

STEIN MART INC
Form DEF 14A
April 22, 2010
Table of Contents

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 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 under §240.14a-12

STEIN MART, INC.

(Name of registrant as specified in its charter)

^

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

Table of Contents

Edgar Filing: STEIN MART INC - Form DEF 14A

x No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:
^

(2) Aggregate number of securities to which the transaction applies:
^

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

(4) Proposed maximum aggregate value of the transaction:
^

Edgar Filing: STEIN MART INC - Form DEF 14A

(5) Total fee paid:

^

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

^

(2) Form, Schedule or Registration Statement No.:

^

(3) Filing Party:

^

(4) Date Filed:

^

Table of Contents

Stein Mart, Inc.

NOTICE AND PROXY STATEMENT

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 15, 2010

TO THE STOCKHOLDERS OF COMMON STOCK:

PLEASE TAKE NOTICE that the annual meeting of stockholders of Stein Mart, Inc. will be held on Tuesday, June 15, 2010, at 2:00 P.M., local time, at The Museum of Science and History, 1025 Museum Circle, Jacksonville, Florida 32207.

The meeting will be held for the following purposes:

1. To elect the twelve (12) director nominees named in the attached proxy statement to serve as directors of the Company for the ensuing year and until their successors have been elected and qualified;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered certified public accounting firm for the fiscal year ending January 29, 2011; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The stockholders of record at the close of business on April 9, 2010, will be entitled to vote at the annual meeting.

It is hoped you will be able to attend the meeting, but in any event, please vote according to the instructions on the enclosed proxy as promptly as possible. If you are able to be present at the meeting, you may revoke your proxy and vote in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 15, 2010: The 2009 Annual Report on Form 10-K and proxy statement of Stein Mart, Inc. are available at www.proxyvote.com. For directions to the annual meeting, please contact Ms. Susan Datz Edelman, Director of Stockholder Relations, at sedelman@steinmart.com.

By Order of the Board of Directors,

Gregory W. Kleffner
Secretary

Dated: May 7, 2010

Table of Contents

**Proxy Statement for the
Annual Meeting of Stockholders of
STEIN MART, INC.
To Be Held on Tuesday, June 15, 2010**

TABLE OF CONTENTS

	PAGE
<u>Solicitation</u>	1
<u>Voting Securities</u>	1
<u>Security Ownership</u>	2
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	3
<u>Proposal No. 1 Election of Directors</u>	4
<u>Executive Officers</u>	6
<u>Corporate Governance</u>	6
<u>Meetings and Committees of the Board</u>	7
<u>Compensation of Directors</u>	9
<u>Director Summary Compensation Table for Fiscal Year Ended January 30, 2010</u>	9
<u>Compensation Discussion & Analysis</u>	10
<u>Compensation Committee Report</u>	20
<u>Executive Compensation</u>	21
<u>Summary Compensation Table</u>	22
<u>Grants of Plan-Based Awards for Fiscal Year Ended January 30, 2010</u>	23
<u>Outstanding Equity Awards at Fiscal Year Ended January 30, 2010</u>	23
<u>Non-Qualified Deferred Compensation for Fiscal Year Ended January 30, 2010</u>	24
<u>Potential Payments upon Termination or Change in Control</u>	26
<u>Proposal No. 2 Ratification of appointment of PricewaterhouseCoopers LLP as the Company's independent registered certified public accounting firm</u>	30
<u>Audit Committee Report</u>	31
<u>Certain Transactions: Compensation Committee Interlocks and Insider Participation</u>	32
<u>Stockholder Proposals for the 2011 Annual Meeting of Stockholders</u>	32
<u>Other Matters</u>	33

Table of Contents

Stein Mart, Inc.

1200 Riverplace Boulevard

Jacksonville, Florida 32207

PROXY STATEMENT FOR ANNUAL MEETING OF

STOCKHOLDERS TO BE HELD JUNE 15, 2010

SOLICITATION

This Proxy Statement and the enclosed form of proxy are being sent to stockholders of Stein Mart, Inc. on or about May 7, 2010 in connection with the solicitation by the Company's Board of Directors of proxies to be used at the Annual Meeting of Stockholders of the Company. The meeting will be held on Tuesday, June 15, 2010 at 2:00 P.M., local time, at The Museum of Science and History, 1025 Museum Circle, Jacksonville, Florida 32207.

The Board of Directors has designated Jay Stein and John H. Williams, Jr., and each or either of them, as proxies to vote the shares of common stock solicited on its behalf. If the enclosed form of proxy is executed and returned, it may nevertheless be revoked at any time insofar as it has not been exercised by (i) giving written notice to the Secretary of the Company, (ii) delivery of a later dated proxy, or (iii) attending the meeting and voting in person. The shares represented by the proxy will be voted unless the proxy is mutilated or otherwise received in such form or at such time as to render it not votable.

VOTING SECURITIES

The record stockholders entitled to vote was determined at the close of business on April 9, 2010. At such date, the Company had outstanding and entitled to vote 43,399,470 shares of common stock, \$.01 par value. Each share of common stock entitles the stockholder to one (1) vote. Stockholders of a majority of the outstanding shares of common stock must be present in person or represented by proxy to constitute a quorum at the annual meeting.

Table of Contents**SECURITY OWNERSHIP****Security Ownership of Certain Beneficial Owners**

The following table shows the name, address and beneficial ownership as of April 2, 2010 of each person known to the Company, other than Jay Stein, who is shown below, to be the beneficial owner of more than five percent (5%) of its outstanding common stock:

Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, Maryland 21202	3,544,130 ⁽¹⁾	8.2%

(1) According to Schedule 13G filed February 12, 2010, T. Rowe Price Associates, Inc. is the beneficial owner of 3,544,130 or 8.2% of shares outstanding of the Company's common stock. These securities are owned by various individual and institutional investors for which T. Rowe Price Associates, Inc. ("Price Associates") serves as investment advisor with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

Security Ownership of Directors and Executive Officers

The following table sets forth certain information with respect to beneficial ownership of the Common Stock as of April 2, 2010 by: (i) each director and nominee for director; (ii) each current executive officer named in the Summary Compensation Table and (iii) all directors and executive officers as a group.

Name	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ^(*)
Jay Stein ⁽²⁾	15,731,466	36.3%
Ralph Alexander ⁽³⁾⁽⁵⁾	10,480	-
Alvin R. Carpenter ⁽³⁾⁽⁵⁾	25,167	-
Irwin Cohen ⁽³⁾⁽⁵⁾	3,918	-
Susan Falk ⁽³⁾⁽⁵⁾	10,480	-
Linda M. Farthing ⁽³⁾⁽⁴⁾⁽⁵⁾	230,010	-
D. Hunt Hawkins ⁽⁴⁾⁽⁵⁾	220,465	-
Gregory W. Kleffner ⁽⁵⁾	22,004	-
Mitchell W. Legler ⁽³⁾⁽⁵⁾⁽⁶⁾	83,741	-
Robert L. Mettler ⁽³⁾⁽⁵⁾	3,918	-
Brian R. Morrow	-	-
Michael D. Ray ⁽⁴⁾⁽⁵⁾	203,745	-
Richard L. Sisisky ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾	35,467	-
Martin E. Stein, Jr. ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁸⁾	43,967	-
David H. Stovall, Jr.	-	-
John H. Williams, Jr. ⁽⁴⁾⁽⁹⁾	311,700	-
All directors and executive officers as a group (16) ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	16,936,528	38.3%

Edgar Filing: STEIN MART INC - Form DEF 14A

- (1) All shares of Common Stock indicated in the table are subject to the sole investment and voting power of the directors and executive officers, except as otherwise set forth in the footnotes below.
- (2) Shares consist of 13,441,279 shares held by Stein Ventures Limited Partnership, the general partner of which is Carey Ventures, Inc., 21,894 shares held by the Jay and Deanie Stein Foundation over which Mr. Stein has sole voting and dispositive power as trustee of the Foundation, 610,000 shares over which Mr. Stein serves as Custodian for his child and has sole voting and dispositive power, 24,644 shares held by Carey Ventures, Inc., a corporation wholly-owned by Mr. Stein, 902,049 shares held by Jay Stein and 731,600 shares owned by a trust for the benefit of Deanie Stein and over which Mr. Stein has sole voting and dispositive power as trustee.
- (3) Each outside director receives non-qualified options to purchase 4,000 shares of common stock of the Company upon becoming a director.
- (4) Includes the following shares which are not currently outstanding but which the named stockholders are entitled to receive upon exercise of options:

Linda M. Farthing	200,000
D. Hunt Hawkins	80,028
Michael D. Ray	125,244
Richard L. Sisisky	4,000
Martin E. Stein, Jr.	4,000
John H. Williams, Jr.	100,000
All directors and executive officers as a group (16)	513,272

(*) Where percent is not indicated, amount is less than one percent (1%) of total outstanding common stock.

Table of Contents

Options that are exercisable within sixty (60) days are included in the shares indicated. The shares described in this note are deemed to be outstanding for the purpose of computing the percentage of outstanding common stock owned by each named stockholder and by the group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

- (5) Includes the following shares of restricted stock which are currently outstanding and are held by the transfer agent and delivered to each individual upon vesting:

Ralph Alexander	10,480
Alvin R. Carpenter	10,480
Irwin Cohen	3,918
Susan Falk	10,480
Linda M. Farthing	3,918
D. Hunt Hawkins	98,104
Gregory W. Kleffner	12,939
Mitchell W. Legler	25,267
Robert L. Mettler	3,918
Michael D. Ray	59,355
Richard L. Sisisky	10,480
Martin E. Stein, Jr.	10,480
All directors and executive officers as a group (16)	259,819

- (6) Includes 39,000 shares owned by Mr. Legler and his wife as tenants by the entirety.
 (7) Includes 300 shares over which Mr. Sisisky serves as custodian under the Florida Uniform Transfers to Minors Act.
 (8) Includes 7,800 shares owned jointly by Mr. Stein and his wife.
 (9) Includes 211,700 shares owned jointly by Mr. Williams and his wife.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons owning more than ten percent (10%) of the Company's common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company and to furnish the Company with copies of all such reports. To the Company's knowledge, based solely on review of copies of such reports furnished to the Company during 2009, all Section 16(a) filing requirements applicable to its directors, officers and greater than ten percent (10%) beneficial owners have been complied with, except as follows: one late Form 4 reporting the forfeiture of restricted stock awards for Ms. Farthing.

Table of Contents**PROPOSAL NO. 1****ELECTION OF DIRECTORS**

At the meeting, a Board of twelve (12) directors will be elected for one (1) year and until the election and qualification of their successors. Directors will be elected by a plurality of votes cast by shares entitled to vote at the meeting. There is no cumulative voting. Abstentions and broker non-votes will have no effect on the outcome. The accompanying proxy will be voted, if authority to do so is not withheld, for the election as directors of the persons named below who have been designated by the Board of Directors as nominees. Each nominee is at present available for election and, except for Robert L. Mettler, who was appointed to the Board by action of the Board on August 17, 2009, was previously elected to the Board by the Company's stockholders. Your broker is no longer able to vote your shares with respect to the election of directors if you have not provided directions to your broker. There are no family relationships between any directors or executive officers of the Company. The following paragraphs provide biographies of each of our nominees. These biographies contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five (5) years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications or skills that caused the Corporate Governance Committee and the Board to determine that the person should serve as a director of our Company. In addition, we believe that each nominee possesses the characteristics that are expected of all directors, namely; independence, integrity, sound business judgment and a willingness to represent the long-term interests of all stockholders.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE FOLLOWING NOMINEES. PROXIES SOLICITED BY THE BOARD WILL BE SO VOTED UNLESS STOCKHOLDERS SPECIFY A CONTRARY CHOICE IN THEIR PROXIES.

Positions with the Company;

Name	Principal Occupations and Other Directorships	Year First Became Director of the Company
Age	During Past Five (5) Years	
Jay Stein (64)	Chairman of the Board of the Company since 1989 and Chief Executive Officer of the Company from 1990 to September 2001; former director of American Heritage Life Insurance Company based in Jacksonville, Florida and Promus Hotel Corporation based in Memphis, Tennessee. Mr. Stein, as the principal architect of the Company's growth, brings extensive knowledge of the retail environment and outstanding merchandising skills to the Board.	1968
John H. Williams, Jr. (72)	Vice Chairman of the Board since February 2003 and director of the Company; Vice Chairman and Chief Executive Officer of the Company from September 2001 to February 2003; President of the Company from 1990 to September 2001. Mr. Williams as a past chief executive officer brings extensive historical and operational knowledge to the board based on many years of experience with the Company.	1984
Ralph Alexander 卍 (55)	Director of the Company; Managing Director of Riverstone Holdings LLC; Chief Executive Officer of Innovene, British Petroleum's olefins and derivatives subsidiary, from June 2004 to December 2005; Chief Executive Officer of British Petroleum's Gas, Power and Renewable and Solar segment from 2001 to June 2004; director of Amyris Biotechnologies and Terralliance. Mr. Alexander adds significant financial and organizational management skills to the Board.	2007
Alvin R. Carpenter 卍 (68)	Director of the Company; Vice Chairman of CSX Corporation from July 1999 to February 2001; director of Regency Centers Corporation, PSS World Medical, Inc., Lender Processing Services, Inc. and former director of Florida Rock Industries, Inc. Mr. Carpenter brings his extensive experience in management of employees and a vast knowledge of specific geographic markets to the Board.	1996
Irwin Cohen 卍 (69)	Director of the Company; Senior Advisor with the Peter J. Solomon Company since June 2003; Global Managing Partner of the Retail and Consumer Products Practice of Deloitte & Touche LLP from 1998 to May 2003; director of Supervalu, Inc. Mr. Cohen adds extensive financial and accounting experience and expertise in evaluating financial controls.	2007

Edgar Filing: STEIN MART INC - Form DEF 14A

Susan Falk ¥

(59)

Director of the Company; Group President, Womenswear, Hartmarx Corporation from January 2005 to July 2009, a retail consultant from May 2003 to December 2004 and President of Avenue Stores from October 2002 to April 2003. Ms. Falk greatly broadens the Board's retail and apparel experience and offers invaluable advice as to the Company's dealings with its vendors and its merchandising strategies.

2007

Table of Contents

Name	Positions with the Company;		Year First Became Director of the Company
	Principal Occupations and Other Directorships	During Past Five (5) Years	
Linda M. Farthing (62)	Director of the Company; President and Chief Executive Officer of the Company from September 2007 to December 2008; President and director, Friedman's, Inc. 1998; President and director, The Cato Corporation 1990-1997. Former director of CT Communications from 2005 to 2007. Ms. Farthing's considerable experience in managing retail companies materially enhances the Board's ability to assess market trends and the Board's sensitivity to overall business trends affecting the retail industry.		1999
Mitchell W. Legler (67)	Director of the Company; majority stockholder of Kirschner & Legler, P.A. since April 2001; sole stockholder of Mitchell W. Legler, P.A. from August 1995 to April 2001; general counsel to the Company since 1991. Mr. Legler's substantial experience with financial companies and his general legal knowledge is beneficial to the Board's understanding of risks faced by the Company and assists in guiding the Board in understanding its responsibilities.		1991
Robert L. Mettler [⌘] (69)	Director of the Company; President of Special Projects of Macy's, Inc. from February 2008 to January 2009; Chairman and Chief Executive Officer of Macy's West from 2002 to 2008; President and Chief Operating Officer of Macy's West from 2000 to 2002; director of Jones Apparel Group. Mr. Mettler brings a wealth of retail experience to the Board greatly enhancing the Board's understanding of retail trends, management issues which are unique to retail companies and the Company's position in the retail industry.		2009
Richard L. Sisisky [⌘] (55)	Director of the Company; President of The Shircliff & Sisisky Company, a management consulting company, since 2003; President and Chief Operating Officer and director of ParkerVision, Inc. from 1998 to 2003. Mr. Sisisky's material knowledge of the general business environment and management skills are invaluable to the Board's strategic insight and analysis.		2003
Martin E. Stein, Jr. [⌘] (57)	Director of the Company; Chairman and Chief Executive Officer of Regency Centers Corporation, a real estate investment trust, since 1997; director of Patriot Transportation Holding, Inc. Mr. Stein's vast experience in the commercial real estate industry adds significant understanding of the retail real estate market and environment and the Company's opportunities for expansion.		2001
David H. Stovall, Jr. (63)	Director of the Company; President and Chief Executive Officer of the Company since December 2008; Chairman of the Central Division of Belk, Inc. from 2000 to 2008. Mr. Stovall's intimate knowledge of the Company's operations is critical to the Board's ability to assess the Company's strengths and challenges and ability to identify and address the most important issues.		2008

- Member of the Audit Committee
- [⌘] Member of the Compensation Committee
- [⌘] Member of the Corporate Governance Committee
- [⌘] Member of the Strategic Planning Committee
- [×] Lead Director
- [⌘] Independent Director in accordance with applicable NASDAQ rules

