

GP STRATEGIES CORP
Form DEF 14A
November 14, 2008
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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 (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

GP Strategies 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:

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GP STRATEGIES CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be held December 11, 2008

To our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting) of GP Strategies Corporation (the Company) will be held at the Westin Baltimore Washington Airport - BWI, 1110 Old Elkridge Landing Road, Baltimore, Maryland, on the 11th day of December 2008, at 10:30 a.m., local time, for the following purposes:

1. To elect seven persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified.
2. To vote upon a proposal to ratify the appointment of KPMG LLP (KPMG) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2008.
3. Any other matters properly brought before the meeting or any adjournments thereof.

The foregoing items of business are described more fully in our Proxy Statement.

Only stockholders of record as of the close of business on October 31, 2008 are entitled to receive notice of and to vote at the Annual Meeting. A quorum of the stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock representing a majority of the number of votes entitled to be cast as of the record date. A list of such stockholders shall be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of ten days prior to the meeting, at the offices of the Company at 6095 Marshalee Drive, Suite 300, Elkridge, Maryland.

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By Order of the Board of Directors

Kenneth L. Crawford, *Secretary*

Elkridge, Maryland

November 14, 2008

THE BOARD OF DIRECTORS APPRECIATES AND ENCOURAGES YOUR PARTICIPATION IN THE COMPANY S ANNUAL MEETING. EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE FILL IN, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE PREPAID RETURN ENVELOPE. IF YOU ATTEND THE ANNUAL MEETING YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON.

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GP STRATEGIES CORPORATION

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 11, 2008

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GP STRATEGIES CORPORATION

6095 Marshalee Drive

Elkridge, Maryland 21075

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

The accompanying Proxy is solicited by and on behalf of the Board of Directors of the Company, for use only at the Annual Meeting to be held at the Westin Baltimore Washington Airport - BWI, 1110 Old Elkridge Landing Road, Baltimore, Maryland on the 11th day of December 2008, at 10:30 a.m., local time, and at any adjournments or postponement thereof. The approximate date on which this Proxy Statement and the accompanying Proxy were first given or sent to security holders was November 14, 2008.

Each Proxy executed and returned by a stockholder may be revoked at any time thereafter, by written notice to that effect to the Company, attention of the Secretary, prior to the Annual Meeting, or to the Chairman, or the Inspectors of Election, at the Annual Meeting, or by the execution and return of a later-dated Proxy, except as to any matter voted upon prior to such revocation.

The Proxies in the accompanying form will be voted in accordance with the specifications made and where no specifications are given, such Proxies will be voted FOR the proposal to elect seven persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified and FOR the proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008. In the discretion of the proxy holders, the Proxies will also be voted FOR or AGAINST such other matters as may properly come before the Annual Meeting. The management of the Company is not aware of any other matters that are to be presented for action at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment. Although it is intended that the Proxies will be voted for the nominees named herein, the holders of the Proxies reserve discretion to cast votes for individuals other than such nominees in the event of the unavailability of any such nominee. The Company has no reason to believe that any of the nominees will become unavailable for election. The Proxies may not be voted for a greater number of persons than the number of nominees named.

Required Votes

In the election of directors (Proposal 1), you may either vote for each nominee or expressly withhold your vote with respect to a nominee. The directors are elected by a plurality of the votes of the holders of shares of Common Stock present in person or represented by proxy at the

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Annual Meeting, which means the seven director nominees receiving the highest number of votes will be elected. Accordingly, shares not present and shares present but not voted (because such vote is expressly withheld or is simply not cast) will have no effect on the voting outcome with respect to the election of directors.

The proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008 (Proposal 2) requires the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting. For Proposal 2, abstentions will be counted as present and will have the same legal effect as a negative vote.

Because the election of directors (Proposal 1) and the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008 (Proposal 2) are each a routine proposal, if you hold your shares in street name and do not give your broker or nominee instructions as to how to vote your shares with respect to Proposal 1 or Proposal 2, your broker or nominee will have discretionary authority to vote your shares under applicable rules.

Record Date

The Board of Directors has fixed the close of business on October 31, 2008 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting. The issued and outstanding capital stock of the Company on October 31, 2008 consisted of 16,232,389 shares of Common Stock, each entitled to one vote per share. A quorum of the

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stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock, representing a majority of the number of votes entitled to be cast.

PRINCIPAL STOCKHOLDERS

The following table sets forth the number of shares of Common Stock beneficially owned as of October 31, 2008 by each person who is known by the Company based on their filings with the Securities and Exchange Commission (SEC) to own beneficially more than 5% of the Company's outstanding Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Pequot Capital Management, Inc. 500 Nyala Farm Road Westport, CT 06880	1,538,270 shares(1)	9.5%
Dimensional Fund Advisors LP 1299 Ocean Avenue Santa Monica, CA 90401	974,285 shares(2)	6.0%
Royce & Associates, LLC 1414 Avenue of the Americas New York, NY 10019	938,600 shares(3)	5.8%

-
- (1) Based on a Form 13F filed by Pequot Capital Management, Inc. with the SEC on August 14, 2008.
- (2) Based on a Form 13F filed by Dimensional Fund Advisors LP (Dimensional) with the SEC on October 30, 2008. Dimensional has informed the Company that the shares are owned by advisory clients of Dimensional and that Dimensional disclaims beneficial ownership of such shares.
- (3) Based on a Form 13F filed by Royce & Associates, LLC with the SEC on August 11, 2008.

SECURITY OWNERSHIP OF DIRECTORS AND NAMED EXECUTIVE OFFICERS

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The following table sets forth, as of October 31, 2008, the beneficial ownership of Common Stock, by each director, each of the named executive officers, and all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class(1)
Harvey P. Eisen	364,759(2)	2.2%
Marshall S. Geller	219,645	1.4%
Scott N. Greenberg	134,705(3)	*
Sue W. Kelly	2,500	*
Richard C. Pfenniger, Jr.	13,444	*
A. Marvin Strait	5,500	*
Gene A. Washington	1,500	*
Douglas E. Sharp	63,669(4)	*
Sharon Esposito-Mayer	35,733(4)	*
Karl Baer	34,948(4)	*
Directors and Executive Officers as a Group (14 persons)	963,161(5)	5.9%

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- (1) Assumes for each beneficial owner and directors and executive officers as a group that all currently exercisable options are exercised in full only by the named beneficial owner or members of the group and no other options are exercised.
- (2) Includes 350,000 shares of Common Stock beneficially owned by Bedford Oak Partners, L.P. (Bedford Oak). Mr. Eisen is deemed to have beneficial ownership of such shares by virtue of his position as managing member of Bedford Oak Advisors, LLC, the investment manager of Bedford Oak.
- (3) Includes (i) 13,500 shares issuable upon exercise of currently exercisable stock options; (ii) 9,161 shares of Common Stock allocated to Mr. Greenberg s account pursuant to the provisions of our Retirement Savings Plan and (iii) 4,000 shares of Common Stock held by members of his family. Mr. Greenberg disclaims beneficial ownership of the 4,000 shares of Common Stock held by members of his family.
- (4) Includes 17,726 shares for Mr. Sharp, 9,754 shares for Ms. Esposito-Mayer, and 9,360 shares for Mr. Baer, issuable upon exercise of currently exercisable stock options; and 9,783 shares for Mr. Sharp, 7,785 for Ms. Esposito-Mayer, and 6,706 shares for Mr. Baer allocated pursuant to the provisions of our Retirement Savings Plan.
- (5) Includes 79,145 shares of Common Stock issuable upon exercise of currently exercisable stock options and 55,086 shares of Common Stock allocated to accounts pursuant to the provisions of our Retirement Savings Plan.

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Seven directors will be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders and until their respective successors are elected and qualify. The Proxies solicited by this proxy statement may not be voted for a greater number of persons than the number of nominees named. Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. It is intended that these Proxies will be voted for the following nominees, but the holders of these Proxies reserve discretion to cast votes for individuals other than the nominees for Director named below in the event of the unavailability of any such nominee. Set forth below are the names of the nominees, the year in which first elected a Director of the Company, the principal occupation of each nominee, and certain other information.

Name and Year First Elected as Director	Age	Principal Occupation and Business Experience During the Past Five Years
Scott N. Greenberg (1987)	52	Mr. Greenberg has been Chief Executive Officer since April 2005 and was the President of the Company from 2001 until February 2006. He was Chief Financial Officer from 1989 until December 2005, Executive Vice President from 1998 to 2001, Vice President from 1985 to 1998, and has held various other positions since joining the Company in 1981. From 1999 to 2008 he was a Director of GSE Systems, Inc. (GSE), a global provider of real-time simulation and training solutions and a former majority-owned subsidiary of the Company which was spun off in 2005. Mr. Greenberg has also been a Director of National Patent Development Corporation (NPDC), a holding company with interests in optical plastics, paint and hardware distribution services, since 2004, when NPDC, formerly a wholly-owned subsidiary of the Company, was spun off. Mr. Greenberg was also Chief Financial Officer of NPDC from 2004 until August 2007.
Harvey P. Eisen (2002)	66	Mr. Eisen has been the Chairman of the Board since April 2005. He has been Chairman and Managing Member of Bedford Oak Advisors, LLC since 1998. Prior thereto, Mr. Eisen served as Senior Vice President of Travelers, Inc. and of Primerica prior to its merger with Travelers in 1993. Mr. Eisen has over thirty years of asset management experience. Mr. Eisen is a Trustee of the University of Missouri Business School, where he established the first accredited course on the Warren Buffet Principles of Investing. Mr. Eisen has also been a Director of NPDC since August 2004 and became Chairman of the Board of NPDC in May 2007.
Marshall S. Geller (2002)	69	Mr. Geller is Founder and Senior Managing Director of St. Cloud Capital, a Los Angeles based private equity fund formed in December 2001. He has spent more than 40 years in corporate finance and investment banking, including 21 years as a Senior Managing Partner of Bear, Stearns & Co. with oversight of all operations in Los Angeles, San Francisco, Chicago, Hong Kong and the Far East. Mr. Geller is currently a Director on the boards of 1st Century Bancshares, Inc., National Holdings Corporation, California Pizza Kitchen, Inc., and Guidance Software, Inc., and is on the Board of Governors of Cedars Sinai Medical Center, Los Angeles. Mr. Geller also serves on the Dean's Advisory Council for the College of Business & Economics at California State University, Los Angeles, and on the Little Hoover Commission, an independent California state oversight agency.