

ALAMO GROUP INC  
Form DEFR14A  
March 19, 2010

**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. One)**

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

**ALAMO GROUP 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):

- x No fee required.
- o 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:

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(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:

o Fee paid previously with preliminary materials.

o 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:

**ALAMO GROUP INC.**  
**1627 East Walnut Street**  
**Seguin, Texas 78155**

Dear Fellow Stockholders:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of Alamo Group Inc., to be held on Thursday, May 6, 2010, at 9:00 a.m. local time, at the Doubletree Hotel, 37 NE Loop 410 (at McCullough), San Antonio, Texas. We hope that you will be able to attend the meeting. Matters on which action will be taken at the meeting are explained in detail in the notice of meeting and proxy statement accompanying this letter.

In addition to the specific matters to be acted upon, there will be a report on the progress of the Company and an opportunity for questions of general interest to the stockholders.

**Whether or not you expect to be present and regardless of the number of shares you own, please mark, sign and mail the enclosed proxy in the envelope provided as soon as possible. Stockholders may also vote through the Internet or by telephone. If you attend the meeting, you may revoke your proxy and vote in person.**

Thank you for your support. We hope to see you at the meeting.

Donald J. Douglass

Chairman of the Board of Directors

March 18, 2010

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**ALAMO GROUP INC.**

**1627 East Walnut Street**

**Seguin, Texas 78155**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 6, 2010**

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To the Stockholders of

Alamo Group Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Alamo Group Inc. (the Company ) will be held at the Doubletree Hotel, 37 NE Loop 410 (at McCullough), San Antonio, Texas, on Thursday, May 6, 2010, at 9:00 a.m. local time, for the following purposes:

- (1) to elect seven (7) directors to the Board of Directors to serve until the next Annual Meeting of Stockholders or until their successors are elected and qualified;
- (2)

ALAMO GROUP INC.

to ratify the Audit Committee's appointment of KPMG LLP as the Company's independent auditors for the 2010 fiscal year;

(3) to transact such other business as may properly come before the meeting or any adjournment thereof.

In accordance with the Bylaws of the Company, the Board of Directors fixed the record date for the meeting as March 18, 2010. Only stockholders of record at the close of business on that date will be entitled to vote at the meeting or any adjournment thereof.

**Stockholders who do not expect to attend the meeting in person are urged to sign the enclosed proxy and return it promptly. A return envelope is enclosed for that purpose. Stockholders may also vote through the Internet or by telephone. Instructions for voting through the Internet or by telephone are included on the proxy card.**

A complete list of stockholders entitled to vote at the meeting, showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be open to the examination by any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten business days prior to the meeting commencing April 20, 2010, at the offices of the Company's Counsel, which is Oppenheimer, Blend, Harrison and Tate, Inc., located at 711 Navarro, Suite 600, San Antonio, Texas 78205-1796.

By Order of the Board of Directors

Robert H. George  
Secretary

Dated: March 18, 2010



**ALAMO GROUP INC.**

1627 East Walnut Street

Seguin, Texas 78155

## **PROXY STATEMENT**

The accompanying Proxy is solicited by the Board of Directors (the Board of Directors or the Board ) of Alamo Group Inc., a Delaware corporation (the Company, we, our, or us ), to be voted at the 2010 Annual Meeting of Stockholders (the Annual Meeting ) to be held on May 6, 2010, and at any meeting scheduled as a result of any adjournments thereof. The meeting will be held at 9:00 a.m. local time, at the Doubletree Hotel, 37 NE Loop 410 (at McCullough), San Antonio, Texas. This Proxy Statement and the accompanying Proxy are being mailed to stockholders on or about April 2, 2010. The Annual Report of the Company for fiscal 2009, including audited financial statements for the fiscal year ended December 31, 2009, and a proxy card are enclosed.

**Important Notice regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 6, 2010: Our proxy statement and our annual report on Form 10-K for the fiscal year ended December 31, 2009 are available free of charge on our website at:**  
**[www.alamo-group.com/investor\\_relations/financial\\_reports.html](http://www.alamo-group.com/investor_relations/financial_reports.html).**

### **VOTING AND PROXIES**

Only holders of record of common stock, par value \$.10 per share ( Common Stock ), of the Company at the close of business on March 18, 2010 (the Record Date ) shall be entitled to vote at the meeting. There were 20,000,000 authorized shares of Common Stock and 11,746,929 shares of Common Stock outstanding on the Record Date. Each share of Common Stock is entitled to one vote. Any stockholder giving a proxy has the power to revoke the same at any time prior to its use by giving notice in person or in writing to the Secretary of the Company.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock is necessary to constitute a quorum at the 2010 Annual Meeting of Stockholders and any adjournment thereof.

**Votes Required to Approve a Proposal**

Effective March 4, 2009, the Board of Directors amended the Company's Bylaws to reflect the change in stockholder voting for directors from a plurality to a majority vote. With this change, each director will be elected by a majority of the votes cast with respect to such director. A majority of the votes cast means that the number of votes cast for a director exceeds the number of votes cast against that director. Under Delaware law, if the director is not elected at the annual meeting, the director will continue to serve on the Board as a holdover director. As required by the Company's Bylaws, each director has submitted an irrevocable letter of resignation as director that becomes effective if he or she is not elected by stockholders and the Board accepts the resignation. If a director is not elected, the Nominating/Corporate Governance Committee will consider the director's resignation and recommend to the Board whether to accept or reject the resignation. The Board will decide whether to accept or reject the resignation and publicly disclose its decision and, if it rejects the resignation, the rationale behind the decision, within 90 days after the election results are certified.

The ratification of KPMG LLP's appointment as the Company's independent auditor requires the affirmative vote of a majority of the shares represented at the annual meeting and entitled to vote thereon.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspectors of election appointed by the Company for the meeting. The inspectors of election will treat abstentions and broker non-votes as shares that are present for purposes of determining the presence of a quorum. Abstentions may be specified on all proposals. Abstentions are present and entitled to vote for purposes of determining the approval of any matter submitted to the stockholders for a vote and will thus have the same effect as a negative vote on the proposal to ratify the appointment of KPMG LLP. Shares voting abstain on any nominee for director will be excluded from the vote and will have no effect on the election of directors. If a broker indicates on a proxy that it does not have the discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered present and entitled to vote with respect to that matter.

**BENEFICIAL OWNERSHIP OF COMMON STOCK**

Listed in the following table are the only beneficial owners that the Company is aware of as of March 9, 2010, of more than five percent of the Company's outstanding Common Stock. In addition, this table includes the outstanding voting securities beneficially owned by the Company's directors, its executive officers that are listed in the Summary Compensation Table, and by its directors and executive officers as a group as of March 9, 2010. Unless indicated otherwise below, the address of each person named on the table below is: c/o Alamo Group Inc., 1627 East Walnut Street, Seguin, Texas 78155.

<b>Beneficial Owner of Common Stock</b>	<b>Amount and Nature of Beneficial Ownership(1)</b>	<b>Percent of Class(2)</b>
Capital Southwest Venture Corporation  12900 Preston Road, Suite 700  Dallas, TX 75230	2,832,300 <sup>(3)(10)</sup>	24.09%
Duroc, LLC  c/o Brian Gilbert  Gould & Ratner LLP  222 N. LaSalle Street, Suite 800  Chicago, IL 60601	1,700,000(4)	14.47%
Third Avenue Management LLC  622 Third Avenue, 32 <sup>nd</sup> Floor  New York, NY 10017	1,169,949(5)	9.96%
Dimensional Fund Advisors LP  Palisades West, Building One  6300 Bee Cave Road  Austin, TX 78746	861,914(6)	7.34%
MetLife Advisers, LLC  501 Boylston Street	607,137(7)	5.17%

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Donald J. Douglass	337,925(8)(10)	2.87%
Ronald A. Robinson	217,775(9)	1.85%
Jerry E. Goldress	44,000(10)	*
James B. Skaggs	25,100(10)	*
David H. Morris	17,018(10)	*
David W. Grzelak	3,500(10)	*
Gary L. Martin	2,832,300(3)(10)	*
Dan E. Malone	10,000(9)	*
Robert H. George	20,550(9)	*
Richard J. Wehrle	17,340(9)	*
Geoff Davies	30,550(9)	*
Donald C. Duncan	13,600(9)	*
Richard D. Pummell	9,200(9)	*
All Directors and Executive Officers as a Group (12 Persons)	3,578,858 (3)(8)(9)(10)	30.46%

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\* Less than 1% of class

- (1) In each case the beneficial owner has sole voting and investment power, except as otherwise provided herein.
- (2) The calculation of percent of class is based on the number of shares of Common Stock outstanding as of February 26, 2010, being 11,746,929 shares.
- (3) Includes shares owned by Capital Southwest Corporation ( Capital Southwest ) (170,300 shares), the parent corporation of Capital Southwest Venture Corporation (2,660,000 shares). Mr. Martin, a director of the Company, serves as Chairman of the Board, President and CEO of both Capital Southwest Venture Corporation and Capital Southwest. Mr. Martin has shared voting and investment power with respect to the shares of Common Stock owned by Capital Southwest Venture Corporation and Capital Southwest. Mr. Martin personally disclaims beneficial ownership of these shares.
- (4) Based on Schedule 13D dated October 29, 2009, by which Duroc, LLC and Henry Crown and Company ( HC&Co ) reported that on October 22, 2009, they had shared voting power over 1,700,000 shares, had sole voting power over none of the shares and had shared dispositive powers over 1,700,000 shares. Duroc, LLC and HC&Co have beneficial ownership in 1,700,000 shares as of October 22, 2009.
- (5) Based on a Schedule 13G dated February 16, 2010, by which Third Avenue Management LLC ( TAM ) reported that as of December 31, 2009, it or any of TAM s small cap funds had shared voting power over none of such shares, had sole voting power and had sole dispositive power over 1,169,949 shares. TAM reported beneficial ownership of 1,169,949 shares as of December 31, 2009.
- (6) Based on amendment No. 7 to Schedule 13G dated February 10, 2010, by which Dimensional Fund Advisors Inc. reported that as of December 31, 2009, it had shared voting power over none of such shares, had sole voting power over 844,161 shares and had sole dispositive power over 861,914 shares. Dimensional Fund Advisor Inc. reported beneficial ownership in 861,914 shares as of December 31, 2009.
- (7) Based on Schedule 13G dated February 10, 2010, by which MetLife Advisers, LLC and Met Investors Series Trust reported that as of December 31, 2009, they had shared voting power over 607,137 shares, had sole voting power over none of the shares and shared dispositive power over 607,137 shares. MetLife Advisers, LLC and Met Investors Series Trust reported beneficial ownership in 607,137 shares as of December 31, 2009.
- (8) Includes: 59,194 shares owned by The Douglass Foundation, a non-profit organization of which Helen D. Douglass, Mr. Douglass wife, is the President; 16,951 shares in the Douglass Charitable Lead Unitrust of 2000 of which Mrs. Douglass is trustee; and 44,100 shares owned by Helen D. Douglass. Various members of Mr. Douglass family hold shares of stock of the Company which are not included in this table and Mr. Douglass disclaims beneficial ownership of those shares.
- (9) Includes: shares available for exercise under various stock options as follows: 80,000 shares for Mr. Robinson; 10,000 shares for Mr. Malone; 12,400 shares for Mr. George; 12,400 shares for Mr. Wehrle; 22,050 shares for Mr. Davies; 6,600 shares for Mr. Duncan; and 9,200 shares for Mr. Pummell.
- (10) Includes: shares available for exercise under a non-qualified stock options as follows: 12,500 shares for Mr. Morris; 3,500 shares for Mr. Grzelak; 2,000 shares for Mr. Martin; 2,000 shares for Mr. Douglass; 5,000 shares for Mr. Skaggs; and 4,000 shares for Mr. Goldress.

## PROPOSAL 1 - ELECTION OF DIRECTORS

The Bylaws of the Company provide that the number of directors which shall constitute the whole Board of Directors shall be fixed and determined from time to time by resolution adopted by the Board of Directors. Currently, the size of the Board of Directors has been fixed at seven (7) directors. Each director elected at the Annual Meeting will serve until the next Annual Meeting of Stockholders or until a successor is elected and qualified. Unless otherwise instructed, shares represented by properly executed proxies in the accompanying form will be voted for the individuals nominated by the Board of Directors set forth below. Although the Board of Directors anticipates that the listed nominees will be able to serve, if at the time of the meeting any such nominee is unable or unwilling to serve, such shares may be voted at the discretion of the proxy holders for a substitute nominee. The Nominating/Corporate Governance Committee of the Board of Directors recommended the individuals listed below to the Board of Directors and the Board of Directors nominated them. Certain information concerning such nominees, including all positions with the Company and principal occupations during the last five years, is set forth below.

We have provided below information about our nominees, all of whom are incumbent directors, including their ages, years of service as directors and business experience. We have also included information about each nominee's specific experience, qualifications, attributes, or skills that led the board to conclude that he should serve as our direc