% of the votes with respect to that director (excluding abstentions and broker non-votes). Each director has tendered his or her resignation which shall be effective only in the event that (i) the votes cast for such director nominee is less than 50%, and (ii) the Board of Dire