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GP STRATEGIES CORP
Form 10-K/A
April 29, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2002
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 1-7234
GP STRATEGIES CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware 13-1926739

(State of Incorporation) (I.R.S. Employer Identification No.)

777 Westchester Avenue, White Plains, NY 10604

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (914) 249-9700

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class Name of each exchange on which registered: Common Stock,
\$.01 Par Value New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

Indicate by check mark whether the registrant is an accelerated filer.

Yes No X

The aggregate market value of the outstanding shares of the Registrant's Common Stock, par value \$.01 per share and Class B Capital Stock, par value \$.01 per share held by non-affiliates as of June 28, 2002 was approximately \$60,129,448, and \$1,540,313, respectively, based on the closing price of the Common Stock on the New York Stock Exchange on June 28, 2002.

The number of shares outstanding of each of the Registrant's Common Stock and

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Class B Stock as of March 19, 2003:

Class	Outstanding at March 19, 2003
Common Stock, par value \$.01 per share	15,401,566 shares
Class B Capital Stock, par value \$.01 per share	1,200,000 shares

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Jerome I. Feldman is founder and since 1959 has been Chief Executive Officer and a Director of the Company. He has also been Chairman of the Board of the Company since 1999. He was President of the Company from 1959 until 2001. He has been Chairman of the Board of Five Star Products, Inc. ("Five Star"), a wholesale distributor of home decorating, hardware and finishing products, since 1994, a Director of GSE Systems, Inc. ("GSE"), a software design and development company, since 1994, and Chairman of the Board of GSE since 1997. Mr. Feldman is also Chairman of the New England Colleges Fund and a trustee of Northern Westchester Hospital. Age 74.

Scott N. Greenberg has been a Director of the Company since 1987 and President and Chief Financial Officer since 2001. He was Executive Vice President and Chief Financial Officer from 1998 to 2001, Vice President and Chief Financial Officer from 1989 to 1998, and Vice President, Finance from 1985 to 1989. He has been a director of GSE since 1999. Age 46.

Harvey P. Eisen has been a Director of the Company since July 2002. He has been Chairman and Managing Member of Bedford Oak Management, 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, is often consulted by the national media for his views on all phases of the investment marketplace, and is frequently quoted in The Wall Street Journal, The New York Times, PensionWorld, U.S. News & World Report, Financial World and Business Week, among others. Mr. Eisen also appears regularly on such television programs as Wall Street Week, CNN, and CNBC. 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. He is also a trustee at the Rippowam Cisca School in Bedford, New York and the Northern Westchester Hospital Center. Age 59.

Marshall S. Geller has been a Director of the Company since February 2002. Mr. Geller is Co-Founder and a Senior Managing Member of St. Cloud Capital Partners, L.P., an SBIC (Small Business Investment Company) formed in December 2001. He is also Chairman of the Board, Chief Executive Officer, and Founding Partner of Geller & Friend Capital Partners, Inc., a private merchant bank formed in November 1995. From 1991 to October 1995, Mr. Geller was the Senior Managing Partner of Golenberg & Geller, Inc., a merchant banking investment company. Mr. Geller has spent more than thirty years in corporate finance and investment banking, including twenty years as Senior Managing Director for Bear, Stearns and Company, with oversight of all operations in Los Angeles, San Francisco, Chicago, Hong Kong and the Far East. Mr. Geller currently serves as a director on the board of ShopNBC/Value Vision Media, Inc. and is on the Board of

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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. Age: 64.

Roald Hoffmann, Ph.D. has been a Director of the Company since 1988. He has been the Frank H. T. Rhodes Professor of Humane Letters and Professor of Chemistry since 2001 and from 1974 to 2001 was the John Newman Professor of Physical Science at Cornell University. Dr. Hoffmann is a member of the National Academy of Sciences and the American Academy of Arts and Sciences. In 1981, he shared the Nobel Prize in Chemistry with Dr. Kenichi Fukui. Age 65.

Bernard M. Kauderer has been a Director of the Company since 1997. He retired from the United States Navy in 1986 as Vice Admiral. He was Former Commander, Submarine Force, United States Atlantic and Pacific Fleets. He has been a consultant to industry and government since 1986. Age 71.

Mark A. Radzik, a designee of EGI, has been a Director of the Company since July 2002. He has served as a Managing Director of EGI since 1998. Prior to 1998, Mr. Radzik was a vice president of the Merchant Banking Group of Banque Paribas and a manager at Arthur Andersen. Mr. Radzik is also a director of Security Associates International, Inc., a wholesale security alarm monitoring company. Age 38.

Ogden R. Reid has been a Director of the Company since 1979. Mr. Reid had been Editor and Publisher of the New York Herald Tribune and of its International Edition; United States Ambassador to Israel; a six-term member of the United States Congress and a New York State Environmental Commissioner. Age 77.

Gordon Smale has been a Director of the Company since 1997. He has been President and a Director of Atlantic Oil Corporation, a producing oil and gas company, since 1970; President of Atmic, Inc., an oil and gas management company, since 1983; Chairman of the Board of CamWest Inc., an oil and gas exploration and development company, since 1992; and Manager of Cedar Ridge LLC, a methane coal gas exploration and development company, since 1994. Age 71.

Douglas E. Sharp has been the President of General Physics Corporation since September 2002. Mr. Sharp has had a broad range of experience at General Physics having worked in all of the market sectors served by General Physics during his 21-year tenure at General Physics. Mr. Sharp, who is a mechanical engineer, had most recently served as Chief Operating Officer of General Physics. Age 44.

Andrea D. Kantor has been Vice President and General Counsel since 2001, Vice President and Corporate Counsel from 1999 to 2001, and Associate General Counsel from 1988 to 1999. Ms. Kantor is a member of the Association of the Bar of the City of New York and a member of the Corporate and Securities Law Committee of the American Corporate Counsel Association. Age 46.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than 10% of a registered class of the Company's securities, to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange, and to furnish such reports to the Company.

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Based solely on a review of copies of such reports for 2002 the Company believes that during 2002, all reports applicable to its officers, directors and greater than 10% beneficial owners were filed on a timely basis, except that Admiral Kauderer filed one late report and Douglas Sharp filed two late reports.

ITEM 11. EXECUTIVE COMPENSATION

The following table and notes present the compensation paid by the Company and subsidiaries to its Chief Executive Officer and the Company's other executive officers.

Summary Compensation Table

Name and Principal Position -----	Year ----	Annual Compensation			Long Term Compensati Securitie Underlyin Options(# -----
		Salary (\$) ---	Bonus (\$) ---	Other Annual Compensation (\$) ---	
Jerome I. Feldman.....	2002	436,015	--	--	100,000 (
Chairman and Chief	2001	413,915	--	--	--
Executive Officer	2000	425,000	--	--	--
Scott N. Greenberg.....	2002	239,393	--	--	100,000 (
President and Chief	2001	233,158	--	--	--
Financial Officer	2000	234,233	--	65,560 (7)	--
Douglas E. Sharp.....	2002	280,618 (9)	--	--	75,100 (
President, General Physics	2001	249,894 (9)	--	--	100 (
	2000	239,114 (9)	--	5,960 (7)	5,000 (
Andrea D. Kantor.....	2002	188,003	--	--	50,000 (
Vice President and	2001	192,410	--	--	--
General Counsel	2000	189,920	--	8,906 (7)	--

- (1) Consists of options to purchase shares of Common Stock granted pursuant to the Company's 1973 Non-Qualified Stock Option Plan, as amended (the "Plan").
- (2) Includes a \$4,489 matching contribution to GP Retirement Saving Plan (f/n/a the General Physics Corporation Profit Investment Plan (the "GP Plan"); \$23,792 for split dollar life insurance premiums; and \$4,233 for group term life insurance premiums.
- (3) Includes \$50,000 for services rendered to GPC; a \$4,589 matching contribution to the GP Plan; \$19,752 for split dollar life insurance premiums; and \$8,281 for group term life insurance premiums.
- (4) Includes \$62,500 for services rendered to GPC; a \$5,250 matching contribution to GP Plan; \$24,441 for split dollar life insurance premiums; and \$8,281 for group term life insurance premiums.
- (5) Includes a \$6,270 matching contribution to the GP Plan; \$568 for split

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dollar life insurance premiums and \$617 for group term life insurance premiums.

- (6) Includes a \$5,985 matching contribution to the GP Plan; \$533 for split dollar life insurance premiums; and \$603 group term life insurance premiums.
- (7) Grant date present values of options to purchase shares of common stock of Millennium Cell Inc. ("Millennium Cell") owned by the Company, which options were granted on February 11, 2000 pursuant to the terms of the GP Strategies Millennium Cell, LLC Plan. Such options have an exercise price of \$.91 per share (the Company's estimate of the fair market value on the date of grant is \$.70), were either fully exercisable on the date of grant or 50% exercisable on the date of grant and 50% exercisable on the first anniversary of the date of grant, and have an expiration date, as amended, of June 30, 2003. Grant date present values were determined using the Black-Scholes option pricing model, using the following assumptions: (a) time of exercise is May 11, 2002, (b) stock price volatility is 75%, (c) the risk-free rate of return is 5.75%, and (d) the dividend yield is 0%. No discount was applied to the option values to account for the facts that the options are not freely transferable and are subject to the risk of forfeiture. Includes options to purchase 241,919, 21,910 and 32,865 shares of Millennium Cell common stock ("Millennium Common Stock") owned by the Company, granted to Mr. Greenberg, Mr. Sharp and Ms. Kantor, respectively.
- (8) Includes a \$5,250 matching contribution to the GP Plan; \$494 for split dollar life insurance premiums; and \$402 group term life insurance premiums.
- (9) Paid by GPC for services rendered solely to GPC.
- (10) Includes a \$4,467 matching contribution to the GP Plan; \$555 for split dollar life insurance premiums paid by GPC; and \$288 for group term life insurance premiums.
- (11) Includes a \$5,985 matching contribution to the GP Plan; \$492 for split dollar life insurance premiums paid by GPC; and \$300 for group term life insurance premiums.
- (12) Includes a \$5,250 matching contribution to the GP Plan; \$437 for split dollar life insurance premiums paid by GPC; and \$300 for group term life insurance premiums.
- (13) Includes a \$5,407 matching contribution to the GP Plan ; \$439 for split dollar life insurance premiums; and \$617 for group term life insurance premiums.
- (14) Includes a \$6,043 matching contribution to the GP Plan; \$396 for split dollar life insurance premiums; and \$402 for group term life insurance premiums.
- (15) Includes a \$5,250 matching contribution to the GP Plan; \$360 for split dollar life insurance premiums; and \$402 for group term life insurance premiums.

Option Grants in 2002

The following table and notes contain information concerning the grant

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of stock options in 2002 pursuant to the Plan to the named executive officers.

Name	Options Granted (#) (1)	Individual Grants		Expiration Date
		Percent of Total Options Granted to Employees in 2002	Exercise or Base Price (\$/Sh)	
Jerome I. Feldman.....	100,000	12	4.00	2/05/07
Scott N. Greenberg.....	100,000	12	4.00	2/05/07
Douglas E. Sharp.....	75,100	9	4.40	6/25/07
Andrea D. Kantor.....	50,000	6	4.00	2/05/07

Aggregate Option Exercises in 2002
And Fiscal Year-End Option Values

The following table and notes contain information concerning the exercise of stock options under the Plan during 2002 and unexercised options under the Plan held at the end of 2002 by the named executive officers. Unless otherwise indicated, options are to purchase shares of Common Stock.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Exercisable/Unexercisable Options at December 31, 2002 (#)		Val In-t Dec Exer
			Exercisable	Unexercisable	
Jerome I. Feldman.....	-0-	-0-	100,289	53,334	69,
Scott N. Greenberg.....	-0-	-0-	146,666	53,334	69,
Douglas E. Sharp.....	-0-	-0-	146,628	92,572	9,
Andrea D. Kantor.....	-0-	-0-	45,332	19,668	34,
.....					

(1) Calculated based on \$5.05, which was the closing price of the Common Stock as reported by the New York Stock Exchange on December 31, 2002.

During 2002, Douglas E. Sharp exercised 10,955 of his options granted under the GP Strategies Millennium Cell, LLC Plan and realized \$26,959 of value, based on the difference between the exercise price of the options and the market price of Millennium common stock on the exercise date.

Compensation Committee Report on Executive Compensation

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The Compensation Committee is responsible for administering the compensation program for the executive officers of the Company. The Compensation Committee consists of Gordon Smale and Harvey P. Eisen.

The Compensation Committee's executive compensation policies are designed to offer competitive compensation opportunities for all executives which are based on personal performance, individual initiative, and achievement, as well as assisting the Company in attracting and retaining qualified executives. The Compensation Committee also endorses the position that stock ownership by management and stock-based compensation arrangements are beneficial in aligning management's and stockholders' interests in the enhancement of stockholder value.

Compensation paid to the Company's executive officers generally consists of the following elements: base salary, annual bonus, and long-term compensation in the form of stock options and matching contributions to the GP Plan. The compensation for the executive officers of the Company is determined by a consideration of each officer's initiative and contribution to overall corporate performance and the officer's managerial abilities and performance in

any special projects that the officer may have undertaken. Competitive base salaries that reflect the individual's level of responsibility are important elements of the Company's executive compensation philosophy. Subjective considerations of individual performance are considered by the Compensation Committee in establishing annual bonuses and other incentive compensation.

The Company has certain broad-based employee benefit plans in which all employees, including the named executives, are permitted to participate on the same terms and conditions relating to eligibility and subject to the same limitations on amounts that may be contributed. In 2002, the Company also made matching contributions to the GP Plan for those participants.

Mr. Feldman's 2002 Compensation

Mr. Feldman's compensation in 2002 was determined principally by the terms of his employment agreement with the Company, which was negotiated with the Compensation Committee of the Board of Directors and by the terms of the incentive compensation agreement described below. Effective June 1, 1999, the Company and Mr. Feldman entered into a five-year employment agreement, which agreement was extended until May 31, 2007, as described below. In considering Mr. Feldman's compensation and the terms of the employment agreement and the incentive compensation agreement, the Compensation Committee considered Mr. Feldman's significant contribution to the strategic redirection of the Company over the last several years and his role with respect to the divestiture of the Company's non-core assets. Mr. Feldman was instrumental in achieving a reduction of the Company's debt outstanding under its revolving credit facility from approximately \$49,500,000 at December 31, 2000 to approximately \$22,100,000 at December 31, 2002, primarily through the receipt of proceeds from the sale of the Company's Millennium common stock. In addition, Mr. Feldman led management's efforts in securing a new three-year \$40 million revolving credit agreement in December 2001.

Mr. Feldman was not eligible to receive any incentive payment under the terms of the incentive compensation agreement.

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate future filings made by the Company under those statutes, in whole or in part, this report shall not be deemed to be incorporated by reference into any such filings, nor will this report be

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incorporated by reference into any future filings made by the Company under those statutes.

Gordon Smale

Harvey P. Eisen

Directors Compensation

Directors who are not employees of the Company or its subsidiaries receive an annual fee of \$5,000, payable quarterly, equally in cash and Common Stock and receive \$1,000 for each meeting of the Board of Directors attended. Dr. Hoffmann was eligible to receive \$6,000 for attending meetings of the Executive Committee in 2002. In addition Messrs. Smale, Kauderer and Dr. Hoffmann each received \$15,000, \$5,000 and \$5,000, respectively, for service on other committees of the Board of Directors in 2002 and Mr. Reid received \$20,000 in 2002 for his role in obtaining approximately \$7 million in financing in December 2001 for Hydro Med Sciences, Inc. Employees of the Company or its subsidiaries do not receive additional compensation for serving as directors.

Effective January 1, 2003, the directors' annual compensation was increased to \$10,000, payable quarterly, equally in cash and Common Stock and \$1,500 for each meeting of the Board of Directors attended.

In February 2000, each of the then directors of the Company who were not employees of the Company or its subsidiaries were granted options under the GP Strategies Millennium Cell, LLC Plan to purchase 10,955 shares of Millennium common stock owned by the Company. During 2002, Mr. Reid exercised 5,955 of his options and realized \$19,108 of value, Mr. Smale exercised 9,355 of his options and realized \$8,794 of value, Admiral Kauderer exercised 10,955 of his options and realized \$16,761 of value and Dr. Hoffmann exercised 10,955 of his options and realized \$36,590 of value, in each case based on the difference between the exercise price of the options and the market price of Millennium common stock on the exercise date.

Employment Agreements

Jerome I. Feldman. As of June 1, 1999, Jerome I. Feldman and the Company entered into an employment agreement pursuant to which Mr. Feldman is employed as Chief Executive Officer of the Company until May 31, 2004, unless sooner terminated. The Employment Agreement also provides that Mr. Feldman is employed as President of the Company, but effective June 12, 2001, Mr. Feldman resigned as President of the Company and Scott Greenberg was elected to that office. On April 1, 2002, the Compensation Committee extended Mr. Feldman's Employment Agreement until May 31, 2007, which extension was ratified unanimously by the Board of Directors on May 3, 2002, with Mr. Feldman abstaining.

Commencing June 1, 1999, Mr. Feldman's base annual salary is \$400,000, with annual increases of \$25,000. The Company and Mr. Feldman also agreed to negotiate in good faith to formulate an annual incentive based compensation arrangement based on the Company's achieving certain financial milestones which will be fair and equitable to Mr. Feldman and the Company and its stockholders. Pursuant to such provision, the Compensation Committee approved an Incentive

Compensation Agreement (the "Incentive Agreement") with Mr. Feldman on April 1, 2002, which Incentive Agreement was ratified unanimously by the Board of

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Directors on May 3, 2002, with Mr. Feldman abstaining. The Incentive Agreement provides that Mr. Feldman is eligible to receive from the Company up to five payments in an amount equal to \$1 million each on the first date that each of the following events occurs: (1) the closing price of the Common Stock equals or exceeds, for at least 10 consecutive trading days, \$5.40; provided that if the first payment does not become payable prior to May 3, 2004, the first payment shall be paid on the date, if any, that the second payment is paid; (2) the closing price of the Common Stock equals or exceeds, for at least 10 consecutive trading days, \$6.30; provided that if the second payment does not become payable prior to May 3, 2006, the second payment shall be paid on the date, if any, that the third payment is paid; (3) the closing price of the Common Stock equals or exceeds, for at least 10 consecutive trading days, \$7.20; (4) the closing price of the Common Stock equals or exceeds, for at least 10 consecutive trading days, \$8.10 and (5) the closing price of the Common stock equals or exceeds, for at least 10 consecutive trading days, \$9.00. To the extent there are any outstanding loans from the Company to Mr. Feldman at the time an incentive payment is payable, the Company will set off the payment of such incentive payment against the outstanding principal and interest under such loans. The Incentive Agreement will terminate on the earlier to occur of (a) May 3, 2007 and (b) the date of termination of Mr. Feldman's employment with the Company (other than termination by (i) the Company in breach of Mr. Feldman's Employment Agreement or (ii) Mr. Feldman for Good Reason).

Pursuant to the employment agreement entered into in 1999, the Company granted Mr. Feldman under the Company's option plan, options to purchase 100,000 shares of the Company's Common Stock at an exercise price of \$8.00 per share, the market price on the date of grant. Such options vested 20% immediately and 20% on each June 1 commencing June 1, 2000 and expire on May 31, 2004. The Company is required to provide Mr. Feldman with an automobile, to pay for country club dues, which membership is to be used primarily to further the Company's business, and to maintain the existing life and disability insurance covering Mr. Feldman. The maturity date of the Company's presently outstanding loans to Mr. Feldman was extended to May 31, 2004, and all contractual restrictions imposed by the Company on the disposition by Mr. Feldman of shares of Class B Stock were terminated. On April 1, 2002, the Compensation Committee amended the Employment Agreement to extend the maturity date of such loans to May 31, 2007, which amended was ratified unanimously by the Board of Directors on May 3, 2002, with Mr. Feldman abstaining.

The Company may terminate the employment agreement for Cause, which is defined as (i) the willful and continued failure by Mr. Feldman to substantially perform his duties or obligations or (ii) the willful engaging by Mr. Feldman in misconduct which is materially monetarily injurious to the Company. If the employment agreement is terminated for Cause, the Company is required to pay Mr. Feldman his full salary through the date his employment is terminated. If Mr. Feldman's employment is terminated by his death, the Company is required to pay to his heirs, in a lump sum, an amount equal to his full salary for the period ending May 31, 2007. If, as a result of Mr. Feldman's incapacity due to physical or mental illness, he is absent from his duties on a full-time basis for the entire period of six consecutive months, and he does not return within 30 days

of notice, the Company may terminate his employment. Mr. Feldman is entitled to receive his full salary during the disability period until his employment is terminated.

Mr. Feldman can terminate the employment agreement for Good Reason, which is defined to include (i) a change in control of the Company or (ii) a failure by the Company to comply with any material provision of the employment agreement which has not been cured within ten days after notice. A "change in control" of the Company is defined as (i) a change in control of a nature that

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would be required to be reported in response to Item 1(a) of Current Report on Form 8-K ("Form 8-K") pursuant to Section 13 or 15(d) of the Exchange Act, other than a change of control resulting in control by Mr. Feldman or a group including Mr. Feldman, (ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than Mr. Feldman or a group including Mr. Feldman, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, or (iii) at any time individuals who were either nominated for election or elected by the Board of Directors of the Company cease for any reason to constitute at least a majority of the Board.

If the Company wrongfully terminates the employment agreement or Mr. Feldman terminates the employment agreement for Good Reason, then (i) the Company is required to pay Mr. Feldman his full salary through the termination date; (ii) the Company is required to pay as severance pay to Mr. Feldman an amount equal to (a) Mr. Feldman's average annual cash compensation received from the Company during the three full calendar years immediately preceding the termination date, multiplied by (b) the greater of (i) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated and (ii) three, such payment to be made (c) if termination is based on a change of control of the Company, in a lump sum or (d) if termination results from any other cause, in substantially equal semimonthly installments payable over the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated; (iii) all options to purchase the Company's Common Stock granted to Mr. Feldman under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Mr. Feldman's employment by the Company had not terminated and, if Mr. Feldman's termination is based on a change of control of the Company and Mr. Feldman elects to surrender any or all of such options to the Company, the Company is required to pay Mr. Feldman a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; (iv) the Company is required to maintain in full force and effect, for a number of years equal to the greater of (a) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated and (b) three, all employee benefit plans and programs in which Mr. Feldman was entitled to participate immediately prior to the termination date; and (v) if termination of the employment agreement arises out of a breach by the Company, the Company is required to pay all other damages to which Mr. Feldman may be entitled as a result of such breach.

Notwithstanding the foregoing, the Company shall not be obligated to pay any portion of any amount otherwise payable to Mr. Feldman if the Company could not reasonably deduct such portion solely by operation of Section 280G ("Section 280G") of the Internal Revenue Code of 1986, as amended.

Scott N. Greenberg. As of July 1, 1999, Scott N. Greenberg and the Company entered into an employment agreement pursuant to which Mr. Greenberg is employed as the Executive Vice President of the Company. Effective June 12, 2001 Mr. Greenberg was elected President of the Company. Unless sooner terminated pursuant to its terms, the employment agreement terminates on June 30, 2004, provided that if the employment agreement has not been terminated prior to June 30, 2002, the employment agreement is extended on June 30, 2002 to June 30, 2005. On April 1, 2002, the Compensation Committee amended Mr. Greenberg's employment agreement, which amendment was ratified unanimously by the Board of Directors on May 3, 2002, with Mr. Greenberg abstaining, to provide that the

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employment agreement now terminates on June 30, 2007, provided that if the employment agreement has not been terminated prior to June 30, 2005, the employment agreement is extended on June 30, 2005 to June 30, 2008.

Commencing July 1, 1999, Mr. Greenberg's base annual salary is \$250,000, with annual increases to be determined by the Board of Directors of not less than the greater of (i) 3% and (ii) the percentage increase in the Consumer Price Index. The Company agreed to pay Mr. Greenberg a signing bonus in 1999 of \$300,000, which Mr. Greenberg waived. Mr. Greenberg is entitled to an annual bonus based upon the percentage increase in GPC's earnings before interest, taxes, depreciation and amortization, excluding extraordinary or unusual nonrecurring items of income and expense ("EBITDA"), from GPC's EBITDA for the prior year, up to 50% of his base salary, however Mr. Greenberg did not receive a bonus for the year 2002 because of GPC's financial performance. Pursuant to the employment agreement entered into in 1999, the Company has granted Mr. Greenberg under the Company's option plan, options to purchase 100,000 shares of the Company's Common Stock at an exercise price of \$8.00 per share, the market price on the date of grant. Such options vest 20% immediately and 20% on each July 1 commencing July 1, 2000 and expire on June 30, 2004. The Company is required to provide Mr. Greenberg with an automobile and to maintain the existing life and disability insurance covering Mr. Greenberg.

The Company may terminate the employment agreement for Cause, which is defined as (i) the willful and continued failure by Mr. Greenberg to substantially perform his duties or obligations or (ii) the willful engaging by Mr. Greenberg in misconduct which is materially monetarily injurious to the Company. If the employment agreement is terminated for Cause, the Company is required to pay Mr. Greenberg his full salary through the date his employment is terminated. If Mr. Greenberg's employment is terminated by his death, the Company is required to pay to his spouse or estate his full salary for a period of one year. If, as a result of Mr. Greenberg's incapacity due to physical or mental illness, he is absent from his duties on a full-time basis for the entire period of six consecutive months, and he does not return within 30 days of notice, the Company may terminate his employment. Mr. Greenberg is entitled to receive his full salary during the disability period until his employment is terminated.

Mr. Greenberg can terminate the employment agreement for Good Reason, which is defined to include (i) a change in control of the Company, (ii) a management change in control of the Company, or (iii) a failure by the Company to comply with any material provision of the employment agreement which has not been cured within ten days after notice. A "change in control" of the Company is defined as any of the following, but only if not approved by the Board of Directors, (i) a change in control of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, other than a change of control resulting in control by Mr. Feldman or Mr. Greenberg or a group including Mr. Feldman or Mr. Greenberg, (ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than Mr. Feldman or Mr. Greenberg or a group including Mr. Feldman or Mr. Greenberg, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, (iii) the Company and its affiliates owning less than a majority of the voting stock of GPC, (iv) the sale of all or substantially all of the assets of GPC, or (v) at any time when there has not been a management change of control of the Company, individuals who were either nominated for election or elected by the Board of Directors of the Company cease for any reason to constitute at least a majority of the Board. A "management change in control" of the Company is defined as (i) an event that would have constituted a change of control of the Company if it

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had not been approved by the Board of Directors or (ii) a change in control of the Company of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, resulting in control by a buy-out group including Mr. Feldman but not Mr. Greenberg.

If the Company wrongfully terminates the employment agreement or Mr. Greenberg terminates the employment agreement for Good Reason (other than as a result of a management change of control), (i) the Company is required to pay Mr. Greenberg his full salary and provide him his benefits through the termination date, and pay him his full annual bonus for the calendar year in which termination occurs; (ii) the Company is required to pay as severance pay to Mr. Greenberg an amount equal to (a) Mr. Greenberg's average annual cash compensation received from the Company during the three full calendar years immediately preceding the termination date, multiplied by (b) the greater of (I) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (II) three, such payment to be made (c) if termination is based on a change of control of the Company, in a lump sum or (d) if termination results from any other cause, in substantially equal semimonthly installments payable over the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended; (iii) all options to purchase the Company's Common Stock granted to Mr. Greenberg under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Mr. Greenberg's employment by the Company had not terminated and, if Mr. Greenberg's termination is based on a change of

control of the Company and Mr. Greenberg elects to surrender any or all of such options to the Company, the Company is required to pay Mr. Greenberg a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; (iv) the Company is required to maintain in full force and effect, for a number of years equal to the greater of (a) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (b) three, all employee benefit plans and programs in which Mr. Greenberg was entitled to participate immediately prior to the termination date; and (v) if termination of the employment agreement arises out of a breach by the Company, the Company is required to pay all other damages to which Mr. Greenberg may be entitled as a result of such breach.

If Mr. Greenberg terminates the employment agreement for Good Reason as a result of a management change of control, (i) the Company is required to pay Mr. Greenberg his full salary and provide him his benefits through the termination date, and pay him his full annual bonus for the calendar year in which termination occurs; (ii) the Company is required to pay as severance pay to Mr. Greenberg a lump sum amount equal to twice Mr. Greenberg's average annual cash compensation received from the Company during the three full calendar years immediately preceding the termination date; (iii) all options to purchase the Company's Common Stock granted to Mr. Greenberg under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Mr. Greenberg's employment by the Company had not terminated and, if Mr. Greenberg elects to surrender any or all of such options to the Company, the Company is required to pay Mr. Greenberg a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; and (iv) the Company is required to maintain in full force and effect for two years all employee benefit plans and programs in which Mr. Greenberg was entitled to participate

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immediately prior to the termination date.

Notwithstanding the foregoing, the Company shall not be obligated to pay any portion of any amount otherwise payable to Mr. Greenberg if the Company could not reasonably deduct such portion solely by operation of Section 280G.

Douglas E. Sharp. As of July 1, 1999, Douglas E. Sharp and GPC entered into an employment agreement pursuant to which Mr. Sharp was employed as Group President of GPC. Mr. Sharp was elected President of GPC on September 4, 2002. Unless sooner terminated pursuant to its terms, the employment agreement terminates on June 30, 2004, provided however, that since the employment agreement was not terminated prior to June 30, 2002, the employment agreement was extended on June 30, 2002 to June 30, 2005.

Commencing July 1, 1999, Mr. Sharp's base annual salary is \$230,000, with annual increases to be determined by the Board of Directors of GPC of not less than 3%. GPC paid Mr. Sharp a signing bonus in 1999 of \$300,000. Mr. Sharp is entitled to an annual bonus based upon the percentage increase in GPC's EBITDA from GPC's EBITDA for the prior year, up to 50% of his base salary, however, Mr. Sharp did not receive a bonus for the year 2002 because of GPC's financial performance. Pursuant to the employment agreement entered into in

1999, the Company has granted Mr. Sharp under the Company's option plan, options to purchase 100,000 shares of the Company's Common Stock at an exercise price of \$8.00 per share, the market price on the date of grant. Such options vest 20% immediately and 20% on each July 1 commencing July 1, 2000 and expire on June 30, 2004. GPC is required to provide Mr. Sharp with an automobile.

GPC may terminate the employment agreement for Cause, which is defined as (i) the willful and continued failure by Mr. Sharp to substantially perform his duties or obligations or (ii) the willful engaging by Mr. Sharp in misconduct which is materially monetarily injurious to GPC. If the employment agreement is terminated for Cause, GPC is required to pay Mr. Sharp his full salary through the date his employment is terminated. If Mr. Sharp's employment is terminated by his death, GPC is required to pay to his spouse or estate his full salary for a period of one year. If, as a result of Mr. Sharp's incapacity due to physical or mental illness, he is absent from his duties on a full-time basis for the entire period of six consecutive months, and he does not return within 30 days of notice, GPC may terminate his employment. Mr. Sharp is entitled to receive his full salary during the disability period until his employment is terminated.

Mr. Sharp can terminate the employment agreement for Good Reason, which is defined to include (i) a change in control of the Company, (ii) a management change in control of the Company, or (iii) a failure by GPC to comply with any material provision of the employment agreement which has not been cured within ten days after notice. A "change in control" of the Company is defined as any of the following, but only if not approved by the Board of Directors, (i) a change in control of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, other than a change of control resulting in control by Mr. Feldman or a group including Mr. Feldman or Mr. Greenberg, (ii) any "person" (as such term is used in Sections 13(d) and 4(d) of the Exchange Act), other than Mr. Feldman or Mr. Greenberg or a group including Mr. Feldman or Mr. Greenberg, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, (iii) the Company and its affiliates owning less than a majority of the voting stock of GPC, (iv) the sale of all or substantially all of the assets of the Company, or (v) at any time when there has not been a management change of control of the Company, individuals who were either nominated for election or

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elected by the Board of Directors of the Company cease for any reason to constitute at least a majority of the Board. A "management change in control" of the Company is defined as (i) an event that would have constituted a change of control of the Company if it had not been approved by the Board of Directors or (ii) a change in control of the Company of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, resulting in control by a buy-out group including Mr. Feldman but not Mr. Greenberg.

If GPC wrongfully terminates the employment agreement or Mr. Sharp terminates the employment agreement for Good Reason, (i) GPC is required to pay Mr. Sharp his full salary and provide him his benefits through the termination date, and pay him his full annual bonus for the calendar year in which termination occurs; (ii) GPC is required to pay as severance pay to Mr. Sharp an amount equal to (a) Mr. Sharp's average annual cash compensation received from

GPC during the three full calendar years immediately preceding the termination date, multiplied by (b) the greater of (I) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (II) three, such payment to be made (c) if termination is based on a change of control of the Company, in a lump sum or (d) if termination results from any other cause, in substantially equal semimonthly installments payable over the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended; (iii) all options to purchase the Company's Common Stock granted to Mr. Sharp under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Mr. Sharp's employment by GPC had not terminated and, if Mr. Sharp's termination is based on a change of control of the Company and Mr. Sharp elects to surrender any or all of such options to GPC, GPC is required to pay Mr. Sharp a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; (iv) GPC is required to maintain in full force and effect, for a number of years equal to the greater of (a) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (b) three, all employee benefit plans and programs in which Mr. Sharp was entitled to participate immediately prior to the termination date; and (v) if termination of the employment agreement arises out of a breach by GPC, GPC is required to pay all other damages to which Mr. Sharp may be entitled as a result of such breach.

Notwithstanding the foregoing, GPC shall not be obligated to pay any portion of any amount otherwise payable to Mr. Sharp if GPC could not reasonably deduct such portion solely by operation of Section 280G.

The Company guaranteed the performance by GPC of its obligations under Mr. Sharp's employment agreement.

Andrea D. Kantor. As of May 1, 2001, Andrea D. Kantor and the Company entered into an employment agreement pursuant to which Ms. Kantor is employed as the Vice President and General Counsel of the Company. Unless sooner terminated pursuant to its terms, the employment agreement terminates on June 30, 2004, provided however, that since the employment agreement was not terminated prior to June 30, 2002, the employment agreement was extended on June 30, 2002 to June 30, 2005.

Commencing May 1, 2001, Ms. Kantor's base annual salary is \$190,000, with annual increases to be determined by the Board of Directors of not less than the greater of (i) 3% and (ii) the percentage increase in the Consumer

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Price Index. Ms. Kantor is entitled to an annual bonus, as determined by the Board based upon the Company's revenues, profits or losses, financing activities, and such other factors deemed relevant by the Board. Ms. Kantor did not receive a bonus for the year 2002.

The Company may terminate the employment agreement for Cause, which is defined as (i) the willful and continued failure by Ms. Kantor to substantially perform her duties or obligations or (ii) the willful engaging by Ms. Kantor in misconduct which is materially monetarily injurious to the Company. If the employment agreement is terminated for Cause, the Company is required to pay Ms. Kantor her full salary through the date her employment is terminated. If Ms. Kantor's employment is terminated by her death, the Company is required to pay to her spouse or estate her full salary for a period of one year. If, as a result of Ms. Kantor's incapacity due to physical or mental illness, she is absent from her duties on a full-time basis for the entire period of six consecutive months, and she does not return within 30 days of notice, the Company may terminate her employment. Ms. Kantor is entitled to receive her full salary during the disability period until her employment is terminated.

Ms. Kantor can terminate the employment agreement for Good Reason, which is defined to include (i) a change in control of the Company, (ii) a management change in control of the Company, or (iii) a failure by the Company to comply with any material provision of the employment agreement which has not been cured within ten days after notice. A "change in control" of the Company is defined as any of the following, but only if not approved by the Board of Directors, (i) a change in control of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, other than a change of control resulting in control by Mr. Feldman or Mr. Greenberg or a group including Mr. Feldman or Mr. Greenberg, (ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than Mr. Feldman or Mr. Greenberg or a group including Mr. Feldman or Mr. Greenberg, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities, (iii) the Company and its affiliates owning less than a majority of the voting stock of GPC, (iv) the sale of all or substantially all of the assets of GPC, or (v) at any time when there has not been a management change of control of the Company, individuals who were either nominated for election or elected by the Board of Directors of the Company cease for any reason to constitute at least a majority of the Board. A "management change in control" of the Company is defined as (i) an event that would have constituted a change of control of the Company if it had not been approved by the Board of Directors or (ii) a change in control of the Company of a nature that would be required to be reported in response to Item 1(a) of Form 8-K, resulting in control by a buy-out group including Mr. Feldman but not Mr. Greenberg.

If the Company wrongfully terminates the employment agreement or Ms. Kantor terminates the employment agreement for Good Reason (other than as a result of a management change of control), (i) the Company is required to pay Ms. Kantor her full salary and provide her benefits through the termination date, and pay her full annual bonus for the calendar year in which termination occurs; (ii) the Company is required to pay as severance pay to Ms. Kantor an amount equal to (a) Ms. Kantor's average annual cash compensation received from the Company during the three full calendar years immediately preceding the termination date, multiplied by (b) the greater of (I) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (II) three, such payment to be made (c) if termination

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is based on a change of control of the Company, in a lump sum or (d) if termination results from any other cause, in substantially equal semimonthly installments payable over the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended; (iii) all options to purchase the Company's Common Stock granted to Ms. Kantor under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Ms. Kantor's employment by the Company had not terminated and, if Ms. Kantor's termination is based on a change of control of the Company and Ms. Kantor elects to surrender any or all of such options to the Company, the Company is required to pay Ms. Kantor a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; (iv) the Company is required to maintain in full force and effect, for a number of years equal to the greater of (a) the number of years (including partial years) that would have been remaining in the employment period if the employment agreement had not so terminated but was not subsequently extended and (b) three, all employee benefit plans and programs in which Ms. Kantor was entitled to participate immediately prior to the termination date; and (v) if termination of the employment agreement arises out of a breach by the Company, the Company is required to pay all other damages to which Ms. Kantor may be entitled as a result of such breach.

If Ms. Kantor terminates the employment agreement for Good Reason as a result of a management change of control, (i) the Company is required to pay Ms. Kantor her full salary and provide her benefits through the termination date, and pay her full annual bonus for the calendar year in which termination occurs; (ii) the Company is required to pay as severance pay to Ms. Kantor a lump sum amount equal to twice Ms. Kantor's average annual cash compensation received from the Company during the three full calendar years immediately preceding the termination date; (iii) all options to purchase the Company's Common Stock granted to Ms. Kantor under the Company's option plan or otherwise immediately become fully vested and terminate on such date as they would have terminated if Ms. Kantor's employment by the Company had not terminated and, if Ms. Kantor elects to surrender any or all of such options to the Company, the Company is required to pay Ms. Kantor a lump sum cash payment equal to the excess of (a) the fair market value on the termination date of the securities issuable upon exercise of the options surrendered over (b) the aggregate exercise price of the options surrendered; and (iv) the Company is required to maintain in full force and effect for two years all employee benefit plans and programs in which Ms. Kantor was entitled to participate immediately prior to the termination date.

Notwithstanding the foregoing, the Company shall not be obligated to pay any portion of any amount otherwise payable to Ms. Kantor if the Company could not reasonably deduct such portion solely by operation of Section 280G.

Performance Graph

The following table compares the performance of the Common Stock for the periods indicated with the performance of the NYSE Market Index and the MG Group Index/Education and Training Services assuming \$100 were invested on December 31, 1997 in the Common Stock, the NYSE Market Index and the MG Group Index/Education and Training Services. Values are as of December 31 of the

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specified year assuming that all dividends were reinvested:

Company/Index Name	Base Period Dec 1997	Dec 1998	Dec 1999	Dec 2000	Dec 2001
GP Strategies	\$100.00	\$108.11	\$ 44.14	\$ 31.08	\$ 27.00
NYSE Market Index	100.00	112.45	72.45	115.31	126.00
MG Group Index/Education and Training Services	100.00	118.99	130.30	133.40	121.00

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth the number of shares of Class B Stock and Common Stock beneficially owned as of March 19, 2003, by each person who is known by the Company to own beneficially more than 5% of the Company's outstanding Class B Stock or Common Stock.

PRINCIPAL STOCKHOLDERS

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership
Class B Stock	Jerome I. Feldman c/o GP Strategies Corporation 777 Westchester Avenue Fourth Floor White Plains, NY 10604	568,750 shares (2)
Class B Stock	Bedford Oak Partners, L.P. 100 South Bedford Road Mt. Kisco, NY 10549	300,000 shares (3)
Class B Stock	EGI-Fund (02-04) Investors, L.L.C. Two N. Riverside Plaza Chicago, IL 60606	300,000 shares (4)
Common Stock	Jerome I. Feldman	690,373 shares (2) (5)

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Common Stock	Bedford Oak Partners, L.P.	2,431,500 shares (3) (6)
Common Stock	EGI-Fund (02-04) Investors, L.L.C.	1,290,000 shares (4) (7)
Common Stock	Caxton International Limited 315 Enterprise Drive Plainsboro, NJ 08536	1,251,200 shares (8)
Common Stock	Dimensional Fund Advisors, Inc. 1299 Ocean Avenue Santa Monica, CA 90401	925,455 shares (9)
Common Stock	Liberty Wanger Asset Management L.P 227 West Monroe Street Chicago, IL 60606	870,000 shares (10)
Common Stock	Pequot Capital Management, Inc. 500 Nyala Farm Road Westport, CT 06880	805,400 shares (11)
Common Stock	GP Retirement Savings Plan 6095 Marshalee Drive - Suite 300 Elkridge, MD 21075	934,124 shares (12)

- (1) The percentage of class calculation for Class B Stock assumes for each beneficial owner that no shares of Class B Stock are converted into Common Stock by the named beneficial owner or any other stockholder. The percentage of class calculation for Common Stock assumes for each beneficial owner that (i) all options are exercised in full and all shares of Class B Stock are converted into Common Stock only by the named beneficial owner and (ii) no other options are exercised and no other shares of Class B Stock are converted by any other stockholder.
- (2) On December 29, 1998, Martin M. Pollak granted certain rights of first refusal with respect to his Class B Stock and options to purchase Class B Stock to Mr. Feldman and his family, and Mr. Feldman granted certain tag-along rights with respect to Class B Stock and options to purchase Class B Stock to Mr. Pollak and his family. In addition, Mr. Pollak agreed that, until May 31, 2004, during any period commencing on the date any person or group commences or enters into, or publicly announces an intention to commence or enter into, and ending on the date such person abandons a tender offer, proxy fight, or other transaction that may result in a change in control of the Company, he will vote his shares of Common Stock and Class B Stock on any matter in accordance with the recommendation of the Board of Directors. Mr. Pollak retired as the Executive Vice President and Treasurer of the Company on May 31, 1999.
- (3) Based on a Schedule 13D filed by jointly by Bedford Oak Partners, L.P. ("Bedford Oak"), Bedford Oak Advisors, LLC and Harvey P. Eisen with the Securities and Exchange Commission ("SEC") on July 25, 2002. See "Certain Relationships and Related Transactions."
- (4) Based on a Schedule 13D filed by EGI-Fund (02-04) Investors, L.L.C. ("EGI") with the SEC on May 13, 2002. See "Certain Relationships and Related Transactions."
- (5) Includes (i) 1,173 shares of Common Stock held by members of Mr.

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Feldman's family, (ii) 568,750 shares of Common Stock issuable upon conversion of Class B Stock held by Mr. Feldman, (iii) 100,289 shares of Common Stock issuable upon exercise of currently exercisable stock options held by Mr. Feldman and (iii) 2,261 shares of Common Stock allocated to Mr. Feldman's account pursuant to the provisions of the GP Plan. Mr. Feldman disclaims beneficial ownership of the 1,173 shares of Common Stock held by members of his family.

- (6) Includes 300,000 shares of Common Stock issuable upon conversion of Class B Stock held by Bedford Oak.
- (7) Includes 300,000 shares of Common Stock issuable upon conversion of Class B Stock held by EGI.
- (8) Based on a Schedule 13D/A filed jointly by Caxton International Limited, Caxton Equity Growth (BVI) Ltd., Caxton Equity Growth LLC, and Caxton Associates, L.L.C. with the SEC on June 4, 2002.
- (9) Based on a Schedule 13G filed by Dimensional Fund Advisors Inc. ("Dimensional") with the SEC on February 3, 2003. Dimensional has informed the Company that the shares are owned by advisory clients of Dimensional and that Dimensional disclaims beneficial ownership of such shares.
- (10) Based on a Schedule 13G filed by Liberty Wanger Asset Management, L.P. ("LWAM") with the SEC on February 4, 2003. LWAM has informed the Company that the shares have been acquired by LWAM on behalf of its discretionary clients.
- (11) Based on a Schedule 13G filed by Pequot Capital Management, Inc. with the SEC on February 14, 2003.
- (12) Shares may be voted and disposed of by Plan participants.

SECURITY OWNERSHIP OF DIRECTORS AND NAMED EXECUTIVE OFFICERS

The following table sets forth, as of March 19, 2003, the beneficial ownership of Common Stock, Class B Stock, and voting stock by each director, each of the named executive officers, and all directors and executive officers as a group.

	Total Number of Shares of Common Stock Beneficially Owned	Percent of Common Stock Owned(1)	Total Number of Shares of Class B Stock Beneficially Owned	Perce CL Sto
Jerome I. Feldman(4).....	690,373(5)	4.3%	568,750(6)	4
Scott N. Greenberg(4).....	172,503(7)	1.1%	--	
Harvey P. Eisen(8).....	2,431,908(9)	15.5%	300,000(10)	
Marshall S. Geller.....	213,569(11)	1.4%	--	
Roald Hoffmann(4)(12).....	12,025(11)	*	--	
Bernard M. Kauderer(12).....	13,704(11)	*	--	
Mark A. Radzik(12)(13).....	814(11)(14)	*	--(15)	
Ogden R. Reid(12).....	22,454(11)	*	--	
Gordon Smale(8).....	14,025(11)	*	--	

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Andrea D. Kantor.....	49,471(11)(16)	*	--
Douglas E. Sharp.....	155,645(11)(17)	1.0%	--
Directors and Executive Officers			
as a Group (11 persons)	3,776,491(18)	22.5%	868,750

*The number of shares owned is less than one percent of the outstanding shares or voting stock.

- (1) The percentage of class calculation for Common Stock assumes for each beneficial owner and directors and executive officers as a group that (i) all options are exercised in full and all shares of Class B Stock are converted into Common Stock only by the named beneficial owner or members of the group and (ii) no other options are exercised and no other shares of Class B Stock are converted by any other stockholder.
- (2) The percentage of class calculation for Class B Stock assumes for each beneficial owner and directors and executive officers as a group that no shares of Class B Stock are converted into Common Stock by the named beneficial owner, members of the group, or any other stockholder.
- (3) The percentage of voting stock calculation sets forth the percentage of the aggregate number of votes of all holders of Common Stock and Class B Stock represented by the Common Stock and Class B Stock beneficially owned by each beneficial owner and directors and executive officers as a group and assumes for each beneficial owner and directors and executive officers as a group that (i) all options are exercised in full only by the named beneficial owner or members of the group, (ii) no other options are exercised by any other stockholder, and (iii) no shares of Class B Stock are converted into Common Stock by the named beneficial owner, members of the group, or any other stockholder.
- (4) Member of the Executive Committee.
- (5) See footnotes 2 and 5 to Principal Stockholders Table.
- (6) See footnote 2 to Principal Stockholders Table.
- (7) Includes (i) 146,666 shares of Common Stock issuable upon exercise of currently exercisable stock options held by Mr. Greenberg, (ii) 4,119 shares of Common Stock allocated to Mr. Greenberg's account pursuant to the provisions of the GP 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 held by members of his family.
- (8) Member of the Compensation Committee.
- (9) Includes 2,431,500 shares of Common Stock beneficial owned by 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. See footnotes 3 and 6 of Principal Stockholders Table.
- (10) Includes 300,000 shares of Common Stock beneficial owned by 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. See footnote 3 of Principal Stockholders Table.

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- (11) Includes 10,000 shares for each of Messrs. Geller, Hoffmann, Kauderer and Smale, 20,000 shares for Mr. Reid, 45,332 shares for Ms. Kantor and 150,057 for Mr. Sharp issuable upon exercise of currently exercisable stock options.
- (12) Member of the Audit Committee.
- (13) Designee of EGI.
- (14) Does not include 1,290,000 shares of Common Stock beneficially owned by EGI. Mr. Radzik disclaims beneficial ownership of such shares. See footnotes 4 and 7 of Principal Stockholders Table.
- (15) Does not include 300,000 shares of Class B Stock beneficially owned by EGI. Mr. Radzik disclaims beneficial ownership of such shares. See footnote 4 of Principal Stockholders Table.
- (16) Includes 4,139 shares of Common Stock allocated to Ms. Kantor's account pursuant to the provisions of the GP Plan.
- (17) Includes 5,588 shares of Common Stock allocated to Mr. Sharp's account pursuant to the provisions of the GP Plan.
- (18) Includes (i) 502,344 shares of Common Stock issuable upon exercise of currently exercisable stock options, (ii) 868,750 shares of Common Stock issuable upon conversion of Class B Stock, and (iii) 17,107 shares of Common Stock allocated to accounts pursuant to the provisions of the GP Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On October 19, 2001, the Company sold 300,000 shares of Class B Stock (the "Bedford Shares") of the Company for an aggregate purchase price of \$900,000 to Bedford Oak in a private placement transaction pursuant to the Bedford Oak Agreement. Upon the disposition of any of the Bedford Shares (other than to an affiliate of Bedford Oak who agrees to be bound by the provisions of the Bedford Oak Agreement) or at the request of the Board of Directors of the Company, Bedford Oak is required to exercise the right to convert all of the Bedford Shares then owned by Bedford Oak into an equal number of shares of Common Stock of the Company (the "Underlying Shares"). The Company is required, at its expense, to file a registration statement (the "Registration Statement") to register under the Securities Act of 1933 (the "Securities Act") the resale by Bedford Oak of the Underlying Shares. On any date prior to October 19, 2003 during which the Registration Statement is not effective under the Securities Act, Bedford Oak has the right to require the Company to purchase from Bedford Oak all, but not less than all, of the Bedford Shares and Underlying Shares then held by Bedford Oak for a purchase price (the "Put Price") equal to the product of (i) the number of Shares and Underlying Shares owned by Bedford Oak and (ii) the current market price per share of Common Stock of the Company. The Company may pay the Put Price by delivering to the Investor, at the option of the

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Company, (i) cash, (ii) shares of Millennium Common Stock owned by the Company with a current market price equal to the Put Price, or (iii) a combination of cash and Millennium Common Stock.

Pursuant to an agreement dated May 3, 2002, the Company sold to Bedford Oak in a private placement transaction 1,200,000 shares of Common Stock (the "Bedford Common Shares") of the Company for an aggregate purchase price of \$4,200,000. The Company is required, at its expense, to file, not later than September 30, 2002, a registration statement to register under the Securities Act the resale by Bedford Oak of the Bedford Common Shares. Harvey Eisen, the managing member of Bedford Oak Advisors, LLC, the investment manager of Bedford Oak, was elected a director of the Company in July 2002.

Pursuant to an agreement dated May 3, 2002, the Company sold to Marshall Geller, a director of the Company, in a private placement transaction 100,000 shares of Common Stock (the "Geller Common Shares") of the Company for an aggregate purchase price of \$350,000. The Company is required, at its expense, to file, not later than September 30, 2002, a registration statement to register under the Securities Act the resale by Mr. Geller of the Geller Common Shares.

Pursuant to an agreement dated May 3, 2002 (the "EGI Agreement"), the Company sold to EGI in a private placement transaction 1,000,000 shares of Common Stock (the "EGI Common Shares") of the Company for an aggregate purchase price of \$3,500,000 and 300,000 shares of Class B Stock (the "EGI Class B Shares") of the Company for an aggregate purchase price of \$1,260,000.

Until such time as EGI has disposed of more than 50% of the aggregate number of EGI Common Shares and EGI Class B Shares, EGI is entitled to designate one representative to serve as a member of the Board, subject to the approval of the Company, which approval shall not be unreasonably denied or delayed. Mark Radzik, a designee of EGI, was elected a director of the Company in July 2002.

Upon the disposition of any of the EGI Class B Shares (other than to an affiliate of EGI or to a transferee approved by the Board who in each case agrees to be bound by the provisions of the EGI Agreement), EGI is required to exercise the right to convert all of the EGI Class B Shares then owned by EGI into an equal number of shares of Common Stock (the "EGI Underlying Shares") of the Company. Until May 3, 2003, the Company has the right to purchase all, but not less than all, of the EGI Class B Shares then owned by EGI at a price per share equal to the greater of (i) the 90 day trailing average of the closing prices of the Common Stock and (ii) \$5.25. If the Company exercises such right, EGI has the right to sell to the Company all or part of the EGI Common Shares then owned by EGI at a price per share of \$3.50. If EGI exercises such right and the Company does not then have adequate liquidity, the repurchase of such EGI Common Shares may take place over a period of 21 months. On April 14, 2003, the Company irrevocably waived its right to exercise such call option with respect to the EGI Class B Shares .

The Company is required, at its expense, to file, not later than August 1, 2002, a registration statement to register under the Securities Act the resale by EGI of the EGI Common Shares and the EGI Underlying Shares.

On August 13, 2002, a registration statement covering the resale of the Underlying Shares, the Bedford Common Shares, the Geller Common Shares, the EGO Common Shares and the EGI Underlying Shares was declared effective by the Securities and Exchange Commission.

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The Company and EGI have entered into an advisory services agreement providing that, to the extent requested by the Company and deemed appropriate by EGI, EGI shall assist the Company in developing, identifying, evaluating, negotiating, and structuring financings and business acquisitions. The Company has agreed to pay EGI a transaction fee equal to 1% of the proceeds received by the Company in a financing, or of the consideration paid by the Company in a business acquisition, in respect of which EGI has provided material services.

Until November 3, 2003, EGI has agreed not to (a) effect, propose to effect, or participate in (i) any acquisition of any assets of the Company or any of its subsidiaries; (ii) any tender or exchange offer, merger, or other business combination involving the Company or any of its subsidiaries not approved by the Board; (iii) any recapitalization, restructuring, liquidation, dissolution, reverse stock split, or other extraordinary transaction with respect to the Company or any of its subsidiaries not approved by the Board; or (iv) any solicitation of a proxy to vote any voting securities of the Company; (b) form, join, or participate in a group with non-affiliates; (c) otherwise seek to control or influence the management, Board, or policies of the Company, except through EGI's designee on the Board in his or her capacity as a member of

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the Board; (d) take any action which might obligate the Company to make a public announcement regarding any of the types of matters set forth in (a) above; or (e) enter into any discussions or arrangements with any third party with respect to any of the foregoing.

The Company has made loans to Jerome I. Feldman, the Chairman of the Board and Chief Executive Officer of the Company. Mr. Feldman primarily utilized the proceeds of such loans to exercise options to purchase Class B Stock. Such loans bear interest at the prime rate of Fleet Bank and are secured by the purchased Class B Stock and certain other assets. As of March 31, 2003, the aggregate amount of indebtedness outstanding was \$5,213,800, which was the largest aggregate amount of indebtedness outstanding since January 1, 2002.

On July 1, 2002, the Company made a loan to Douglas Sharp, the President of General Physics in the principal amount of \$150,000 in connection with Mr. Sharp's relocation. The loan bears interest at the prime rate of Fleet Bank. The largest aggregate amount outstanding under the loan was \$155,493. As of April 22, 2003, the aggregate amount of indebtedness outstanding under the loan was \$153,280.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GP STRATEGIES CORPORATION

Jerome I. Feldman
Chief Executive Officer

Dated: April 29, 2003

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934

I, Jerome I. Feldman, Chief Executive Officer of GP Strategies Corporation, certify that:

1. I have reviewed this annual report on Form 10-K/A of GP Strategies Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

Jerome I. Feldman

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CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934

I, Scott N. Greenberg, President and Chief Financial Officer of GP Strategies Corporation, certify that:

1. I have reviewed this annual report on Form 10-K/A of GP Strategies Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

Scott N. Greenberg

