

MARSHALL & ILSLEY CORP/WI/
Form DEF 14A
March 16, 2006

SCHEDULE 14A INFORMATION

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

Marshall & Ilsley 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.
- \$125 per Exchange Act Rules O-11(c)(1)(ii), 14a-6(I)(1), 14a-6(I)(2) or Item 22(a)(2) of Schedule 14A.
- 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:

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

- 4) Proposed maximum aggregate value of transaction:

- 5) Total fee paid:

“ Fee paid previously with preliminary materials.

“ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

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

- 3) Filing Party:

- 4) Date Filed:

MARSHALL & ILSLEY CORPORATION

770 North Water Street

Milwaukee, Wisconsin 53202

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 25, 2006

TO THE SHAREHOLDERS OF MARSHALL & ILSLEY CORPORATION:

The 2006 Annual Meeting of Shareholders of Marshall & Ilsley Corporation (the Company) will be held at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin, on Tuesday, April 25, 2006 at 10:00 a.m., local time, for the following purposes:

- (1) To elect five individuals to serve as Class I directors until the 2009 Annual Meeting of Shareholders and until their respective successors are elected and qualified;
- (2) To ratify the appointment of Deloitte & Touche LLP to audit the financial statements of the Company for the fiscal year ending December 31, 2006;
- (3) To approve the Marshall & Ilsley Corporation 2006 Equity Incentive Plan;
- (4) To vote on a shareholder proposal to request the Company's Board of Directors to declassify the Company's Board; and
- (5) To transact such other business as may properly come before the Annual Meeting, all in accordance with the accompanying Proxy Statement.

Shareholders of record at the close of business on March 1, 2006 are entitled to notice of and to vote at the Annual Meeting.

Holders of a majority of the outstanding shares must be present in person or by proxy in order for the meeting to be held. Therefore, whether or not you expect to attend the Annual Meeting in person, you are urged to vote by completing and returning the accompanying proxy in the enclosed envelope, by a telephone vote or by voting electronically via the Internet. Instructions for telephonic voting and electronic voting via the Internet are contained on the accompanying proxy. If you attend the meeting and wish to vote your shares personally, you may do so by revoking your proxy at any time prior to the voting thereof. In addition, you may revoke your proxy at any time before it is voted by advising the Secretary of the Company in writing (including executing a later-dated proxy or voting via the Internet) or by telephone of such revocation.

If your shares are held in street name (through a broker, bank or other nominee), you may receive a separate voting instruction with this Proxy Statement, or you may need to contact your broker, bank, or other nominee to determine whether you will be able to vote electronically using the Internet, telephonically, or what is required to vote your shares in person at the Annual Meeting.

RANDALL J. ERICKSON, *Senior Vice President,*

General Counsel and Secretary

March 16, 2006

MARSHALL & ILSLEY CORPORATION

770 North Water Street

Milwaukee, Wisconsin 53202

March 16, 2006

Proxy Statement

The proxy you received is solicited by the Board of Directors of Marshall & Ilsley Corporation (the *Company* or *M&I*) for use at the Annual Meeting of Shareholders (the *Annual Meeting*) to be held at 10:00 a.m., local time, on Tuesday, April 25, 2006 at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin. At the Annual Meeting, the shareholders of the Company will vote on proposals to (1) elect five Class I directors, each of whom will hold office until April 2009 and, with respect to each director, until his or her successor is elected and qualified, (2) ratify the appointment of Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending December 31, 2006, (3) approve the 2006 Equity Incentive Plan and (4) vote on a shareholder proposal to request the Company's Board of Directors to declassify the Company's Board.

The expense of printing and mailing proxy materials, including expenses involved in forwarding materials to beneficial owners of common stock held in the name of another person, will be borne by the Company. No solicitation other than by mail is contemplated, except that officers or employees of the Company or its subsidiaries may solicit the return of proxies from certain shareholders by telephone. In addition, the Company has retained Morrow & Co., Inc. to assist in the solicitation of proxies for a fee of approximately \$16,500, plus administrative costs and any reasonable out-of-pocket disbursements. The Proxy Statement and the Proxy Card are being sent to the Company's shareholders commencing on or about March 16, 2006. Shareholders who have consented to electronic delivery of the Proxy Statement and the Company's Annual Report to Shareholders will receive those documents via posting on M&I's web site: www.micorp.com/ereports.html.

Each shareholder of record at the close of business on March 1, 2006 will be entitled to one vote for each share of common stock registered in such shareholder's name. The Company has one class of capital stock outstanding: its \$1.00 par value common stock (the *Common Stock*). As of March 1, 2006, the Company had 235,895,176 shares of Common Stock outstanding. The presence, in person or by proxy, of the holders of a majority of the shares of the Common Stock outstanding on the record date is required for a quorum with respect to the matters on which action is to be taken at the Annual Meeting.

Any shareholder executing and delivering his or her proxy may revoke the same at any time before it is voted by advising the Secretary of the Company in writing (including executing a later-dated proxy or voting via the Internet) or by telephone of such revocation.

The Company has instituted the Dividend Reinvestment and Cash Investment Plan (the *Reinvestment Plan*) administered by Continental Stock Transfer & Trust Company, as Trustee. Under the provisions of the Reinvestment Plan, shares of Common Stock are acquired and held in nominee name by Continental Stock Transfer & Trust Company for participating shareholders. Shares so held have been separately designated on the proxy card pertaining to each participant and will be voted at the Annual Meeting in the same manner in which the participant votes those shares registered in his or her own name either by proxy or in person.

If you are a participant in the 2000 Employee Stock Purchase Plan or the M&I Retirement Program, shares held in your account have been separately designated on the proxy card and will be voted at the Annual Meeting in the same manner in which you vote those shares registered in your name either by proxy or in person. Plan shares not voted by participants will be voted by the plan administrator or trustee in accordance with the terms of the respective plan.

The Company's Annual Report to Shareholders for the fiscal year ended December 31, 2005 is being provided to shareholders with this Proxy Statement.

Unless otherwise directed, all proxies will be voted FOR the election of each of the individuals nominated to serve as a Class I director, FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors, FOR approval of the 2006 Equity Incentive Plan and AGAINST the shareholder proposal to request the Company's Board of Directors to declassify the Company's Board. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owners to vote shares as to a particular matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining a quorum.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table lists as of January 31, 2006 (unless otherwise indicated) information regarding the beneficial ownership of shares of Common Stock by each current director, each nominee for director, each named executive officer of the Company, each person believed by the Company to be a beneficial owner of more than 5% of the Common Stock, and all current directors and executive officers of the Company as a group:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Marshall & Ilsley Corporation	16,259,000(2)	6.9%
770 North Water Street		
Milwaukee, WI 53202		
The Northwestern Mutual	12,924,326(3)	5.5%
Life Insurance Company		
720 East Wisconsin Avenue		
Milwaukee, WI 53202		
Richard A. Abdo	33,700(4)	*
Andrew N. Baur	61,597(5)	*
Jon F. Chait	103,175(6)	*
John W. Daniels, Jr.	16,237(7)	*
Mark F. Furlong	424,656(8)	*
Bruce E. Jacobs	67,239(9)	*
Ted D. Kellner	386,914(10)	*
Dennis J. Kuester	2,009,950(11)	*
Katharine C. Lyall	42,000(12)	*
Frank R. Martire	136,442(13)	*
John A. Mellowes	36,407(14)	*
Edward L. Meyer, Jr.	89,220(15)	*
San W. Orr, Jr.	981,697(16)	*
Thomas J. O'Neill	280,784(17)	*
Robert J. O'Toole	33,706(18)	*
Peter M. Platten, III	377,085(19)	*
John M. Presley	35,416(20)	*
John S. Shiely	49,000(21)	*
James A. Urdan	133,680(22)	*
Debra S. Waller	15,000(23)	*
George E. Wardeberg	56,392(24)	*
James B. Wigdale	1,997,636(25)	*

All current directors and executive officers of the Company as a group (34 persons) own 9,733,790 shares of Common Stock or 4.1% of the total Common Stock outstanding. (26)

*less than 1%

- (1) Except as indicated below, all shares shown in the table are owned with sole voting and investment power. Includes options transferred to the employee's immediate family or trust or partnership for the benefit thereof.

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- (2) This information is based on Amendment No. 25 to Schedule 13G filed on February 14, 2006. All such shares are owned by wholly-owned subsidiaries of the Company as trustee or in other fiduciary capacities. The subsidiaries are Marshall & Ilsley Trust Company N.A. (the Trust Company) and M&I Investment Management Corp. Of these shares, one or more of the subsidiaries has sole voting power as to 2,500,348 shares, shared voting power as to 11,167,432 shares, sole dispositive power as to 4,436,760 shares and shared dispositive power as to 11,822,240 shares. The amount and percentage of shares beneficially owned,

and the amount of shares to which the Trust Company has shared voting or investment power, include 10,262,853 shares held by the Trust Company as to which the Company and the Trust Company disclaim beneficial ownership.

- (3) This information is based on Amendment No. 17 to Schedule 13G filed on February 7, 2006. Of these shares, 7,704,656 are owned directly by The Northwestern Mutual Life Insurance Company (NML), 65,300 are owned by investment company affiliates of NML and 5,154,370 are owned by Lydell, Inc., an indirect, wholly-owned subsidiary of NML. NML has shared voting and investment power as to all of these shares. NML has agreed to notify the Federal Reserve Board (FRB) prior to acquiring additional shares such that NML 's total investment in the Company would exceed 9.9% of the Company 's total outstanding Common Stock or prior to taking any other action that would trigger any rebuttable presumption of control under FRB regulations.
- (4) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006.
- (5) Includes 15,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006. Does not include 700,000 shares which are held in a family limited liability company of which Mr. Baur is a member but over which Mr. Baur has no voting or investment power.
- (6) Includes 45,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006 and 34,325 shares held in the Company 's deferred compensation plan for directors.
- (7) Includes 15,000 shares which would be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006 and 737 shares held in the Company 's deferred compensation plan for directors.
- (8) Includes 372,516 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006, 312 shares held in the M&I Retirement Program and 51,829 shares held in the Company 's deferred compensation plan for executives.
- (9) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006, 2,400 shares held by Mr. Jacobs ' family as to which he disclaims beneficial ownership, and 16,734 shares held under the Company 's deferred compensation plan for directors.
- (10) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2006. Includes 50,000 shares held in trust for which Mr. Kellner exercises shared voting power, 127,200 shares as to which Mr. Kellner exercises sole voting power and 6,271 shares held under the Company 's deferred compensation plan for directors.