

MIDSOUTH BANCORP INC
Form DEF 14A
April 21, 2008

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, for Use of Commission
 Definitive Proxy Statement Only (as permitted by Rule 14a-6(e)(2))
 Definitive Additional Materials
 Soliciting Material Pursuant to par 240.14a-11(c) or par. 240.14a-12

MidSouth Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)

Board of Directors of MidSouth Bancorp, Inc.
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or item 22(a)(2) of Schedule 14A.
 \$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).
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- 2) Aggregate number of securities to which transaction applies:
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- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:



MIDSOUTH BANCORP, INC.

102 Versailles Boulevard
Versailles Centre
Lafayette, Louisiana 70501

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Lafayette, Louisiana
April 23, 2008

We will hold our annual shareholders meeting on Wednesday, May 28, 2008, at 2:00 p.m., local time, at our corporate offices, 102 Versailles Blvd., Lafayette, Louisiana 70501, where we will vote upon:

1. The election of directors.
2. Such other matters as may properly come before the meeting or any adjournments.

If you are listed on our books as the holder of record of our common stock on March 31, 2008, you are entitled to notice of and to vote at the meeting.

Your vote is important regardless of the number of shares you own. **WHETHER OR NOT YOU PLAN TO COME TO THE MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ACCOMPANYING ENVELOPE. YOUR PROXY MAY BE REVOKED BY NOTICE TO OUR SECRETARY AT ANY TIME BEFORE IT IS VOTED.**

BY ORDER OF THE BOARD
OF DIRECTORS

Karen L. Hail
Secretary

MIDSOUTH BANCORP, INC.

102 Versailles Boulevard
Versailles Centre
Lafayette, Louisiana 70501

PROXY STATEMENT

This Proxy Statement is being sent to our stockholders to solicit on behalf of our Board proxies for use at our annual shareholders meeting to be held on Wednesday, May 28, 2008, at the time and place shown in the accompanying notice and at any adjournments thereof. This Statement is first being mailed to shareholders on or about April 23, 2008.

Only holders of our common stock ("stock") on our books at the close of business on March 31, 2008, are entitled to notice of and to vote at the Meeting. On that date we had outstanding 6,762,531 shares of stock, each of which is entitled to one vote.

The presence, in person or by proxy, of holders of a majority of our Stock is needed to make up a quorum; if a quorum is present, directors are elected by plurality. With respect to any other proposal, however, if the Board has recommended it by a majority of our Continuing Directors, as defined in our Articles of Incorporation, then, generally, the vote of a majority of the votes cast is required to approve it, and if it is not so recommended, then the vote of 80% of the Total Voting Power, as defined in the Articles, is required to approve it. The Continuing Directors will appoint the Judge(s) of Election, and all questions as to voter qualification, proxy validity and accepting or rejecting votes will be decided by the Judge(s).

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

All proxies received in the enclosed form will be voted as you specify and, unless you specify to the contrary, will be voted for the election of the persons named herein. We do not know of anything else to be presented at the Meeting other than the election, but if anything else does come up the persons named in the enclosed proxy will vote the shares covered by the proxy as determined by the Board of Directors.

A proxy may be revoked by you at any time before its exercise by filing with our Secretary a written revocation or a duly executed proxy with a later date. If you vote in person in a manner inconsistent with a proxy previously filed by you, you will be deemed to have revoked the proxy as to the matters you voted on in person.

The cost of soliciting proxies will be borne by us. In addition to the mail, proxies may be solicited by personal interview, telephone, telegraph, facsimile, internet and e-mail. Banks, brokerage houses and other nominees or fiduciaries may be asked to forward these materials to their principals and to get authority to execute proxies, and we will, upon request, reimburse them for their expenses in so acting.

ELECTION OF DIRECTORS

Our Articles provide for three classes of directors, with one class to be elected at each annual meeting for a three-year term. At the Meeting, Class III Directors will be elected to serve until the 2011 annual meeting.

Unless you withhold authority, the persons named in the enclosed proxy will vote the shares covered by the proxies received by them for the election of the four Class III director nominees named below. If for some reason we do not anticipate one or more nominees cannot be a candidate at the Meeting, the shares will be voted in favor of such other persons as the Board chooses. Directors will be elected by plurality vote.

Other than the Board, only shareholders who have complied with the procedures of Article IV (H) of our Articles may nominate a person for election. To do so, you must have given us written notice by December 27, 2007, of the following:

(1) as to each person whom you propose to nominate:

(a) his or her name, age, business address, residence address, principal occupation or employment,

(b) the number of shares of our stock of which the person is the beneficial owner and

(c) any other information relating to the person that would be required to be disclosed in solicitations of proxies for the election of directors by Regulation 14A under the Securities Exchange Act of 1934; and

(2) as to you:

(a) your name and address

(b) the number of shares of our Stock of which you are the beneficial owner and

(c) a description of any agreements, arrangements or relationships between you and each person you want to nominate.

Two inspectors, not affiliated with us, appointed by our Secretary, will determine whether the notice provisions were met; if they determine that you have not complied with Article IV(H), your nomination will be disregarded.

The following table gives information as of March 31, 2008, about each director nominee and each other director. Unless otherwise indicated, each person has had the principal occupation shown for at least the past five years. The Board recommends a vote FOR each of the nominees named therein.

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Directors Nominees for terms expire in 2011 (Class III Directors)

| Name | Age | Principal Occupation | Year First Became Director |
|---------------------------|-----|---|----------------------------|
| James R. Davis, Jr. | 55 | President, Davis/Wade Financial Services, L.L.C.; Chairman of our Audit Committee and our Lead Director | 1991 |
| Karen L. Hail | 54 | Our Senior Executive Vice President and Chief Operating Officer of our subsidiary MidSouth Bank, N.A. | 1988 |
| Milton B. Kidd, III, O.D. | 59 | Optometrist, Kidd Vision Centers, Kidd and Associates, L.L.C. | 1996 |
| R. Glenn Pumpelly | 49 | President/ C.E.O. Pumpelly Oil Company, L.L.C. | 2007 |

Directors whose terms to expire in 2009 (Class I Directors)

| Name | Age | Principal Occupation | Year First Became Director |
|----------------------|-----|--|----------------------------|
| C.R. Cloutier | 61 | Our President and C.E.O., and President of our subsidiary, MidSouth Bank, N.A. | 1984 |
| J.B. Hargroder, M.D. | 77 | Physician, retired; Vice Chairman of our Board | 1984 |
| Timothy J. Lemoine | 57 | Consultant and Investor | 2007 |
| William M. Simmons | 74 | Investor | 1984 |

Director whose terms to expire in 2010 (Class II Directors)

| Name | Age | Principal Occupation | Year First Became Director |
|--------------------------|-----|--|----------------------------|
| Will Charbonnet, Sr. | 60 | Our Chairman of the Board; Treasurer and Managing Director of Crossroads Catholic Bookstore (non-profit corporation); Controller of Philadelphia Fresh Foods, L.L.C. | 1984 |
| Clayton Paul Hilliard | 82 | President of Badger Oil Corporation, Badger Oil & Gas Ltd., Convexx Oil and Gas, Inc., and Warlord Oil Corporation; Manager, Uniqard, L.L.C. | 1984 |
| Joseph V. Tortorice, Jr. | 58 | CEO, Deli Management, Inc. | 2004 |

Corporate Governance

Shareholder, Board and Committee Meetings. During 2007 the Board had twelve meetings, and each director attended at least 75% of the total number of meetings held of the Board and committees of which he or she was a member. While we encourage all Board members to come to annual shareholder meetings, there is no formal policy as to their attendance. It is a rare occasion, however, when all members are not there.

Board Independence. Each year, our Corporate Governance and Nominating Committee reviews the relationships that each director has with us and with other parties. Only those directors who do not have any relationships that keep them from being independent within the meaning of applicable American Stock Exchange (“AMEX”) rules and who the Committee finds have no relationships that would interfere with the exercise of independent judgment in carrying out their responsibilities are considered to be “independent directors.” The Committee reviews a number of factors to evaluate independence, including the directors’ relationships with us and our competitors, suppliers and customers; their relationships with management and other directors; the relationships their current and former employers have with us; and the relationships between us and other companies of which they are directors or executive officers. After evaluating these factors, the Board determined that Messrs. Charbonnet, Davis, Hargroder, Hilliard, Kidd, Lemoine, Pumpelly, Simmons and Tortorice are independent within the meaning of applicable AMEX rules.

Shareholder Communications. Shareholders may communicate directly with the Board or the individual chairmen of committees by writing directly to them at P. O. Box 3745, Lafayette, LA 70502. We will forward, and not screen, any mail we receive that is directed to an individual, unless we believe the communication may pose a security risk.

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

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

The Audit Committee members are Messrs. Davis, Charbonnet, Hilliard, and Kidd and held nine meetings in 2007. It is responsible for carrying out the Audit Committee Charter. The Executive Committee members are Messrs. Charbonnet, Cloutier, Hargroder, Pumpelly, and Tortorice and met eleven times in 2007. Its duties include shareholder relations, Bank examination and Securities and Exchange Commission (“SEC”) reporting. The Personnel Committee members are Messrs. Charbonnet, Davis, Hargroder, and Tortorice and met six times in 2007. It is responsible for evaluating the performance and setting/approving the compensation of our executive officers and administering our 2007 Omnibus Incentive Compensation Plan. The Corporate Governance and Nominating Committee members are Messrs. Charbonnet, Hargroder, Hilliard and Simmons and met three times in 2007. It helps the Board to make determinations of director independence, assess overall and individual Board performance and recommend director candidates, including recommendations submitted by shareholders.

It is the Corporate Governance and Nominating Committee's policy that candidates for director have the highest personal and professional integrity, have demonstrated exceptional ability and judgment, and have skills and expertise appropriate for serving the long-term interest of our shareholders. The Committee's process for identifying and evaluating nominees is as follows: (1) in the case of incumbent directors whose terms of office are set to expire, the Committee reviews their overall service during their terms, including the number of meetings attended, level of participation, quality of performance, and any related party transactions with us during the applicable time period; and (2) in the case of new director candidates, appropriate inquiries into their backgrounds and qualifications are made after considering the function and needs of the Board. The Committee meets to discuss and consider such candidates' qualifications, including whether the nominee is independent within the meaning of AMEX rules, and then selects a candidate for recommendation to the Board. In seeking potential nominees, the Committee uses its and management's network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm, although to date it has not done so.

The Committee will consider director candidates recommended by shareholders who follow the procedures set out in Article IV (H) of our Articles described elsewhere. It does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether the candidate was recommended by a shareholder or otherwise.

Eligible shareholders who want to present a proposal qualified for inclusion in our proxy materials for the 2009 annual meeting must forward such proposal to our Secretary at the address listed on the first page of this Proxy Statement in time to arrive before December 25, 2008.

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

SECURITY OWNERSHIP OF MANAGEMENT
AND CERTAIN BENEFICIAL OWNERS

Security Ownership of Management

The following table shows as of March 31, 2008, the beneficial ownership of our Stock by each director and nominee, by each executive officer named in the Summary of Executive Compensation Table below, and by all directors and executive officers as a group. Unless otherwise indicated, the Stock is held with sole voting and investment power.

| Name | Amount and Nature of Beneficial Ownership(1) | Percent of Class |
|---------------------------|---|---------------------|
| Will G. Charbonnet, Sr. | 161,345(1,2) | 2.39% |
| C. R. Cloutier | 404,278(1,3) | 5.96% |
| James R. Davis, Jr. | 75,365(4) | 1.11% |
| Karen L. Hail | 106,255(5) | 1.57% |
| J. B. Hargroder, M.D. | 457,502(1,6) | 6.77% |
| Clayton Paul Hilliard | 250,987(7) | 3.71% |
| Milton B. Kidd, III, O.D. | 241,942 | 3.58% |
| Timothy J. Lemoine | 24,875(8) | .37% |
| R. Glenn Pumpelly | 15,779 | .23% |
| William M. Simmons | 215,211(9) | 3.18% |
| Joseph V. Tortorice, Jr. | 86,607 | 1.28% |
| J. Eustis Corrigan, Jr. | | |