

RANGE RESOURCES CORP
Form DEF 14A
April 04, 2008

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Range Resources Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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April 4, 2008

Dear Fellow Stockholders:

On behalf of our Board of Directors, I am pleased to invite you to attend our 2008 annual meeting. The meeting will be held at our offices at 100 Throckmorton Street, Suite 1200, in Fort Worth, Texas on Tuesday, May 20th at 9:00 a.m. Central Daylight Time. The matters to be addressed at the meeting are outlined in the enclosed Notice of Annual Meeting of Stockholders and more fully described in the enclosed Proxy Statement. Our officers and representatives of our auditors will be present at the meeting to respond to questions. Due to the changing proxy rules this year, our 2007 Annual Report is not included with these materials but a copy can be downloaded from our website at www.rangeresources.com, or you may request a paper copy by calling Karen Giles, our Corporate Communications Manager, at 817-869-4238.

MacKenzie Partners, Inc. has been retained to assist us in the soliciting process. If you have any questions regarding the meeting or require assistance in voting your shares, please contact them at 800-322-2885 or call them collect at 212-929-5500. Whether or not you expect to attend the meeting, your vote is important. We urge you to vote your shares online at www.proxyvote.com or sign and return the enclosed proxy card at your earliest convenience to ensure that you will be represented. You may revoke your proxy at the meeting and vote your shares in person if you wish. We want to thank you in advance for your prompt response which will reduce our solicitation costs.

Sincerely yours,

John H. Pinkerton
President and CEO

RANGE RESOURCES CORPORATION

100 Throckmorton Street, Suite 1200

Fort Worth, Texas 76102

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held May 20, 2008

To the Stockholders of Range Resources Corporation:

The 2008 Annual Meeting of Stockholders of Range Resources Corporation, a Delaware corporation (our, we, us, Range or the Company), will be held at our offices at 100 Throckmorton Street, Suite 1200 in Fort Worth, Texas on Tuesday, May 20, 2008 at 9:00 a.m. Central Daylight Time. The purposes of the meeting are:

1. To elect eight directors to our Board of Directors, each for a term expiring at the 2009 annual meeting or when their successors are duly elected and qualified;
2. To consider and vote on a proposal to adopt an amendment to our Restated Certificate of Incorporation increasing the number of authorized shares of common stock, par value \$0.01 per share, from 250 million to 475 million shares;
3. To consider and vote on a proposal to amend our 2005 Equity-Based Compensation Plan (i) to increase the number of shares of our common stock authorized to be issued under that plan by 900,000 shares; (ii) to prohibit the granting of options below the fair market value of our common stock on the date of grant, (iii) to set the minimum vesting on restricted stock awards granted under the plan; and (iv) to limit the number of awards that can be issued under the plan that do not meet the regular plan requirements;
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm as of and for the fiscal year ending December 31, 2008; and
5. To transact such other business as may arise that can properly be conducted at the meeting.

This notice is being sent to holders of our common stock of record at the close of business on March 27, 2008. Each such holder has the right to vote at the meeting or any adjournment or postponement. The list of stockholders entitled to vote at the meeting will be open to the examination of any stockholder for any purpose relevant to the meeting during normal business hours for ten days before the meeting at our Fort Worth

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offices. The list will also be available during the meeting for inspection by stockholders.

Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy and return it in the envelope provided or you may vote online at www.proxyvote.com using the control number printed on the proxy. You may revoke your proxy at any time before its exercise. If present at the meeting, you may withdraw your proxy and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

Rodney L. Waller
Corporate Secretary

April 4, 2008
Fort Worth, Texas

RANGE RESOURCES CORPORATION

PROXY STATEMENT

Annual Meeting of Stockholders

May 20, 2008

INTRODUCTION

The enclosed proxy is solicited by and on behalf of the Board of Directors of Range Resources Corporation, a Delaware corporation, for use at the 2008 Annual Meeting of Stockholders. The meeting will be held Tuesday, May 20, 2008, at 9:00 a.m. Central Daylight Time, at our offices at 100 Throckmorton Street, Suite 1200, Fort Worth, Texas 76102. The items to be considered are summarized in the Notice of Annual Meeting of Stockholders and more fully described in this Proxy Statement. This Proxy Statement and the proxy form were first mailed on or about April 4, 2008, to all holders of record of our common stock, \$.01 par value, as of March 27, 2008. Shares of our common stock represented by proxies will be voted as described below or as specified by each stockholder. Any proxy given by a stockholder may be revoked at any time before the voting by delivering a written notice to our Corporate Secretary, by executing and delivering a subsequently dated proxy or by attending the meeting, withdrawing the proxy and voting in person.

The persons named as proxies are John H. Pinkerton and Rodney L. Waller, our President and Chief Executive Officer, and our Corporate Secretary, respectively. The cost of preparing and mailing this Proxy Statement and any other related material will be paid by us. We have retained MacKenzie Partners, Inc., 105 Madison Avenue, New York, New York 10016, to assist in the solicitation. For these services, we will pay MacKenzie Partners a fee of approximately \$6,000 and reimburse it for certain out-of-pocket expenses. In addition to the solicitation of proxies by use of the mail, our directors, officers and employees may solicit proxies personally. We will request brokerage firms and other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of the common stock and will reimburse them for their expenses.

VOTING PROCEDURES

Voting Stock and Record Date

Only stockholders of record for our common stock at the close of business on March 27, 2008, will be entitled to vote at the meeting. On March 27, 2008, 150,121,186 shares of common stock were outstanding with each share entitling the holder to one vote on each matter. Stockholders are not entitled to cumulative voting rights.

Quorum and Adjournments

The presence, in person or by proxy, of stockholders holding a majority of the votes eligible to be cast is necessary to constitute a quorum at the meeting. If a quorum is not present at the meeting, the holders of a majority of the common stock entitled to vote who are present or represented by proxy at the meeting have the power to adjourn the meeting from time to time without notice, other than an announcement at the meeting of the time and place of the adjourned meeting, until a quorum is present. In addition, under our bylaws the chairman of the meeting has the power to adjourn the meeting for any reason from time to time without notice, other than an announcement at the meeting of the time and place of the adjourned meeting, provided that a new record date is not set. At any such adjourned meeting at which a quorum is present, any business may be transacted that may have been transacted at the meeting.

Votes Required

Assuming a quorum is present at the meeting, our stockholders will elect directors by a plurality of the eligible votes present or represented by proxy at the meeting. Approval of proposals 2, 3 and 4 require an affirmative vote of the majority of our shares of common stock represented at the meeting in person or by proxy and entitled to vote on the proposals.

Broker Non-Votes and Abstentions

Brokers who hold shares in street name for customers are required to vote as the beneficial owners instruct. A broker non-vote occurs when a broker lacks discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner (such shares are referred to as uninstructed shares). Brokers are not permitted to vote on non-discretionary items if they have not received instructions from the beneficial owners. Brokers are permitted to indicate a broker non-vote on non-discretionary items absent instructions from the beneficial owner. Abstentions and broker non-votes are treated as shares that are present for purposes of determining whether a quorum is present at the meeting. However, for purposes of determining whether a proposal is approved, abstentions and broker non-votes are tabulated separately. Abstentions have the effect of votes against a proposal requiring the affirmative vote of a majority of the shares present and entitled to vote on the proposal. Where a broker holds uninstructed shares concerning a non-discretionary item, these shares are not considered to be entitled to vote and, therefore, are not included in the denominator where the approval standard is a majority of the shares present and entitled to vote. As such, broker non-votes have a neutral effect on such proposals.

Proposals 1 and 4 are considered discretionary items, so we do not anticipate that any broker non-votes will be recorded. Proposals 2 and 3 are considered non-discretionary items under the regulations promulgated by the New York Stock Exchange (the NYSE) and approved by the Securities and Exchange Commission (the SEC) because the proposals involve increasing our authorized shares of common stock, amending our equity-based compensation plan or increasing the authorized shares of common stock under our equity based compensation plan. Therefore, if you hold your common stock in street name with your broker, your broker will not be able to vote in favor of or against proposals 2 or 3 without your specific instructions. Abstentions and broker non-votes will not have any effect on the outcome of voting on director elections (except to the extent that the failure to vote for an individual results in another individual receiving a higher number of votes) and the ratification of our independent public accounting firm. Abstentions will have the effect of votes against proposals 2 and 3, but broker non-votes will have a neutral effect on these proposals.

Stockholders of Record

If your shares are registered directly in your name with our transfer agent, Computershare Investor Services LLC, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the meeting. We have enclosed a proxy card for you to use.

Beneficial Owner

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you together with a voting instruction card on behalf of the brokerage firm or custodian. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the annual meeting.

Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

Voting in Person

Shares held in your name as the stockholder of record may be voted in person at the annual meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions so that your vote will be counted if you later decide not to attend the meeting.

Default Voting

A proxy that is properly completed and returned will be voted at the meeting in accordance with the instructions on the proxy. If you properly complete and return a proxy but do not indicate any contrary voting instructions, your shares will be voted FOR all proposals listed in the Notice of Annual Meeting of Stockholders and in accordance with the discretion of the holders of the proxy with respect to any other business that may properly come before the meeting or any adjournment or postponement. If we propose to adjourn the meeting, proxy holders will vote all shares for which they have voting authority in favor of adjournment. Our Board of Directors knows of no matters other than those stated in the Notice of Annual Meeting of Stockholders and described in this Proxy Statement to be presented for consideration at the meeting.

Revocation of Proxy

A stockholder executing and returning a proxy may revoke it at anytime before it is exercised at the annual meeting by giving written notice of the revocation to our Corporate Secretary or by executing and delivering to our Corporate Secretary a later dated proxy. Attendance at the annual meeting will not be effective to revoke the proxy unless written notice of revocation has also been delivered to our Corporate Secretary before the proxy is exercised. If you hold your shares in a brokerage account or by other nominee and deliver voting instructions to the record holder of those shares, you may only revoke the voting of those shares in accordance with your instructions if such record holder revokes the original proxy as directed above and either resubmits a proxy reflecting your voting instructions or delivers to you a legal proxy giving you the right to vote the shares.

Voting Results

We intend to announce preliminary voting results at the annual meeting and publish final results on our website and in our quarterly report on Form 10-Q for the second quarter of 2008.

This Proxy Statement is dated April 4, 2008.

PROPOSAL 1 ELECTION OF DIRECTORS**Nomination and Election of Directors**

The current term of office of all our directors expires at the 2008 annual meeting. Our Board of Directors proposes that the following nominees, all of whom are currently serving as directors, be re-elected for a new term expiring at the 2009 annual meeting or when their successors are duly elected and qualified: Charles L. Blackburn, Anthony V. Dub, V. Richard Eales, Allen Finkelson, Jonathan S. Linker, Kevin S. McCarthy, John H. Pinkerton and Jeffrey L. Ventura. Each of the nominees has consented to serve if elected. If any one of them becomes unavailable to serve as a director, our Board of Directors may designate a substitute nominee. In that case, the persons named as proxies will vote for the substitute nominee designated by our Board of Directors. Our Board of Directors does not presently contemplate that any of the nominees will become unavailable for election.

Information Concerning Nominees

The following table sets forth the names of the nominees and certain information with regard to each nominee. There is no family relationship between any of our directors and executive officers.

Name	Age	Held Office Since	Current Position
Charles L. Blackburn	80	2003	Director and Chairman of the Board
Anthony V. Dub	58	1995	Director
V. Richard Eales	72	2001	Director
Allen Finkelson	61	1994	Director
Jonathan S. Linker	59	2002	Director
Kevin S. McCarthy	48	2005	Director
John H. Pinkerton	54	1988	Director, President and CEO
Jeffrey L. Ventura	50	2005	Director and EVP Chief Operating Officer

Charles L. Blackburn was elected as a director in 2003 and appointed as the non-executive Chairman of the Board of Directors. Mr. Blackburn has more than 40 years experience in oil and gas exploration and production serving in several executive and board positions. Previously, he served as Chairman and Chief Executive Officer of Maxus Energy Corporation from 1987 until that company's sale to YPF Sociedad Anonima in 1995. Maxus was the oil and gas producer which remained after Diamond Shamrock Corporation's spin-off of its refining and marketing operations. Mr. Blackburn joined Diamond Shamrock in 1986 as President of their exploration and production subsidiary. From 1952 through 1986, Mr. Blackburn was with Shell Oil Company, serving as Director and Executive Vice President for exploration and production for the final ten years of that period. Mr. Blackburn has previously served on the Boards of Anderson Clayton and Co. (1978-1986), King Ranch Corp. (1987-1988), Penrod Drilling Co. (1988-1991), Landmark Graphics Corp. (1992-1996) and Lone Star Technologies, Inc. (1991-2001). Currently, Mr. Blackburn also serves as an advisory director to the oil and gas loan committee of Guaranty Bank. Mr. Blackburn received his

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Bachelor of Science degree in Engineering Physics from the University of Oklahoma.

Anthony V. Dub became a director in 1995. Mr. Dub is Chairman of Indigo Capital, LLC, a financial advisory firm based in New York. Before forming Indigo Capital in 1997, he served as an officer of Credit Suisse First Boston (CSFB). Mr. Dub joined CSFB in 1971 and was named a Managing Director in 1981. Mr. Dub led a number of departments during his 26 year career at CSFB including the Investment Banking Department. After leaving CSFB, Mr. Dub became Vice Chairman and a director of Capital IQ, Inc. until its sale to Standard & Poor's in 2004. Capital IQ is a leader in helping organizations capitalize on synergistic integration of market intelligence, institutional knowledge and relationships. Mr. Dub received a Bachelor of Arts, *magna cum laude*, from Princeton University.

V. Richard Eales became a director in 2001. Mr. Eales has over 35 years of experience in the energy, high technology and financial industries. He is currently retired, having been a financial consultant serving energy and information technology businesses from 1999 through 2002. Mr. Eales was employed by Union Pacific Resources Group

Inc. from 1991 to 1999 serving as Executive Vice President from 1995 through 1999. Before 1991, Mr. Eales served in various financial capacities with Butcher & Singer and Janney Montgomery Scott, investment banking firms, as CFO of Novell, Inc., a technology company, and in the treasury department of Mobil Oil Corporation. Mr. Eales received his Bachelor of Chemical Engineering from Cornell University and his Masters in Business Administration from Stanford University.

Allen Finkelson became a director in 1994. Mr. Finkelson has been a partner at Cravath, Swaine & Moore LLP since 1977, with the exception of the period 1983 through 1985, when he was a managing director of Lehman Brothers Kuhn Loeb Incorporated. Mr. Finkelson joined Cravath, Swaine & Moore, LLP in 1971. Mr. Finkelson earned a Bachelor of Arts from St. Lawrence University and a J.D. from Columbia University School of Law.

Jonathan S. Linker became a director in 2002. Mr. Linker previously served as a director of Range from 1998 to 2000. He has been active in the energy industry since 1972. Mr. Linker joined First Reserve Corporation in 1988 and was a Managing Director of the firm from 1996 until July 2001. Mr. Linker is currently Manager of Houston Energy Advisors LLC, an investment advisor providing management and investment services to two private equity funds. Mr. Linker has been President and a director of IDC Energy Corporation since 1987, a director and officer of Sunset Production Corporation since 1991 serving currently as Chairman, and Manager of Shelby Resources Inc., all small, privately-owned exploration and production companies. Mr. Linker received a Bachelor of Arts in Geology from Amherst College, a Masters in Geology from Harvard University and an MBA from Harvard University's Graduate School of Business Administration.

Kevin S. McCarthy became a director in 2005. Mr. McCarthy is Chairman, Chief Executive Officer and President of Kayne Anderson MLP Investment Company, Kayne Anderson Energy Total Return Fund, Inc. and Kayne Anderson Energy Development Company, which are each NYSE listed closed-end investment companies. Mr. McCarthy joined Kayne Anderson Capital Advisors as a Senior Managing Director in 2004 from UBS Securities LLC where he was global head of energy investment banking. In this role, he had senior responsibility for all of UBS energy investment banking activities, including direct responsibilities for securities underwriting and mergers and acquisitions in the energy industry. From 1995 to 2000, Mr. McCarthy led the energy investment banking activities of Dean Witter Reynolds and then PaineWebber Incorporated. He began his investment banking career in 1984. He is also on the board of directors of Clearwater Natural Resources, L.P. and Direct Fuel Partners, L.P., two private companies. He earned a Bachelor of Arts in Economics and Geology from Amherst College and an MBA in Finance from the University of Pennsylvania's Wharton School.

John H. Pinkerton, President, Chief Executive Officer and a director, became a director in 1988. He joined Range as President in 1990 and was appointed Chief Executive Officer in 1992. Previously, Mr. Pinkerton was Senior Vice President of Snyder Oil Corporation (SOCO). Before joining SOCO in 1980, Mr. Pinkerton was with Arthur Andersen. Mr. Pinkerton received his Bachelor of Arts in Business Administration from Texas Christian University and a master's degree from the University of Texas at Arlington.

Jeffrey L. Ventura, Executive Vice President - Chief Operating Officer, joined Range in 2003 and became a director in 2005. Previously, Mr. Ventura served as President and Chief Operating Officer of Matador Petroleum Corporation which he joined in 1997. Before 1997, Mr. Ventura spent eight years at Maxus Energy Corporation where he managed various engineering, exploration and development operations and was responsible for coordination of engineering technology. Previously, Mr. Ventura was with Tenneco Inc., where he held various engineering and operating positions. Mr. Ventura holds a Bachelor of Science degree in Petroleum and Natural Gas Engineering from the Pennsylvania State University.

Required Vote and Recommendation

The affirmative vote of a plurality of the votes cast at the meeting is required for the election of our directors. A properly executed proxy marked **Withhold authority** with respect to the election of one or more of our directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether a quorum is present. Please see the discussion above under the captions **Votes Required** and **Broker Non-Votes and Abstentions** for further details on voting procedures.

Our Board of Directors recommends a vote FOR the election of each of our nominees.

**PROPOSAL 2 APPROVAL OF AMENDMENT TO THE COMPANY S
RESTATED CERTIFICATE OF INCORPORATION
(Authorized Shares)**

General

The authorized capital stock of the Company presently consists of 250 million shares of common stock, par value \$0.01 per share, and 10 million shares of preferred stock, par value \$1.00 per share. The number of shares of our common stock outstanding as of March 27, 2008 was 150,121,186. Allowing for the number of shares of our common stock outstanding or reserved for future issuance, only approximately 85.1 million authorized shares of our common stock remain freely available for issuance. Our Board of Directors has determined that the number of unreserved shares of our common stock presently available for issuance is not sufficient to provide for our needs. An increase in the authorized shares available for issuance would give us greater flexibility to respond to future developments without the expense and delay of a special meeting of our stockholders.

Our Board of Directors has unanimously adopted a resolution setting forth a proposed amendment to Article Fourth of our restated certificate of incorporation that would increase the number of authorized shares of our common stock from 250 million to 475 million. To affect such increase, the first paragraph of Article Fourth of our restated certificate of incorporation will be amended to read in its entirety as follows:

FOURTH: (1) The total number of shares of all classes of stock that the Corporation shall have authority to issue is 485 million shares, divided into classes as follows:

475 million Common shares having a par value of \$.01 per share; and

10 million Preferred shares having a par value of \$1.00 per share.

The amendment will have no effect on the number of shares of preferred stock we are authorized to issue. No shares of our preferred stock are currently issued, outstanding or reserved for issuance. The additional shares for which authorization is sought would be identical to the shares of our common stock now authorized. The holders of our common stock do not presently have preemptive rights to subscribe for any of our securities and will not have any such rights to subscribe for the additional shares proposed to be authorized. If the amendment is approved by the required vote of our stockholders, it will become effective upon the filing of a Certificate of Amendment with the Secretary of State of the State of Delaware.

Our Board of Directors and management believe that additional shares of our common stock should be authorized for issuance to provide the flexibility to issue our common stock for proper corporate purposes. Future purposes for additional shares could include paying stock dividends, subdividing outstanding shares through stock splits, effecting acquisitions of other businesses or properties, securing additional financing for working capital or capital expenditures and providing incentives through equity-based or other incentive plans. We have no plans, proposals or arrangements at this time to issue any shares of our common stock other than those currently reserved for issuance. Our Board of Directors believes, however, that the availability of additional shares of our common stock for issuance will enable us to take advantage of favorable opportunities without the delay and expense associated with holding a special meeting of our stockholders at the time such additional shares may

be needed.

If the amendment is approved, the increase in our authorized shares will not, by itself, have any effect on the rights of holders of presently issued and outstanding shares of our common stock. However, the issuance of additional shares of our common stock may, among other things, have a dilutive effect on earnings per share and on the equity and voting rights of the present holders of our common stock.

Authorized but unissued shares of our common stock could be used by our Board of Directors to make a change in control of our Company more difficult, even if stockholders viewed such change in control as favorable to their interests. Under certain circumstances, such shares could be used to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control of our Company. Such shares could be privately placed with purchasers who might side with our Board of Directors in opposing a hostile takeover bid. We are not aware of any effort to accumulate our common stock or obtain control of our Company by a tender offer, proxy contest or otherwise, and we have no present intention to use the increased number of available shares for any anti-takeover purposes.

Required Vote and Recommendation

The affirmative vote of a majority of the shares of our common stock represented at the meeting in person or by proxy and entitled to vote on the proposal at the meeting is required to approve this proposal. Uninstructed shares are not entitled to vote on this proposal, and therefore broker non-votes will not affect the outcome of this proposal. Abstentions have the effect of negative votes on this proposal. See the discussion above under the captions **Votes Required and **Broker Non-Votes and Abstentions** for further details on voting procedures.**

Our Board of Directors believes adoption of the amendment is in our Company's best interest and recommends that our stockholders vote FOR the proposed amendment.

PROPOSAL 3 APPROVAL OF SIXTH AMENDMENT

TO OUR 2005 EQUITY-BASED COMPENSATION PLAN

Proposed Amendment

Subject to stockholder approval, our Board of Directors has approved (i) an amendment to Section 4 of our 2005 Equity-Based Compensation Plan (the 2005 Plan) to increase the number of shares of our common stock authorized to be issued under our 2005 Plan by 900,000 shares, (ii) an amendment to Section 6 of our 2005 Plan to prohibit the granting of options below the fair market value of our common stock on the date of grant, (iii) an amendment to Section 6 of our 2005 Plan to provide that the minimum vesting on restricted stock awards granted under our 2005 Plan at three years unless such vesting is based upon the achievement of performance criteria established by our Compensation Committee in the award agreement, in which event the vesting period may not be less than one year and (iv) an amendment to Section 6 of our 2005 Plan to limit the number of shares that can be issued as bonus stock, awards in lieu of Company obligations or other stock-based awards to 10% of the shares of common stock authorized under the 2005 Plan. A complete copy of the proposed Sixth Amendment to the 2005 Plan is attached as Exhibit A and a full copy of our 2005 Plan is attached as Exhibit B. A summary description of the material features of our 2005 Plan is provided below. The statements made in this Proxy Statement regarding the Sixth Amendment to our 2005 Plan should be read in conjunction with and are qualified in their entirety by reference to Exhibits A and B.

Description of the Proposed Amendment

Our Board of Directors has determined that, to give our Company the ability to attract and retain the executive and key employee talent necessary for our continued growth and success, the number of shares of our common stock available for issuance under our 2005 Plan should be increased by 900,000 and is proposing an amendment to affect such increase.

Reason for the Proposed Amendment

If the proposed amendment is approved, 900,000 additional Plan Shares (as defined in the discussion below under the caption "Securities to be Offered") will be immediately available for future awards under our 2005 Plan. As of March 27, 2008, 3,363,556 shares are available for awards under our 2005 Plan. As part of the approval of our 2005 Plan by our stockholders in 2005, we agreed to suspend any further grants under our 1999 Stock Option Plan (the "1999 Plan") and transfer the authorized but unissued shares to our 2005 Plan. Therefore, our 2005 Plan provides that any shares related to options currently outstanding under the 1999 Plan which lapse or are forfeited will become available for issuance under our 2005 Plan. If the proposed amendment is approved, the maximum number of Plan Shares (assuming none of the shares underlying options currently outstanding under the 1999 Plan lapse or are forfeited) will increase from 3,363,556 to 4,263,556 shares. On March 27, 2008, the closing price of our common stock on the NYSE was \$62.43. As of March 27, 2008, the 1999 Plan had stock option awards outstanding of 2,925,726 which were fully exercisable. The average exercise price of the outstanding stock option awards was \$8.47 per share, ranging from \$1.29 to \$15.52 per share. The additional 900,000 shares approved under the Sixth Amendment will be added to the existing 3,025,000 authorized 162(m) Covered Shares (as defined in the discussion below under the caption "Securities to be Offered") approved by stockholders specifically for our 2005 Plan. While our Board of Directors is cognizant of the potential dilutive effect of compensatory stock awards, it also recognizes the significant motivational and performance benefits that are achieved from making such awards. In determining the number of additional Plan Shares that should be authorized, our Compensation Committee examined the potential dilutive effect of the additional Plan Shares.