

WORLD ACCEPTANCE CORP
Form DEF 14A
July 07, 2015

United States
Securities and Exchange Commission
Washington, D.C. 20549

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Company x

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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 §240.14a-12

World Acceptance Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Company)

Payment of Filing Fee (check the appropriate box):

- No fee required.
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1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the file fee is calculated and state how it was determined):

4. Proposed aggregate offering price:

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

July 7, 2015

To the Shareholders of World Acceptance Corporation:

In connection with the Annual Meeting of Shareholders of your Company to be held on August 5, 2015, enclosed is a Notice of the Meeting, a Proxy Statement containing information about the matters to be considered at the Meeting, and a form of proxy relating to those matters.

Also enclosed is the Company's 2015 Annual Report, which provides information relating to the Company's activities and operating performance during the most recent fiscal year.

You are cordially invited to attend the Annual Meeting of Shareholders. Please sign and return the form of proxy so that your shares can be voted in the event that you are unable to attend the Meeting. A postage-paid return envelope for that purpose is provided for your convenience. Your proxy will, of course, be returned to you if you are present at the Meeting and elect to vote in person. It may also be revoked in the manner set forth in the Proxy Statement. The Board of Directors and Management look forward to seeing you at the Annual Meeting.

Sincerely yours,

A.A. McLean III
Chairman of the Board and Chief Executive Officer

WORLD ACCEPTANCE CORPORATION
108 Frederick Street
Greenville, South Carolina 29607

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of World Acceptance Corporation will be held at the Company's main office at 108 Frederick Street, Greenville, South Carolina, on Wednesday, August 5, 2015 at 11:00 a.m., local time, for the following purposes:

1. To elect seven (7) directors to hold office until the next Annual Meeting of Shareholders or until their successors have been duly elected and qualified; and
2. To consider and act upon a proposal to ratify the action of the Audit and Compliance Committee in selecting McGladrey LLP as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending March 31, 2016; and
3. To consider and act upon an advisory resolution to approve the compensation of the named executive officers, as disclosed in the Proxy Statement; and
4. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on June 29, 2015 as the record date for determination of shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment or adjournments thereof.

The Board of Directors of the Company would appreciate your signing and returning the accompanying form of proxy promptly so that, if you are unable to attend, your shares can nevertheless be voted at the Annual Meeting.

YOUR VOTE AND PROMPT RESPONSE IS IMPORTANT. TO ASSURE YOUR REPRESENTATION AT THE MEETING, PLEASE SIGN AND MAIL YOUR PROXY PROMPTLY.

July 7, 2015

A.A. McLean III
Chairman of the Board and Chief Executive Officer

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL SHAREHOLDER MEETING TO BE HELD ON AUGUST 5, 2015**

The Company's Proxy Statement, form of proxy card and 2015 Annual Report to Shareholders are also available for review on the Internet at <http://www.irinfo.com/wrld/WRLD2015.html>.

WORLD ACCEPTANCE CORPORATION

108 Frederick Street

Greenville, South Carolina 29607

PROXY STATEMENT

The following statement (this “Proxy Statement”), first mailed on or about July 7, 2015, is furnished in connection with the solicitation by the Board of Directors (the “Board”) of World Acceptance Corporation (the “Company”) of proxies to be used at the Annual Meeting of Shareholders of the Company (the “Meeting”) to be held on August 5, 2015, at 11:00 a.m., local time, at the Company’s main office at 108 Frederick Street, Greenville, South Carolina, and at any adjournment or adjournments thereof.

A copy of the Company’s 2015 Annual Report is provided with this Proxy Statement. These documents are also available for review on the Internet at <http://www.irinfo.com/wrld/WRLD2015.html>.

The accompanying form of proxy is for use at the Meeting if a shareholder is unable to attend in person or plans to attend but prefers to vote by proxy. The proxy may be revoked by the shareholder at any time before it is exercised by submitting to the Secretary of the Company written notice of revocation, or a properly executed proxy of a later date, or by attending the Meeting and electing to vote in person. All shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified therein. If no specification is made, such proxies will be voted in favor of:

1. The election to the Board of the seven (7) nominees named in this Proxy Statement; and

The ratification of the Audit and Compliance Committee’s selection of McGladrey LLP as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending March 31, 2016; and

3. The approval of the advisory resolution on the compensation of the Company’s named executive officers as described in this Proxy Statement.

The entire cost of soliciting these proxies will be borne by the Company. In addition to the solicitation of the proxies by mail, the Company will request banks, brokers, and other record holders to send proxies and proxy materials to the beneficial owners of the Company’s common stock, no par value (the “Common Stock”), and secure the beneficial owners’ voting instructions, if necessary. The Company will reimburse them for their reasonable expenses in so doing. If necessary, the Company may use several of its regular employees, who will not be specially compensated, to solicit proxies from shareholders, either personally or by other forms of communication.

Pursuant to the provisions of the South Carolina Business Corporation Act, the Board of Directors has fixed June 29, 2015 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and, accordingly, only holders of record of outstanding shares (the “Shares”) of the Common Stock at the close of business on that date will be entitled to notice of and to vote at the Meeting.

The number of outstanding Shares entitled to vote as of the record date was 8,972,398. Each Share is entitled to one vote. In accordance with South Carolina law and the Company’s bylaws, a majority of the outstanding shares entitled to vote, represented in person or by proxy, will constitute a quorum for purposes of the Meeting and action on the proposals described in the accompanying Notice of Meeting and this Proxy Statement. Abstentions and broker non-votes (if any) will be counted for purposes of determining the presence or absence of a quorum.

With regard to the election of directors, votes may either be cast in favor of or withheld, and directors will be elected by a plurality of the votes cast. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the election of directors. Selection of the independent registered public accounting firm will be ratified if more votes are cast in favor of such proposal than are cast against it. The advisory vote on the Company’s executive compensation is not binding on the Company. However, the resolution regarding the Company’s executive compensation will be deemed approved on an advisory basis if more votes are cast in favor of the proposal than

against it. Accordingly, abstentions will have no effect on the outcome of the vote on this proposal. Broker non-votes (if any), will not be counted as votes cast and will have no effect on the outcome of the vote on any proposals. Cumulative voting is not permitted under the Company's articles of incorporation.

On June 29, 2015, the only class of voting securities the Company had issued and outstanding was its Common Stock. The following table sets forth the names and addresses of, and the numbers and percentages of Shares beneficially owned by, persons known to the Company to beneficially own five percent or more of the outstanding Shares as of June 29, 2015. Except as noted otherwise, each shareholder listed below possesses sole voting and investment (dispositive) power with respect to the Shares listed opposite the shareholder's name.

Ownership of Shares by Certain Beneficial Owners⁽¹⁾

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
Thomas W. Smith (2) Scott J. Vassalluzzo Prescott General Partners LLC Prescott Associates L.P. 2220 Butts Road, Suite 320 Boca Raton, Florida 33431	2,472,223	27.6%
Columbia Wanger Asset Management, LLC et al. (3) 227 West Monroe Street, Suite 3000 Chicago, Illinois 60606	1,108,107	12.4%
The Vanguard Group (4) 100 Vanguard Boulevard Malvern, Pennsylvania 19355	947,284	10.6%
BlackRock, Inc. (5) 40 East 52nd Street New York, New York 10022	749,844	8.4%

Although the amounts of shares beneficially owned and other information in the table is derived from sources (1) described in the footnotes below, the percent of class information is derived by calculating the reported amounts as a percent of the 8,972,398 shares outstanding as of June 29, 2015.

(2) Based on an amended Schedule 13D/A filed on November 5, 2014 and subsequent Form 4 filings.

Name	Shared Voting and Dispositive Power	Sole Voting and Dispositive Power	No Voting and Shared Dispositive Power	Total
Scott J. Vassalluzzo	58,677	31,788	36,000	126,465
Thomas W. Smith	142,627	510,000	—	652,627
Prescott Associates L.P.	1,256,051	—	—	1,256,051
Prescott General Partners LLC	1,785,158	—	—	1,785,158

In their capacities as managing members of the Prescott General Partners LLC (the "Partnership"), Messrs. Vassalluzzo and Smith also may be deemed to beneficially own the shares beneficially owned by the Partnership.

(3) Based on an amended Schedule 13G/A filed February 11, 2015. Columbia Wanger Asset Management, LLC reported sole voting power over 1,083,087 and sole dispositive power over 1,108,107 shares.

(4) Based on an amended Schedule 13G/A filed February 10, 2015. The Vanguard Group reported sole voting power over 12,201 shares, sole dispositive power over 935,683 shares, and shared dispositive power over 11,601 shares.

(5) Based on an amended Schedule 13G/A filed January 23, 2015. BlackRock, Inc. reported sole voting power over 729,330 shares and sole dispositive power over 749,844 shares.

PROPOSAL I - ELECTION OF DIRECTORS

The Company's bylaws provide for seven directors. The Company's Board consisted of seven directors until the unexpected death of director William S. Hummers, III, on August 13, 2013, shortly in advance of the Company's 2013 Annual Meeting held August 29, 2013. At that time, the Nominating and Corporate Governance Committee (the "Nominating Committee") and the Board elected not to propose a substitute nominee for Mr. Hummers, but instead to take more time to consider its options for identifying and possibly naming a successor to replace Mr. Hummers.

Effective June 10, 2015, upon the recommendation of the Nominating Committee, the Board of Directors appointed Janet Lewis Matricciani as a director and nominee to stand for election at the Meeting. Ms. Matricciani is the Company's current Chief Operating Officer and, as previously disclosed, the anticipated successor to Mr. A. Alexander McLean, III, who will be retiring as Chief Executive and a director of the Company effective September 30, 2015. Accordingly, the Board of Directors, upon the recommendation of the

Nominating Committee, has nominated the seven director candidates for whom individual biographies are presented below. It is intended that the persons named in the accompanying proxy will vote only for the seven nominees for director named on the following pages, except to the extent authority to so vote is withheld with respect to one or more nominees. Each director will be elected to serve until the next Annual Meeting of Shareholders or until a successor is elected and qualified. Directors will be elected by a plurality of the votes cast.

Although the Board does not expect that any of the nominees named will be unavailable for election, in the event of a vacancy in the slate of nominees occasioned by death or any other unexpected occurrence, it is intended that Shares represented by proxies in the accompanying form will be voted for the election of a substitute nominee selected by the Nominating Committee.

The Board of Directors held four meetings during fiscal 2015 and one thus far in fiscal 2016. In addition, the Board of Directors took a number of actions by written consent during fiscal 2015. Each director attended all meetings of the Board of Directors and all meetings of each committee on which he served. The Board typically schedules a meeting in conjunction with the Company's Annual Meeting of Shareholders and expects that all directors will attend this year's Meeting absent a schedule conflict or other valid reason. All of the directors attended the Company's 2014 Annual Meeting.

Director Qualifications and Experience

Below are the key experience, qualifications, and skills that the Company believes are important to be reflected in the Board's composition. The individual directors' experiences, qualifications and skills (including one or more of the key attributes described below) that the Board considered in their nomination or re-nomination are included in their individual biographies.

Leadership experience. Directors with experience in significant leadership positions over an extended period, especially CEO or other C-level positions, provide the Company with special insights. These people generally possess strong leadership qualities and the ability to identify and develop those qualities in others. They also demonstrate practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth.

Finance experience. An understanding of finance and financial reporting processes is important. The Company measures its operating and strategic performances primarily by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to the Company's success. The Nominating Committee seeks to have a number of directors who qualify as audit committee financial experts, as well as an entire Board composed of financially literate directors.

Risk management oversight experience. The Nominating Committee believes risk management oversight is critical to the Board's role in overseeing the risks facing the Company.

Corporate governance experience. The Nominating Committee believes directors with corporate governance experience support the goals of a strong Board and management accountability, transparency and promotion of shareholders interests.

Legal experience. The Nominating Committee believes legal experience is valuable to the Board's oversight of the Company's legal and regulatory compliance.

General business experience. The Nominating Committee believes general business experience, as well as practical experience, is valuable to an understanding of the Company's business goals and strategies and helps to ensure the well-roundedness of the Board.

Below is information regarding the background and qualifications of the nominees for election to the Board of Directors. None of the following nominees or current directors is related (as first cousin or closer) by blood, marriage, or adoption to any other nominee, director, or person who may be deemed to be an executive officer of the Company.