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MIDSOUTH BANCORP INC
Form DEF 14A
April 14, 2004

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] Confidential, for
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[X] Definitive Proxy Statement Only (as permitted
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[] Definitive Additional Materials
[] Soliciting Material Pursuant to
par 240.14a-11(c) or par. 240.14a-12

MidSouth Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

Board of Directors of MidSouth Bancorp, Inc.

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

Payment of Filing Fee (Check the appropriate box):

- [] \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1),
14a-6(i)(2) or item 22(a)(2) of Schedule 14A.
[] \$500 per each party to the controversy pursuant to
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[] Fee computed on table below per Exchange Act Rules
14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which
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- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

MIDSOUTH BANCORP, INC.

102 Versailles Boulevard
Versailles Centre
Lafayette, Louisiana 70501

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Lafayette, Louisiana
April 16, 2004

The annual meeting of shareholders of MidSouth Bancorp, Inc. ("MidSouth") will be held on Tuesday, May 18, 2004, at 4:00 p.m., local time, at Caf, Des Amis, at 140 East Bridge Street, Breaux Bridge, Louisiana, to elect directors and to consider such other matters as may properly come before the meeting or any adjournments thereof.

Only holders of record of MidSouth common stock at the close of business on March 31, 2004, are entitled to notice of and to vote at the meeting.

Your vote is important regardless of the number of shares you own. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ACCOMPANYING ENVELOPE. YOUR PROXY MAY BE REVOKED BY APPROPRIATE NOTICE TO MIDSOUTH'S SECRETARY AT ANY TIME PRIOR TO THE VOTING THEREOF.

BY ORDER OF THE BOARD
OF DIRECTORS

Karen L. Hail
Secretary

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MIDSOUTH BANCORP, INC.

102 Versailles Boulevard
Versailles Centre
Lafayette, Louisiana 70501

PROXY STATEMENT

This Proxy Statement is furnished holders of common stock of MidSouth Bancorp, Inc. ("MidSouth") in connection with the solicitation on behalf of its Board of Directors (the "Board") of proxies for use at MidSouth's annual shareholders meeting (the "Meeting") to be held on Tuesday, May 18, 2004, at the time and place shown in the accompanying notice and at any adjournments thereof. This Proxy Statement is first being mailed to shareholders about April 16, 2004.

Only holders of record of MidSouth common stock ("Common Stock") at the close of business on March 31, 2004, are entitled to notice of and to vote at the Meeting. On that date, MidSouth had outstanding 3,212,801 shares of Common Stock.

The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum. If a quorum is present, directors are elected by plurality vote; with respect to any other proposal that may properly come before the Meeting, if the Board has recommended it by the affirmative vote of the majority of the Continuing Directors, as defined in MidSouth's Articles of Incorporation ("Articles"), then, generally, the affirmative vote of a majority of the votes cast is required to approve it, but if it is not so recommended, then the affirmative vote of 80% of the Total Voting Power, as defined in the Articles, is required to approve it. MidSouth's By-laws provide that the Continuing Directors will appoint the Judge(s) of Election and that all questions as to the qualification of voters, validity of proxies and the acceptance or rejection of votes will be decided by the Judge(s).

Abstentions or broker non-votes will have no effect on the election of directors. With respect to any other proposal, abstentions and broker non-votes will be counted as votes not cast and will have no effect on any proposal requiring a majority of votes cast to approve it and will have the effect of a vote against any proposal requiring an affirmative vote of a percentage of the Total Voting Power.

All proxies received in the form enclosed will be voted as specified and, in the absence of instructions to the contrary, will be voted for the election of the persons named herein. MidSouth does not know of any matters to be presented at the Meeting other than those described herein; however, if any other matters properly come before the Meeting or any adjournments thereof, it is the intention of the persons named in the enclosed proxy to vote the shares represented by them in accordance with their best judgment.

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The enclosed proxy may be revoked by the shareholder at any time prior to its exercise by filing with MidSouth's Secretary a written revocation or a duly executed proxy bearing a later date. A shareholder who votes in person in a manner inconsistent with a proxy previously filed on his or her behalf will be deemed to have revoked the proxy as to the matters voted upon in person.

-2-

The cost of soliciting proxies in the enclosed form will be borne by MidSouth. In addition to the use of the mails, proxies may be solicited by personal interview, telephone, telegraph, facsimile and e-mail. Banks, brokerage houses and other nominees or fiduciaries may be requested to forward the soliciting material to their principals and to obtain authorization for the execution of proxies, and MidSouth will, upon request, reimburse them for their expenses in so acting.

ELECTION OF DIRECTORS

The Articles provide for three classes of directors, with one class to be elected at each annual meeting for a three-year term. At the Meeting, Class II Directors will be elected to serve until the third succeeding annual meeting and until their successors have been duly elected and qualified.

Unless authority is withheld, the persons named in the enclosed proxy will vote the shares represented by the proxies received by them for the election of the three Class II director nominees named below. In the unanticipated event that one or more nominees cannot be a candidate at the Meeting, the shares represented will be voted in favor of such other nominees as may be designated by the Board. Directors will be elected by plurality vote.

Other than the Board, only shareholders entitled to vote for the election of directors who have complied with the procedures of Article IV(H) of MidSouth's Articles may nominate a person for election. To do so, the shareholder must have given written notice to MidSouth by December 9, 2003, of the following: (1) as to each person whom he or she proposes to nominate, (a) his or her name, age, business address, residential address, principal occupation or employment, and the class and number of shares of MidSouth's stock of which he or she is the beneficial owner and (b) any other information relating to such person that would be required to be disclosed in solicitations of proxies for the election of directors by Regulation 14A under the Securities Exchange Act of 1934; and (2) as to the shareholder giving the notice, (a) his or her name and address and the class and number of shares of stock of MidSouth of which he or she is the beneficial owner and (b)

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a description of any agreements, arrangements or relationships between the shareholder and each person he or she proposes to nominate. Two inspectors, not affiliated with MidSouth, appointed by MidSouth's Secretary, will determine whether the notice provisions were met; if they determine that the shareholder has not complied with Article IV(H), the defective nomination will be disregarded.

-3-

The following table sets forth certain information as of March 31, 2004, with respect to each director nominee and each director whose term as a director will continue after the Meeting. Unless otherwise indicated, each person has been engaged in the principal occupation shown for at least the past five years. The Board recommends a vote FOR each of the three nominees named below.

Director Nominees for terms to expire in 2007 (Class II Directors)

Name	Age	Principal Occupation	Year First Became Director
Will G. Charbonnet, Sr.	56	Chairman of the Board, MidSouth and the Bank; Treasurer/Exec. Officer of Cross Roads Catholic Book Store; Computer/Business Consultant; Treasurer of Philadelphia Fresh Foods, Inc. (2003-Present)	1984
Clayton Paul Hilliard	78	President/Owner: Badger Oil Corporation, Badger Oil & Gas Ltd., Convexx Oil and Gas Inc., Warlord Oil Corporation	1985
Stephen C. May	55	Publisher and major shareholder MayDay Communications-The Independent; Investor and business consultant (1999-Present); Majority owner of Atlanta Publishing, LLC (2000-2004); Majority owner, President and Publisher of The Times Publishing Group, Inc.(1980-1999)	2000

Directors whose terms expire in 2005 (Class III Directors)

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<u>Name</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Year First Became Director</u>
James R. Davis, Jr.	51	Owner, Davis/Wade Financial Services, LLC	1991
Karen L. Hail	50	Chief Financial Officer and Secretary, MidSouth	1988
Milton B. Kidd, III, O.D.	55	Optometrist, Kidd & Assoc., LLC	1996

Directors whose terms expire in 2006 (Class I Directors)

<u>Name</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Year First Became Director</u>
C. R. Cloutier	57	President and C.E.O., MidSouth and MidSouth Bank (the "Bank"), MidSouth's wholly-owned subsidiary	1984
J. B. Hargroder, M.D.	73	Physician, retired; Vice Chairman MidSouth Board	1984
William M. Simmons	70	Private Investments	1984

-4-

Corporate Governance

Shareholder, Board of Director and Committee Meetings. During 2003, the Board held thirteen meetings.

Each incumbent director attended at least 75% of the aggregate number of meetings held during 2003 of the Board and committees of which he or she was a member. While the Company encourages all members of the Board of Directors to attend annual meetings, there is no formal policy as to their attendance. It is a rare occasion when all members of the Board are not present for the Shareholder Meeting. At the Annual Meeting of May 27, 2003, Mr. May and Mr. Simmons were out of town and unable to attend.

Board of Director Independence. Each year, the Corporate Governance and Nominating Committee reviews the relationships that each director has with the Company and with other parties. Only those directors who

do not have any relationships that preclude them from being independent within the meaning of applicable American Stock Exchange ("AMEX") rules and who the Corporate Governance and Nominating Committee affirmatively determines have no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director are considered to be "independent directors." The Corporate Governance and Nominating Committee has reviewed a number of factors to evaluate the independence of each board member. These factors include its members' relationships with the Company and its competitors, suppliers and customers; their relationships with management and other directors; the relationships their current and former employers have with the Company; and the relationships between the Company and other companies of which the Company's Board members are directors or executive officers. After evaluating these factors, the Board of Directors has determined that Messrs. Charbonnet, Davis, Hargroder, Hilliard, Kidd, May and Simmons are independent directors of the Company within the meaning of applicable AMEX rules.

Shareholder Communications. Shareholders may communicate directly with members of the Board of Directors or the individual chairman of standing Board of Directors committees by writing directly to those individuals at the following address: P. O. Box 3745, Lafayette, LA 70502. The Company's general policy is to forward, and not to intentionally screen, any mail received at the Company's corporate office that is sent directly to an individual, unless the Company believes the communication may pose a security risk.

Code of Ethics. The Board has adopted a Code of Ethics for directors, officers and employees of the corporation. It is intended to promote honest and ethical conduct, full and accurate reporting and compliance with laws as well as other matters. A copy of the Code of Ethics is posted on the Corporate Relations page of the Company's website at www.midsouthbank.com.

The Board has an Audit Committee, an Executive Committee, a Personnel Committee, and a Corporate Governance and Nominating Committee.

-5-

The members of the Audit Committee are Messrs. Davis, Charbonnet, Hilliard and Kidd. The Committee, which held ten meetings in 2003, is responsible for assisting the Board in monitoring the integrity of MidSouth's financial statements, compliance with legal and regulatory requirements and the independence and performance of MidSouth's internal and external auditors.

The members of the Executive Committee are Messrs. Charbonnet, Cloutier and Hargroder. The

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Committee's duties include shareholder relations, Bank examination and Securities and Exchange Commission ("SEC") reporting. The Committee met twelve times in 2003.

The members of the Personnel Committee are Messrs. Charbonnet, Davis, Hargroder, Hilliard, Kidd, May and Simmons. The Committee, which met four times in 2003, is responsible for evaluating the performance and setting the compensation of MidSouth's executive officers and administering MidSouth's Stock Incentive Plan.

The members of the Corporate Governance and Nominating Committee are Messrs. Charbonnet, Hargroder and Hilliard. The Committee assists the Board in making determinations of director independence, assessing overall and individual Board performance and recommending director candidates including those recommendations submitted by shareholders. The Committee met twice in 2003.

Although the Corporate Governance and Nominating Committee does not have a formal charter it does operate under Corporate Governance Principles attached to this proxy statement, and it is the Committee's policy that candidates for director possess the highest personal and professional integrity, have demonstrated exceptional ability and judgment and have skills and expertise appropriate for the Company and serving the long-term interest of the Company's shareholders. The Committee's process for identifying and evaluating nominees is as follows: (1) in the case of incumbent directors whose terms of office are set to expire, the Committee reviews such directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance, and any related party transactions with the Company during the applicable time period; and (2) in the case of new director candidates, the Committee first conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board of Directors. The Committee meets to discuss and consider such candidates' qualification, including whether the nominee is independent within the meaning of AMEX rules, and then selects a candidate for recommendation to the Board of Directors by majority vote. In seeking potential nominees, the Corporate Governance and Nominating Committee uses its and management's network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. To date, the Committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates.

The Corporate Governance and Nominating Committee will consider director candidates recommended by shareholders provided the shareholders follow the procedures set forth in Article IV(H) of the Company's Articles of Incorporation. The committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether the candidate was recommended by a shareholder or otherwise.

-6-

Eligible shareholders who desire to present a proposal qualified for inclusion in the proxy materials relating to the 2005 annual meeting must forward such proposal to the Secretary of MidSouth at the address listed on the first page of this Proxy Statement in time to arrive at MidSouth before December 6, 2004.

The Board has adopted a Statement of Corporate Governance Principles, a copy of which is attached as Exhibit A to this proxy statement.

Directors of MidSouth are also directors of the Bank. Directors are entitled to fees of \$100 per month for service on the MidSouth Board and \$200 per month for service on the Bank Board. The Chairman of the Board receives an additional \$750 per month, the Vice Chairman receives an additional \$350 per month and the Chairman of the Audit Committee receives an additional \$670 per month. Each director also receives \$350 for each regular meeting, and \$125 for each special meeting, of the Board of the Bank and \$150 for the first hour, and \$75 per hour for each additional hour, of each committee meeting. Directors receive meeting fees only for meetings they attend.

Each of the current directors who are not employees were granted options in 1997 to purchase up to 12,065 shares of Common Stock at \$6.06 per share, the fair market value on the date of grant, exercisable in annual 20% increments beginning one year from the date of grant. Stephen C. May, a more recent addition to the Board, was granted options in 2002 to purchase up to 7,150 shares of Common Stock at \$11.82 per share, the fair market value on the date of grant, exercisable in annual 20% increments beginning one year from the date of grant.

The Securities and Exchange Act of 1934 and applicable SEC regulations require MidSouth's directors, executive officers and ten percent shareholders to file with the SEC initial reports of ownership and reports of changes in ownership of equity securities of MidSouth, and to furnish MidSouth with copies of all the reports they file. To MidSouth's knowledge, based on a review of reports furnished to MidSouth, all required reports were filed timely.

SECURITY OWNERSHIP OF MANAGEMENT
AND CERTAIN BENEFICIAL OWNERS

Security Ownership of Management

The following table sets forth certain information as of March 31, 2004, concerning the beneficial ownership of Common Stock by each director and nominee of MidSouth, by each executive officer named in the Summary of Executive Compensation Table below, and by all directors

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and executive officers as a group. Unless otherwise indicated, the securities are held with sole voting and investment power.

-7-

Name and Address	Amount of Nature of Beneficial Ownership	Percent
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