

HICKORY TECH CORP  
Form DEF 14A  
March 30, 2009

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 (Amendment No. )

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

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

Hickory Tech Corporation  
(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):

- 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 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 filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (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:

**221 East Hickory Street**

P.O. Box 3248

**NOTICE OF ANNUAL MEETING**

**OF SHAREHOLDERS TO BE HELD ON**

**TUESDAY, May 12, 2009**



Edgar Filing: HICKORY TECH CORP - Form DEF 14A

The Annual Meeting of the Shareholders of HickoryTech Corporation ( HickoryTech ) will be held at the **Mankato Civic Center, located at 1 Civic Center Plaza (at the corner of Riverfront Drive and Hickory Street) in Mankato, Minnesota, on Tuesday, May 12, 2009 at 2:00 p.m., Central Daylight Time, for the following purposes:**

1. To elect three directors to serve for ensuing three-year terms;
2. To transact such other business as may properly come before the meeting or at any adjournment thereof.

The Board of Directors has fixed the close of business on March 13, 2009, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

**Whether or not you expect to attend the meeting, please sign and date the enclosed proxy and return it promptly in the enclosed envelope, or take advantage of the option to vote by telephone or Internet. If you choose to return the proxy card by mail, we have enclosed an envelope, for which no postage is required if mailed in the United States. To vote by phone or Internet, please follow the instructions on the enclosed proxy voting card or online at [www.proxyvote.com](http://www.proxyvote.com). If you decide to attend the meeting and vote in person, you may withdraw your proxy.**

**BY THE ORDER OF THE BOARD OF DIRECTORS**

**HICKORYTECH CORPORATION**

**James W. Bracke**  
**Board Chair**

Mankato, Minnesota

March 30, 2009

**Important notice regarding the availability of proxy materials for the shareholder meeting to be held on May 12, 2009.**

**Our proxy statement, the form of our proxy card, and annual report on Form 10-K can be viewed online  
at [www.hickorytech.com/proxy](http://www.hickorytech.com/proxy).**

---

**HICKORYTECH CORPORATION**

**221 East Hickory Street**

**P.O. Box 3248**

**Mankato, MN 56002-3248**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON TUESDAY, May 12, 2009**

**SOLICITATION**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

We are furnishing this proxy statement in connection with the solicitation of proxies by our Board of Directors for use at our Annual Meeting of Shareholders to be held at the **Mankato Civic Center, located at 1 Civic Center Plaza (at the corner of Riverfront Drive and Hickory Street) in Mankato, Minnesota on Tuesday, May 12, 2009, at 2:00 p.m.** (Central Daylight Time) or at any adjournment of that meeting. All properly executed proxies will be voted at the meeting. We are mailing this proxy statement and the enclosed proxy card to shareholders on or about March 30, 2009.

### **REVOCABILITY OF PROXY**



Edgar Filing: HICKORY TECH CORP - Form DEF 14A

Your proxy may be revoked at any time before it is exercised by filing a later dated proxy (by mail, telephone or Internet) or a written notice of revocation with our Corporate Secretary, or by voting in person at the meeting. Unless it is revoked, your proxy will be voted in the manner set forth in this proxy statement or as you specify in your proxy card.

**ANNUAL REPORT AND PROXY MATERIALS**



Edgar Filing: HICKORY TECH CORP - Form DEF 14A

Our Annual Report for fiscal year 2008, including our Form 10-K as filed with the SEC, is enclosed in the envelope containing this proxy statement.

**VOTING**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

You must be a shareholder of record at the close of business on March 13, 2009 to be entitled to vote at the meeting. As of that date, there were 13,035,011 shares of our common stock outstanding.

For each share held, you may cast one vote for each of the three directorships to be filled at this meeting. If you do not wish your shares to be voted for a particular nominee, please so indicate in the space provided on the proxy card. You may vote your shares by a toll-free telephone call or Internet as an alternative to completing and mailing the enclosed proxy card. The procedures for telephone and Internet voting are described on the proxy card. The telephone and Internet voting procedures are designed to verify your identity, allow you to give voting instructions, and confirm that your instructions have been recorded properly. If you vote by telephone or Internet, you should not return a proxy card by mail.

A majority of the outstanding shares must be represented in person or by proxy in order to consider the items of business at the meeting. We will count abstentions as present or represented at the meeting for purposes of determining whether a quorum exists and for purposes of calculating the number of votes cast, but will not consider abstentions as votes in favor of the matter. We will treat broker non-votes as present and entitled to vote for purpose of the presence of a quorum, but not present and entitled to vote for purposes of determining whether the requisite vote has been obtained on a specific matter. Therefore, broker non-votes will have no effect on the outcome of the matter.

A plurality of the voting power of the shares present or represented at the meeting and entitled to vote at a meeting at which a quorum is present is required for the election of each director.

**THERE IS ONLY ONE ITEM REQUIRING YOUR CONSIDERATION AT THE ANNUAL MEETING: the election of three directors for three-year terms.**



**PROPOSAL 1:**

**ELECTION OF DIRECTORS**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

Our Board is divided into three classes with each class of directors serving for a three-year term. You are being asked to consider the election of three directors at the Annual Meeting. The terms of directors Lyle T. Bosacker, Myrita P. Craig and John W. Finke expire in 2009 and the Board of Directors has nominated Messrs. Bosacker and Finke and Ms. Craig for re-election to the Board each for three-year terms. Proxies may not be voted for more than three nominees.

There are currently ten directors on our Board of Directors, all of whom have served as directors for more than one year except Ms. Diane Dewbrey, who was appointed in March 2009 to fill the vacancy created by the retirement of James H. Holdrege, to serve for the remainder of Mr. Holdrege's term.

The following table provides information, as of February 28, 2009, about the nominees for election.

### **TERMS ENDING IN 2009 AND NOMINEES FOR TERMS ENDING IN 2012**

LYLE T. BOSACKER has served as a director since 1988. Mr. Bosacker, age 66, retired as President of CEO Advisors, Inc., a management consulting and information system planning services firm, in 2004. Mr. Bosacker served as the Director of Corporate Information Services for International Multifoods from 1991 to 1993 and as its Director of Corporate Information Systems Planning from 1987 to 1991.

MYRITA P. CRAIG has served as a director since 1998 and was Chair of the HickoryTech Board from January 2003 to December 2004. Ms. Craig, age 54, has served as Chief Executive Officer of Sapientia Consulting Inc., which provides management consulting and executive coaching services to business clients, since 1999. She is currently engaged with the Cincinnati USA Regional Chamber as Executive Director, office of Agenda 360. Prior to establishing the consulting firm, Ms. Craig was employed by Cincinnati Bell, Inc., a provider of telecommunications services, from 1984 to 1999 lastly as Vice President, Customer Sales and Service and had assignments in strategic planning, corporate development, and operations.

JOHN W. FINKE has served as a director since 2006. Mr. Finke, age 46, has served as President and Chief Executive Officer of HickoryTech Corporation since June 5, 2006. Mr. Finke has been with HickoryTech since 1996, and served as HickoryTech's Chief Operating Officer and Executive Vice President from 2005 to 2006, its President of Telephone Operations from 2003 to 2005, and President of HickoryTech's Network Design and Operations Division from 2000 to 2003. Prior to joining HickoryTech, Mr. Finke held numerous engineering and management positions with GTE Telephone Operations and Contel of Indiana from 1984 to 1996, both companies were providers of telecommunications services.

### **The Board of Directors Recommends that the Shareholders Vote for all Nominees**

You may vote for all, some or none of the nominees for election to the Board. Unless authority to vote is withheld, the persons named as proxies will vote FOR the election of each of the above-listed nominees. If any of the nominees are not candidates for election at the meeting, which is not presently anticipated, the persons named as proxies will vote for such other person or persons as they may, in their discretion, determine. Directors will be elected by a plurality of the votes cast.

The following table provides information about our remaining directors, whose terms expire in 2010 or 2011.

**TERMS ENDING IN 2010**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

DIANE L. DEWBREY joined the Board in March 2009. Since 2006, Ms. Dewbrey, age 44, has been employed by Foundation Bank, a Washington State chartered commercial bank, most recently in the role of Chief Executive Officer and Director. Ms. Dewbrey was employed by Fifth Third Bancorp, a diversified financial services company, from 1987 to 2005 lastly as Director of Central Operations, Bancorp Corporate Officer and Senior Vice President.

LYLE G. JACOBSON has served as a director since 1989. Mr. Jacobson, age 67, retired in 2007 as the President and Chief Executive Officer of Katolight Corporation (now MTU Onsite Energy), a manufacturer of diesel and gas powered electrical generator sets and generator controls, in Mankato, Minnesota. He served as Katolight President and Chief Executive Officer since 1985.

STARR J. KIRKLIN has served as a director since 1989 and was Chair of the Board from January 2005 to December 2006. Mr. Kirklin, age 72, retired as President of First Bank, Mankato, a National Banking Association, in 1996. He served as the Interim Vice President of University Advancement at Minnesota State University, Mankato from May to November 2000 and from May 2002 to July 2003.

### **TERMS ENDING IN 2011**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

ROBERT D. ALTON, JR. has served as a director since 1993. Mr. Alton, age 60, served as President, Chief Executive Officer and Chairman of the Board of HickoryTech from 1993 to 2002. Prior to joining HickoryTech, Mr. Alton served as President of Telephone Operations for Contel Corporation, a provider of tele-communications services, and was employed in various executive and financial capacities at Contel Corporation for 21 years.

JAMES W. BRACKE has been a director since 2004 and has served as Chair of the HickoryTech Board of Directors since January 2009. Mr. Bracke, age 61, is the President of Boulder Creek Consulting, LLC, a business and technology consulting firm. From 2004 to 2006, Mr. Bracke served as Vice President of EPIEN Medical, a privately held medical device company focused on developing, manufacturing and marketing agents for skin disorders. From 1981 to 2004, Mr. Bracke was President and Chief Executive Officer of Lifecore Biomedical, Inc., a healthcare medical device manufacturer.

R. WYNN KEARNEY, JR. has been a director since 1993 and Chair of the HickoryTech Board of Directors from January 2007 to December 2008. Dr. Kearney, age 65, has been in private practice with the Orthopedic & Fracture Clinic, P.A., with offices in southern Minnesota since 1972, and is its senior surgeon. Dr. Kearney is an Associate Clinical Professor of the University of Minnesota Medical School and a minority owner of the Minnesota Timberwolves NBA basketball team. He is also a director of Exactech, Inc. of Gainesville, Florida.

DALE E. PARKER has been a director since 2006 and has served as Vice Chair of the HickoryTech Board of Directors since January 2009. Mr. Parker, age 57, is the Vice President of Finance for Paper Works, a producer of coated recycled paper board. Mr. Parker was Chief Financial Officer at Forest Resources, LLC, a company focused on paper product production and conversion from May 2007 to October 2008. From 2006 to May 2007, Mr. Parker was Chief Financial Officer at Vitex Packaging Group, a manufacturer of packaging for tea and coffee brands. From 2000 to 2006 Mr. Parker served as Vice President, Chief Financial Officer, and board member of Appleton Papers, Inc. From 1975 to 2000, Mr. Parker was employed by Black Clawson Companies, a manufacturer of capital converting equipment for palletizing, extrusion coating, cast film, and coating equipment, serving from 1988 to 2000 as Vice President and Chief Financial and Administration Officer.



**COMPENSATION OF DIRECTORS**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

We pay our non-employee directors an annual retainer, together with board meeting and committee meeting fees, and per diem fees for time spent on other board activities. We also reimburse the directors for all travel expenses associated with attendance at meetings. Effective January 2008, the annual retainer for each of our directors who is not also an employee increased from \$15,000 to \$20,000. Of this retainer, \$7,500 is paid by issuing common stock, and directors have the option to receive the remaining \$12,500 of this annual retainer in cash or in shares of HickoryTech common stock. Effective January 2008, the fee for each Board meeting directors attend was increased to \$1,000, and we also pay directors \$750 for each committee meeting attended. We pay directors \$500 per day for non-Board or non-committee meetings associated with HickoryTech business or required training sessions.

We also pay annual retainers for certain chairperson positions, including \$24,000 to the Board Chair, \$7,500 to the Audit Committee Chair and \$5,000 to the Compensation Committee Chair. The holders of these positions have the option to be paid this retainer quarterly in cash or shares of HickoryTech common stock. Annually, the Governance Committee reviews Board compensation against survey data that is published by the National Association of Corporate Directors and the Center for Board Leadership to ensure its competitiveness.

Directors who have served three consecutive Board terms or who leave the Board as the result of a change of control are entitled to receive their annual Board retainer, at the same rate, for three years after they terminate their positions as Board members. This benefit is available to each director who was a director on the Board as of April 29, 2008. Any director joining the Board after April 29, 2008 is not eligible for this benefit.

In order to aid in attracting and retaining directors capable of assuring the future success of HickoryTech, the directors recommended and the shareholders approved a Directors Incentive Plan in 2005. This plan encourages directors to put forth maximum efforts for the success of the company and offers the directors an opportunity to earn an ownership interest in the Company. Measures to determine whether shares will be issued under this plan are based on improvement in shareholder value.

Effective January 2007, under this plan, each director was eligible to receive 2,000 shares of HickoryTech common stock at fair market value, if HickoryTech met pre-established objectives tied to shareholder value (defined as a multiple of EBITDA less debt). These pre-established objectives were met for 2007 and each director received 2,000 shares of HickoryTech common stock under this plan, which were issued in February 2008. The shareholder value objective for 2008 was met, taking into consideration the repurchase of 393,000 shares of HickoryTech stock which was completed in November 2008. This purchase increased shareholder value and was considered in determining whether the 2008 objective was accomplished. Each director received 2,000 shares of HickoryTech common stock under this plan, and these shares were issued in March 2009.

Because he is an employee, Mr. John Finke, our Chief Executive Officer and member of our Board of Directors, receives none of these fees or equity grants for his service as a member of the Board.

**DIRECTOR COMPENSATION FOR 2008**

Name (1)	Fees Earned or Paid in Cash (\$)(2)	Stock Awards (\$)(3)	Option Awards (\$)(4)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(5)	All Other Compensation (\$)	Total (\$)
<b>Robert D. Alton</b>	<b>30,250</b>	<b>26,119</b>			<b>6,666</b>	<b>500(7)</b>	<b>63,535</b>
<b>Lyle T. Bosacker</b>	<b>31,000</b>	<b>26,123</b>				<b>500(7)</b>	<b>57,623</b>
<b>James W. Bracke</b>	<b>40,000</b>	<b>26,128</b>			<b>6,666</b>	<b>500(7)</b>	<b>73,294</b>
<b>Myrita P. Craig</b>	<b>35,500</b>	<b>26,119</b>					<b>61,619</b>
<b>James H. Holdrege(6)</b>	<b>31,000</b>	<b>26,119</b>				<b>500(7)</b>	<b>57,619</b>
<b>Lyle G. Jacobson</b>	<b>32,500</b>	<b>26,121</b>				<b>500(7)</b>	<b>59,121</b>
<b>R. Wynn Kearney, Jr.</b>	<b>63,250</b>	<b>26,119</b>				<b>500(7)</b>	<b>89,869</b>
<b>Starr J. Kirklin</b>	<b>35,500</b>	<b>26,128</b>				<b>500(7)</b>	<b>62,128</b>
<b>Dale E. Parker</b>	<b>30,000</b>	<b>26,128</b>			<b>6,666</b>		<b>62,794</b>

(1) Mr. Finke, our President and Chief Executive Officer, also serves as a director and is not included in this table because he does not receive compensation for his service as a director. The compensation received by Mr. Finke as an employee is shown on the Summary Compensation Table on page 18. Ms. Dewbrey joined the Board in 2009 and did not receive any compensation in 2008.

(2) This column reflects all fees paid or payable in cash. If a director has forgone payment in cash as a portion of the annual retainer for compensation in the form of HickoryTech common stock, the amount is shown in the Fees Earned or Paid in Cash Column instead of the Stock Awards Column.

(3) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended in December 31, 2008 in accordance with FAS 123(R).

(4) There were no stock option awards granted to directors in fiscal year 2008. As of December 31, 2008, each director has the following number of options outstanding: Mr. Bosacker: 26,000; Mr. Bracke: 5,000; Ms. Craig: 23,000; Mr. Holdrege: 20,000; Mr. Jacobson: 26,000; Mr. Kearney: 26,000; and Mr. Kirklin: 26,000.

(5) Reflects the 2008 accrual for the Board retainer that is due to directors when they leave the Board after serving three consecutive Board terms or, regardless of the length of service, after a change in control and related events concerning HickoryTech.

(6) Mr. Holdrege retired from the HickoryTech Board effective December 31, 2008.

(7) Represents the per diem fee for attending a training session.

In 2003 the Board of Directors approved stock ownership guidelines for all directors. On April 30, 2008, the Board of Directors revised these stock ownership guidelines. These guidelines were increased to require directors to own three times their annual retainer in HickoryTech stock. The retainer amount is divided by the share price as of a specific date to determine the number of shares to be owned. The current share

## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

guidelines are that directors own 7,309 shares of HickoryTech stock (three times the annual retainer which is \$60,000 divided by the April 30, 2008 stock price of \$8.21) within three years of April 30, 2008 or five years of joining the Board, whichever date is later.

Each director is currently in compliance with these guidelines or within the three-year time period to achieve the ownership levels.

### **CORPORATE GOVERNANCE MATTERS**



**The Board Of Directors And Committees**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

During fiscal year 2008 our Board of Directors held eight meetings. All of the meetings were regularly scheduled. Our Board is led by a Chair, who is not an employee of HickoryTech, and we have four Board Committees. Each director attended at least 75% of the Board meetings and committee meetings and all of the directors attended the Annual Meeting held May 6, 2008.

Our Board has determined, based on written questionnaires and inquiry that, with the exception of Mr. Finke, our Chief Executive Officer, each of our directors is independent under applicable rules. Except for Mr. Finke and Mr. Alton, no director identified any dealings between the director, members of the director's family, or any controlled entity and HickoryTech, other than dealings in the director's capacity as such. In considering Mr. Alton's independence, the Board considered (1) his prior services as an officer, and (2) the Supplemental Retirement Account, retiree health care benefit and a small telephone concession benefit we maintain on his behalf as a former officer. Because Mr. Alton's service as an officer terminated more than six years ago and the continuing retirement benefits he receives were not believed significant, the Board also concluded that Mr. Alton is independent.

The Audit Committee consists of Messrs. Bosacker (chair), Alton and Parker, each of whom is an independent director within the meaning of the requirements of the NASDAQ Stock Market applicable to audit committees. The Audit Committee reviews the internal controls of HickoryTech and its financial reporting and meets with the independent auditors on these matters. The Audit Committee is responsible for the review of all interested party transactions and, although it does not have written policies as to the standards of approval consistent with the fiduciary obligations by which it is bound, approves only those transactions that it believes are in the best interests of the corporation and on terms at least as favorable as could be obtained from unaffiliated parties. The Audit Committee has the sole authority to appoint, review and discharge HickoryTech's independent auditors. Our Board of Directors has determined that Mr. Parker is an audit committee financial expert as defined under applicable SEC rules. The Board of Directors adopted and approved a written charter for the Audit Committee, a copy of which can be found on the Company's website, [www.hickorytech.com](http://www.hickorytech.com). This Committee held five meetings in 2008.

The Compensation Committee consists of Ms. Craig (chair) and Messrs. Bracke, Jacobson and Kearney, each of whom is an independent director under applicable NASDAQ rules. The Compensation Committee is responsible for determining the compensation for executive officers and directors. The Compensation Committee makes recommendations to the Board regarding compensation for executive management of HickoryTech. This Committee held five meetings in 2008.

The Governance/Nominating Committee, consisting of Messrs. Bracke (chair), Parker, Kearney and Kirklin, held five meetings in 2008. This Committee's objective is to maintain a strong Board for HickoryTech and to make recommendations on Board committee assignments and candidates for directorship.

The Finance Committee, consisting of Messrs. Parker (chair), Alton and Kirklin and Ms. Craig, has an objective to support management in reviewing operational financial processes and ensuring the maximization of the financial resources of HickoryTech. The Corporate Development Committee, which had been a separate Board committee, merged with the Finance Committee as of January 1, 2009. The Finance Committee held five meetings in 2008. The Corporate Development Committee held six meetings in 2008.

HickoryTech has had a Board Evaluation process in place since 2004. This system is periodically reviewed and enhancements were made to the process in 2007. We continue to monitor and evaluate board effectiveness to maintain and improve our governance and board succession practices.

## **Nominations**



## Edgar Filing: HICKORY TECH CORP - Form DEF 14A

The Governance/Nominating Committee, composed entirely of directors who qualify as independent under applicable NASDAQ rules, is the standing Committee responsible for determining the slate of director nominees for election by shareholders, which the Committee recommends for consideration by the Board. The Committee has adopted a written Governance/Nominating Committee Charter, a copy of which can be found on the Company's website, [www.hickorytech.com](http://www.hickorytech.com). Any director elected to fill a vacancy shall have the same remaining term as that of such director's predecessor. Vacancies on the Board of Directors resulting from the death, resignation, removal, or disqualification of the director may be filled by the affirmative vote of a majority of the remaining members of the Board of Directors.

The Governance/Nominating Committee determines the required selection criteria and qualifications of director nominees based upon our needs at the time nominees are considered. A candidate must possess the ability to apply good business judgment and must be in a position to properly exercise his or her duties with loyalty and care. Candidates should also exhibit proven leadership capabilities, high integrity, and experience with a high level of responsibility within their chosen fields, and have the ability to quickly grasp complex principles of business, finance, and communication technologies. In general, candidates who hold an established executive level position in business, finance, strategic planning, or telecommunications will be preferred. The Governance/Nominating Committee will consider these criteria for nominees identified by the Committee, by shareholders, or through some other source. When current Board members are considered for nomination for re-election, the Governance/Nominating Committee also takes into consideration their prior HickoryTech Board contributions, performance, and meeting attendance records. The Governance/Nominating Committee may use paid third parties to help identify nominees, to conduct appropriate background checks, and to verify credentials of nominees.

The Governance/Nominating Committee will consider qualified candidates submitted by our shareholders for possible nomination. If you wish to make such a submission, you should send the following information to the Governance/Nominating Committee c/o Corporate Secretary at the address listed in the following section, Shareholder Communications With Board : (1) name of the candidate, a brief biographical sketch and resume; (2) contact information for the candidate and a document evidencing the candidate's willingness to serve as a director if elected; and (3) a signed statement as to the submitting shareholder's current status as a shareholder, including the number of shares currently held.

The Governance/Nominating Committee makes a preliminary assessment of each proposed nominee based upon the resume and biographical information, an indication of the individual's willingness to serve, and other background information. This information is evaluated against the criteria set forth above and our specific needs at that time. Based upon a preliminary assessment of the candidate(s), the Nominating/Governance Committee may invite those who appear best suited to meet our needs to participate in a series of interviews that will be used as a further means of evaluating potential candidates.

On the basis of information learned during this process, the Governance/Nominating Committee determines which nominee(s) to recommend to the Board to submit for election at the next Annual Meeting. The Governance/Nominating Committee uses the same process for evaluating all nominees, regardless of the original source of the nomination.

Our Governance/Nominating Committee did consider and interview candidates suggested by shareholders as well as candidates suggested by our Board and candidates identified through the National Association of Corporate Directors Registry to fill the vacancy created by Mr. Holdrege's retirement from our Board. Our Governance/Nominating Committee along with Ms. Craig reviewed resumes, interviewed candidates, recommended final candidates for the Board's consideration and obtained a background check for the final candidate. Based on the information obtained, the Governance/Nominating Committee nominated, and our Board selected Ms. Dewbrey and appointed her to fulfill the remainder of Mr. Holdrege's term, which expires in 2010.

No candidates for director nominations were formally submitted to our Governance/Nominating Committee in conjunction with the Annual Meeting to be held in 2009. Any shareholders desiring to present nominations for consideration by the Governance/Nominating Committee prior to the Annual Meeting held in 2010 must do so by January 12, 2010, in order to provide adequate time to duly consider the nominee and comply with our Bylaws.

**Sharehol**