CKX LANDS, INC.
Form DEF 14A
March 22, 2013
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant ¨
Check the appropriate box:

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

CKX Lands, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CKX LANDS, INC.
1424 Ryan Street, Suite A
Lake Charles, LA 70601
Tel. 337-493-2399

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD THURSDAY, APRIL 25, 2013

The Annual Meeting of the Stockholders of CKX Lands, Inc., will be held at One Lakeside Plaza, Fourth Floor, Conference Room A, Lake Charles, LA, on Thursday April 25, 2013 at 11:00 a.m. for the following purposes:

1. To elect directors;

2. To vote on the proposal to ratify the appointment of McElroy, Quirk & Burch, APC as our independent registered public accounting firm for the fiscal year ended December 31, 2013; and

3. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on February 26, 2013, are entitled to notice of and to vote at the meeting.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. THEREFORE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN AND DATE YOUR PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. IF YOU ATTEND THE MEETING AND VOTE IN PERSON, YOUR PROXY WILL NOT BE USED.

/s/ Brian R.
Jones
BRIAN R.
JONES
Treasurer and
Chief
Financial
Officer

March 21, 2013

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 25, 2013

This Proxy Statement and the Company's Annual Report on Form 10-K for the year ended December 31, 2012 are available at www.envisionreports.com/ckx.

CKX Lands, Inc.

PROXY STATEMENT
APPROXIMATE DATE OF MAILING: April 1, 2013

This Proxy Statement and the Company's Annual Report on Form 10-K for the year ended December 31, 2012 are available at www.envisionreports.com/ckx.

The enclosed proxy card is solicited by the Board of Directors of CKX Lands, Inc. ("CKX Lands" or "Company") for use at its Annual Meeting of Stockholders to be held on Thursday, April 25, 2013, at 11:00 a.m. at One Lakeside Plaza, Fourth Floor, Conference A, Lake Charles, LA, or any adjournments or postponements thereof. You may revoke your proxy at any time prior to it being voted by giving written notice to the Secretary of CKX Lands, by submission of a later dated proxy or by voting in person at the meeting.

All expenses of preparing, printing and mailing the proxy statement and all materials used in solicitation will be borne by CKX Lands. Proxies may also be solicited in person or by telephone or fax by directors, officers and other employees of CKX Lands, none of whom will receive additional compensation for such services. CKX Lands will also request brokerage houses, custodians and nominees to forward these materials to the beneficial owners of the stock held of record by them and will pay the reasonable expenses of such persons for forwarding the material. The mailing address of CKX Lands is P.O. Box 1864, Lake Charles, LA 70602.

On February 26, 2013, CKX Lands had outstanding 1,942,495 shares of Common Stock, its only class of stock, held by approximately 520 shareholders of record and approximately 570 beneficial owners. Only stockholders of record at the close of business on February 26, 2013, will be entitled to receive notice of and to vote at the meeting. With respect to all matters that will come before the meeting, each stockholder may cast one vote for each share registered in his or her name on the record date. The presence, in person or by proxy, of holders of a majority of the outstanding shares of Common Stock is necessary to constitute a quorum at the meeting. Stockholders voting, or abstaining from voting, by proxy on any issue will be counted as present for purposes of constituting a quorum. If a quorum is present, the election of directors will be determined by a plurality vote and the approval of the independent auditor will be determined by a majority vote. Abstentions will have no effect on the election of directors or the approval of the independent auditor.

If you beneficially own shares held in your broker, bank or other custodian name ("Street Name Shares"), you will receive voting instructions from the holder of record of your shares. In some cases, the broker, bank or other custodian may be able to vote your shares even if you provide no instructions, but on other matters, such as election of directors, your broker may vote the shares held for you only if you provide voting instructions.

Street Name Shares for which a broker, bank or other custodian does not have the authority to vote or does not vote on a matter are recorded as a "broker non-vote" and they may not have the discretionary authority to vote on other matters that may properly come before the meeting. Broker non-votes will be counted as present at the stockholders' meeting for the purposes of calculating a quorum, but will not be counted as present for purposes of determining whether a particular matter has been approved. Broker non-votes will have no effect on the election of directors or the approval of the independent auditor.

The shares represented by properly executed proxies, unless previously revoked, will be voted at the meeting in accordance with the directions set forth on the proxies. If no choice has been specified on the proxy, the shares will be voted FOR the election of the nominees as directors and FOR approval of McElroy, Quirk & Burch, APC as auditors. The proxy also gives authority to the proxy holders to vote the shares in their discretion on any other matter presented at the meeting.

BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table provides information as of February 26, 2013, concerning beneficial ownership of Common Stock by each director, each director nominee, each executive officer, all directors and executive officers as a group, and each person known by CKX Lands to own beneficially more than 5% of the outstanding shares of Common Stock. Unless otherwise noted, the listed persons have sole voting and dispositive powers with respect to shares held in their names.

Name of Beneficial Owner	Number Beneficially Owned	Percent of Class
Joseph K. Cooper	100	0.01%
Elizabeth Hollins	25,239 (1)	1.30%
Brian R. Jones	--	0.00%
Laura A. Leach	77,684 (2)	4.00%
B. James Reaves, III	19,600 (3)	1.01%
Mary Watkins Savoy	9,158	0.47%
William Gray Stream	40,588 (4)	2.09%
Charles D. Viccellio	13,825	0.71%
Mary Leach Werner	20,726 (5)	1.07%
Michael B. White	278,686 (6)	14.35%
All directors and executive officers as a group	466,656	24.02%

(1) Includes 14,239 shares owned by Ms. Hollins' mother that Ms. Hollins has power to vote. Includes 1,000 shares owned by a L.L.C. of which Ms. Hollins is manager.
(2) Includes 8,250 shares owned by a partnership of which Mrs. Leach is a partner and 11,250 shares owned by corporations of which Mrs. Leach is a director.
(3) Includes 15,850 shares owned by a L.L.C. of which Mr. Reaves is manager.
(4) Includes 40,088 shares owned by Mr. Stream's father, aunt, grandmother and a trust, that Mr. Stream has power to vote. Mr. Stream disclaims beneficial ownership of these shares.
(5) Includes 8,250 shares owned by a partnership of which Mrs. Werner is a partner and 10,700 shares owned by a corporation of which Mrs. Werner is a director.
(6) Includes 278,686 shares owned by a L.L.C. of which Mr. White is sole manager and sole member.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers, directors and more than 10% stockholders to file with the Securities and Exchange Commission reports on prescribed forms of their ownership and changes in ownership of Company stock and furnish copies of such forms to the Company.

Based solely upon a review of the Form 3, 4 and 5 filings received from or filed by CKX Lands, Inc. on behalf of reporting persons during the most recent fiscal year, CKX Lands, Inc. is not aware of any failure to file on a timely basis any Form 3, 4 or 5 during the most recent fiscal year or prior fiscal years, except Mr. Jones did not timely file a Form 5 for 100 shares he purchased in 2011 or a Form 5 for 300 shares he sold in 2012.

ITEM 1: ELECTION OF DIRECTORS

The By-Laws of the Company specify that the number of directors shall not be less than five and not more than fifteen and the Board shall fix this number for the calendar year at the last meeting of the preceding year. The Board fixed the number of Board member for the calendar year 2013 at nine members. Each director will hold office for one year and until his successor is elected and qualified. If a nominee should become unavailable for election, the persons voting the accompanying proxy may in their discretion vote for a substitute. All nominees have been with the same organization in the same position as listed below for the past five years unless noted.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES NAMED BELOW.

Name	Age	Experience and Qualifications	Director Since
Elizabeth Hollins (1)	60	Assistant Attorney General for Louisiana; Co-Manager of PBA Properties, LLC. Mrs. Hollins' legal background and management experience for a land company with similar operating attributes makes her qualified to serve as a director.	2009
Brian R. Jones	52	Treasurer & Chief Financial Officer of CKX Lands, Inc. since 2006; Managing member of Brian R. Jones CPA, LLC. Mr. Jones' experience in public accounting makes him qualified to serve as a director.	2007
Laura A. Leach (1) (4)	73	Chairman of the Board; Secretary-Treasurer and Director of Sweetlake Land & Oil Co., LLC and North American Land Co. LLC; Secretary-Treasurer of H. G. Chalkley & Sons, Inc.; Director of Lacassane Co., Inc. Mrs. Leach has extensive experience in land management, oil and gas leasing activities which makes her qualified to serve as a director	1996
B. James Reaves, III (1) (2)	79	Private Investor, oil & gas; estate management; Director of Lacassane Co., Inc. Mr. Reaves experience in oil and gas activities and land management makes him qualified to serve as a director.	1986
Mary Watkins Savoy (2) (3)	73	Private Investments; Director of Mallard Bay Corp. Mrs. Savoy experience in land management and oil and gas leasing activities makes her qualified to serve as a director.	1998
William Gray Stream	33	President of Matilda Stream Management. Mr. Streams experience in land management, oil and	2007

(1) (3)		gas activities and forestry makes him qualified to serve as a director.	
Charles D. Viccellio	79	Vice-President & Secretary of CKX Lands, Inc.; Attorney, Stockwell, Sievert, Viccellio, Clements & Shaddock, LLP, attorneys. Mr. Viccellio's extensive legal experience in land management and oil and gas activities makes him qualified to serve as a director.	1996
Mary Leach Werner (2) (3) (4)	45	Vice-President and Director of North American Land Co., Inc. Mrs. Werner's experience in land management and oil and gas activities makes her qualified to serve as a director.	2004
Michael B. White	56	Oil and gas ventures, farmland and timberland investments, sole manager and sole member of Ottley Properties, LLC. Mr. White's experience in oil and gas, farmland and timberland makes him qualified to serve as a director.	2013

Member of the (1) Audit Committee, (2) Compensation Committee, (3) Nominating Committee; (4) Mrs. Leach is the mother of Mrs. Werner.

Mallard Bay Corp., Lacassane Co., Inc., Sweetlake Land & Oil Co., Inc., North American Land Co., Inc., H. G. Chalkley & Sons, Inc., Prairie Land Co., Matilda Stream Management, and PBA Properties, L.L.C. are all land management companies. Brian R. Jones CPA, LLC is a CPA firm.

Director nominees Hollins, Leach, Reaves, Savoy, Stream, Werner, and White are all "independent directors" as defined under the rules of the NYSE MKT.

BOARD OF DIRECTORS LEADERSHIP STRUCTURE AND RISK OVERSIGHT

CKX Lands' president and chief executive officer, Joseph K. Cooper also serves as the Chairman of the Board of Directors. The Company believes this leadership structure is most appropriate for the communication of Company decisions, activities and other third-party communications to the Board members, management and company personnel due to the small company size and the lack of complexity in its operating activities.

The Company's Board of Directors does not have a lead independent director. Independent Directors meet at least annually in executive session without non-independent or management Directors in attendance. During 2012, independent Directors met once in executive session.

CKX Lands' Board of Directors administers its risk oversight responsibilities by requiring specific Board authorization on all non-routine activities of the Company and through its Audit Committee quarterly review of the Company's financial statements, management activities discussions and communication with external auditors.

During 2012, the Board of Directors held a total of seven meetings. Mrs. Hollins, Mrs. Leach, Mr. Reaves, and Mrs. Savoy each missed one board meeting. Mrs. Werner missed three board meetings. All other members attended all board meetings.

BOARD OF DIRECTORS' COMMITTEES

The Board of Directors has an Audit Committee, Compensation Committee and Nominating Committee. The membership of each Committee consists solely of non-employee directors who meet the independence standards established by the NYSE Amex.

AUDIT COMMITTEE: The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to financial reports and other financial information and recommends the appointment of independent registered public accountants to the Board of Directors. The Company has determined that Mr. Stream, its Chairman, qualifies as an "audit committee financial expert" under Item 407(d) (5) of Regulation S-K. Each member of the Audit Committee meets the financial literacy requirements of the NYSE Amex. During 2012, the Audit Committee held four meetings. Mrs. Hollins, Mrs. Leach, and Mr. Reaves each missed one audit committee meeting. Mr. Stream attended all audit committee meetings.

COMPENSATION COMMITTEE: The Compensation Committee approves all executive compensation. During 2012, the Compensation Committee held no meetings.

NOMINATING COMMITTEE: The Nominating Committee selects nominees for the Board of Directors.

The Nominating Committee identifies individuals qualified to become directors and recommends them to the Board for directorships. The Nominating Committee will consider persons recommended by stockholders to become nominees for election as directors. Recommendations for consideration by the Nominating Committee should be sent to the Secretary of the Company in writing together with appropriate biographical information.

The Committee identifies and evaluates nominees on the basis of their education, business experience, integrity, and knowledge of Southwest Louisiana particularly as it relates to land management. Nominees recommended by security holders will be evaluated by the same criteria. The Committee does not consider diversity when identifying nominees for directorships.

The Nominating Committee has in the past considered potential director candidates suggested by its members, other directors and management. Members on the committee and management have in the past interviewed potential candidates who were not incumbent directors, and the committee has then voted to recommend a slate of nominees to the Board.

Nominating Committee does not have a charter and operates under board resolution addressing the nominating process.

During 2012, the Nominating Committee held two meeting. All three members attended both meetings.

DIRECTOR COMPENSATION

All Directors, including officers, are paid $400 per board meeting attended and $200 per missed meeting. Committee members are paid $100 per committee meeting attended and the committee chairman is paid $125 per committee meeting attended, except the Audit Committee Chairman is paid $400 per committee meeting attended.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS
BY STOCKHOLDERS AND OTHER INTERESTED PARTIES

The Company's Annual Meeting of Stockholders provides an opportunity for stockholders and others to ask questions directly of Company Directors on matters relevant to the Company. Stockholders and others may send communications to the Board at the following address: CKX Lands, Inc., P.O. Box 1864, Lake Charles, LA 70602. Each of the Company's directors is requested to attend the Annual Meeting in person. All of the Company's directors attended the Company's 2012 Annual Meeting of Shareholders. In addition, stockholders and other interested parties may, at anytime, communicate with the full Board of Directors, any individual director or any group of directors, by sending written communication to the full Board of Directors, individual director or group of directors at the following address: CKX Lands, Inc., P.O. Box 1864, Lake Charles, LA 70602.

EXECUTIVE COMPENSATION

Name and Position	Year	Salary	Bonus	All other Compensation(1)
Joseph K. Cooper	2012	$ 17,000	--	$ 2,800
President & Chief Executive Officer	2011	15,000	--	1,600
	2010	15,000	--	1,600

(1) Consists solely of Board of Director meeting attendance fees.

The Company has no long-term compensation programs, stock option program or stock grants program.

The Company has no employment agreements, pension plan or profit-sharing plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

CKX Lands, Inc. owns an undivided 1/6th interest in approximately 35,500 acres known as Walker Louisiana Properties ("WLP"). Mrs. Elizabeth Hollins is co-manager of PBA Properties, LLC, which owns an undivided 1/6th interest in the WLP properties.

Mr. Viccellio's law firm received $ $11,425.60 and $14,369.65 for legal work performed for the Company in 2012 and 2011, respectively.

Mr. Jones' CPA firm received $44,865.24 in 2012 for preparation services for a Deepwater Horizon Settlement claim for the Company and $0 in 2011.

Mr. Jones' spouse's law firm received $80,886.47 in 2012 for legal services for a Deepwater Horizon Settlement claim for the Company and $0 in 2011.

LIMITATION OF LIABILITY

Our certificate of incorporation limits the liability of our directors to the maximum extent provided by Louisiana law. Our By-Laws provide that we will indemnify our officers and directors and may indemnify our employees and other agents to the fullest extent permitted by law. There is no pending litigation nor are we aware of any threatened litigation involving any of our directors, officers, employees or agents in which indemnification will be required or permitted.

ITEM 2: RADIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

McElroy, Quirk & Burch, APC, Certified Public Accountants, acted as our independent registered public accounting firm and audited our financial statements for the year ended December 31, 2012. The Audit Committee of the Board has selected McElroy, Quirk & Burch, APC as independent registered public accounting firm to audit our financial statements for 2013 subject to the shareholders approval. Representatives of McElroy, Quirk & Burch, APC will attend the annual meeting, have an opportunity to make a statement if they so desire and, respond to appropriate questions.

REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute proxy soliciting materials and should not be deemed filed or incorporated by reference into any other filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent specifically incorporated into such a filing.

The Audit Committee of the Board of Directors has furnished the following report on the Company's audit procedures and its relationship with its independent accountants for the twelve-month period ending December 31, 2012.

The Audit Committee has reviewed and discussed with the Company's management and McElroy, Quirk & Burch, APC the audited financial statements of the Company contained in the Company's Annual Report on Form 10-K for the Company's 2012 fiscal year. The Audit Committee has also discussed with McElroy, Quirk & Burch, APC the matters that registered independent public accounting firms must communicate to audit committees under Public Company Accounting Oversight Board ("PCAOB") rules.

The Audit Committee also has received from McElroy, Quirk & Burch, APC the written disclosures and the letter required by the PCAOB's Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence, and has discussed with McElroy, Quirk & Burch, APC their independence from the Company. In addition, the Committee considered whether the provision by the independent auditors of non-audit services is compatible with maintaining the independent auditors' independence from management and the Company.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for its 2012 fiscal year for filing with the SEC.

The Board of Directors adopted a Charter governing the Audit Committee in January 2003. The Audit Committee is composed of independent directors as required by and in compliance with the listing standards of the NYSE Amex.

AUDIT COMMITTEE

William Gray Stream (Chairman)
Elizabeth Hollins
Laura A. Leach
B. James Reaves, III

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

Fees paid to McElroy, Quirk & Burch, APC for each of the last two calendar years are listed in the following table.

	Audit Services Fees	Audit Related Fees	Tax Services	All Other Fees
2012	$ 49,850	$ --	$ 1,750	$ --
2011	$ 49,550	$ --	$ 1,750	$ --

Audit service fees include fees for services performed for the recurring audit of the Company's financial statements.

Audit-related fees include fees associated with assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements.

Tax fees are for the preparation of the Company's federal and state income tax returns and the state franchise tax return.

The Audit Committee has adopted policies and procedures for the pre-approval of all audit and non-audit services to be performed by the independent auditor of the Company.

The Audit Committee may delegate, to one or more designated members of the Committee, the authority to grant pre-approvals of audit and permitted non-audit services. Any decision by such member or members to grant pre-approval shall be presented to the Committee at its next scheduled meeting. During 2012, there was no non-audit work performed which was not pre-approved by the Audit Committee prior to the engagement.

The Audit Committee has selected the firm of McElroy, Quirk & Burch, APC as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2013. Stockholder approval and ratification of this selection is not required by law or by the By-Laws of the Company. Nevertheless, the Board of Directors has chosen to submit it to the stockholders for their ratification as a matter of good corporate practice. Of the shares represented and entitled to vote at the meeting (whether in person or by proxy), more votes must be cast in favor of than votes cast against the proposal to ratify the appointment of McElroy, Quirk & Burch, APC as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2013.

The Board of Directors recommends a vote FOR the appointment of McElroy, Quirk & Burch, APC as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2013.

OTHER MATTERS

At the time of the preparation of this Proxy Statement, the Company had not been informed of any matters to be presented by, or on behalf of, the Company or its management, for action at the meeting other than those listed in the notice of meeting and referred to herein. If any other matters come before the meeting or any adjournment thereof, the persons named in the enclosed proxy will vote on such matters according to their best judgment.

A copy of the Company's Annual Report on Form 10-K as filed with the SEC for 2012 accompanies this Proxy Statement.

Stockholders are urged to sign the enclosed proxy, which is solicited on behalf of the Board of Directors, and return it at once in the enclosed envelope. Stockholders can also access the proxy material at www.envisionreports.com/ckx.

STOCKHOLDERS PROPOSALS

Proposals of stockholders intended to be included in the proxy materials, including director nominations, relating to the 2014 annual meeting of stockholders, must be received by the Secretary at CKX Lands, Inc., P.O. Box 1864, Lake Charles, LA 70602, in proper form, on or before November 1, 2013. If a proposal is not submitted timely, it will not be considered for inclusion in the proxy statement. A stockholder wishing to propose a matter for consideration at an annual meeting of stockholders must provide notice thereof to the Company's Secretary prior to the annual meeting for the current year by a deadline that is 45 days before the date on which the Company first mailed its proxy materials for the prior year's annual meeting of stockholders.

BY ORDER
OF THE
BOARD OF
DIRECTORS

/s/ Brian R.
Jones
Brian R. Jones
Treasurer and
Chief
Financial
Officer

Lake Charles, Louisiana
March 21, 2013