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AUTO GRAPHICS INC  
Form DEF 14A  
June 10, 2002

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 ☒ [ X ]

Filed by a Party other than the Registrant ☐ [\_\_]

Check the appropriate box:

☐ [\_\_] Preliminary Proxy Statement

☐ [\_\_] Confidential, for Use of the Commission Only

☒ [ X ] Definitive Proxy Statement

☐ [\_\_] Definitive Additional Materials

☐ [\_\_] Soliciting Material Pursuant to Rule 240.14a-12

AUTO-GRAPHICS, INC.

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(Name of Registrant)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

☒ [\_X\_] No fee required.

Cover Letter Information

NOTE: It is proposed that definitive proxy materials be mailed on or  
before June 10, 2002 if at all possible.

CONTACT: For information regarding this proxy statement/filing, please  
call or write Daniel E. Luebben, Secretary at (909) 595-7204  
ext. 499 or 3201 Temple Avenue, Pomona, Ca 91768.

AUTO-GRAPHICS, INC.  
NOTICE OF ANNUAL MEETING

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OF SHAREHOLDERS  
July 17, 2002

To the Shareholders:

The annual meeting of the shareholders ("Meeting") of Auto-Graphics, Inc. will be held at 3201 Temple Avenue, Pomona, California 91768 on Wednesday, July 17, 2002, at 10:00 a.m. PDT for the following purposes:

1. To elect directors.
2. To amend the Bylaws to change the date for the Annual Meeting of Shareholders from May 15th to the second Wednesday in June, or, as established by the Board of Directors, but not later than September 30.
3. To consider one shareholder proposal described in the accompanying Proxy Statement.
4. To transact any other business as may properly come before the meeting.

Only shareholders of record at the close of business on May 31, 2002 are entitled to notice of and to vote at this Meeting. A complete list of the shareholders entitled to vote at the Meeting will be available and open to the examination of any shareholder for any purpose germane to the Meeting during ordinary business hours from and after June 7, 2002, at the office of the Company. You are cordially invited to attend the Meeting.

If you hold your shares through a broker or other nominee, proof of ownership will be accepted by the Company only if you bring either a copy of the voting instruction card provided by your broker or nominee, or a copy of a brokerage statement showing your share ownership in the Company as of May 31, 2002.

IF YOU HAVE ANY QUESTIONS, OR NEED ASSISTANCE VOTING, PLEASE CONTACT, DANIEL E. LUEBBEN, THE SECRETARY OF THE COMPANY, AT 800-776-6939.  
BY ORDER OF THE BOARD OF DIRECTORS

Daniel E. Luebben  
Secretary  
Pomona, California  
June 10, 2002

AUTO-GRAPHICS, INC.  
3201 Temple Avenue  
Pomona, California 91768

PROXY STATEMENT FOR ANNUAL MEETING  
OF SHAREHOLDERS  
To Be Held July 17, 2002

## GENERAL INFORMATION

This Proxy Statement, which will be first mailed to shareholders on or about June 10, 2002, is furnished in connection with the solicitation of proxies by the Board of Directors of Auto-Graphics, Inc. (the "Company" or "Auto-Graphics"), to be voted at the Annual Meeting of the Shareholders ("Meeting") of the Company, which will be held at 10:00 a.m. PDT on July 17, 2002 at

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3201 Temple Avenue, Pomona, California 91768. The purpose of the Meeting and the matters expected to be acted upon are set forth in the accompanying Notice of Annual Meeting of Shareholders.

Shareholders who execute proxies retain the right to revoke them at any time before the shares are voted by proxy at the meeting. A shareholder may revoke a proxy by delivering a signed statement to the Secretary of the Company at or prior to the Meeting or by executing another proxy dated as of the later date. The Company will pay the cost of solicitation of proxies.

Shareholders of record at the close of business on May 31, 2002 shall be entitled to vote at the meeting on the basis of one vote for each share held, however, any shareholder eligible to vote for the election of directors is entitled to cumulate votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are entitled, or to distribute the shareholder's votes on the same principle among as many candidates as the shareholder thinks appropriate.

To be entitled to exercise cumulative voting rights for the election of directors, a shareholder must give notice at the Meeting prior to the commencement of voting for the election of directors of that person's desire to cumulate votes for one or more candidates whose name(s) have been placed in nomination. If any shareholder exercises the right to cumulate votes for the election of directors, then all shareholders are entitled to cumulative voting rights for the election of directors. Cumulative voting applies only to voting for the election of directors (not for the other proposals before the meeting).

On May 31, 2002, there were 4,997,234 shares of Common Stock outstanding.

### ANNUAL REPORT

The Annual Report on Form 10-K/A of the Company for the fiscal year ended December 31, 2001 ("Annual Report") and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 ("Quarterly Report") is being mailed with the Proxy Statement.

Stockholders are referred to the Annual Report and Quarterly Report for financial and other information about the activities of the Company. The Annual Report and Quarterly Report are not incorporated by reference into this Proxy Statement and is not deemed to be a part of it.

### 1. ELECTION OF DIRECTORS AND MANAGEMENT INFORMATION

The Company's Board of Directors currently consists of three members. Three directors are to be elected at the Meeting to hold office until the next annual meeting of shareholders and until their successors are elected and qualified. It is intended that the accompanying proxy will be voted in favor of the following persons to serve as directors unless the shareholder indicates to the contrary on the proxy. The election of the company's directors requires a plurality of the votes cast in person or by proxy at the meeting. The Board of Directors expects that each of the nominees will be available for election, but if any of them is not a candidate at the time the election occurs, it is intended that proxies will be voted for the election of another nominee to be designated by the Board of Directors to fill any vacancy.

In the event all three of the Board of Directors' nominees cannot be elected, then the Board of Directors in its discretion may instruct Robert

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S. Cope to vote cumulatively for less than three of the Board of Directors' nominees. In this event, it is the Board of Directors' current intention to instruct Mr. Cope to vote proxies received by the Board of Directors for the reelection of Robert S. Cope and James R. Yarter.

### Nominees Proposed by the Board of Directors

Set forth below is certain information pertaining to the persons who are proposed as nominees for election to the Company's Board of Directors.

Robert S. Cope, 66, along with his family, is a 44% shareholder of the Company, a current director of the Company, and holds the officer positions of President and Chairman of the Board of the Company, will be seeking reelection to the Board. During the previous five years Mr. Cope has served the Company as a director, Chairman of the Board, Chief Executive Officer, President and Treasurer.

James R. Yarter, 65, is a 2% shareholder of the Company. Mr. Yarter's prior business background and experience covers a period of 35 years. During the past nine years, his experience includes being President and Chief Executive Officer of the following companies: Block Medical, a division of Hillenbrand Industries, Inc., a company listed on the New York Stock Exchange, for the period 1994-1996; US Medical, a start-up company for the period 1996-1997; and Gish Biomedical, Inc., a company listed on NASDAQ, for the period 1999-2000. Besides being on the Company's Board of Directors, Mr. Yarter is currently on the board of directors of Avant Medical and Group 3 Inc. On June 21, 2001, Mr. Yarter was elected to the Board of Directors by consent of a majority of the shares outstanding to serve until a successor shall be duly elected and qualified. Mr. Yarter was re-elected to the Board of Directors at the Company's 2001 Annual Meeting on February 27, 2002.

Subsequent to his election to the Board of Directors on February 27, 2002 and prior to the organizational meeting of the Board of Directors on May 2, 2002, Robert L. Lovett resigned his position as a director of the Company.

Thomas J. Dudley, Ph.D., 71, is a first time nominee for election to the Company's Board of Directors. Dr. Dudley is a shareholder of the Company and owns 0.6% of the Company's Common Stock. Dr. Dudley is the Distinguished Professor of Decision and Information Systems at Pepperdine University in Los Angeles, CA. and has been associated with Pepperdine since 1968. He was the founder and principal instructor for the Pepperdine Executive Management Program (providing continuing education for key executive officers). Dr. Dudley is also the founder and a principal of Thomas J. Dudley & Associates, a firm providing management consulting services since 1968. For the past 10 years, Dr. Dudley has served as a director for Space Labs Medical, Inc. (a NASDAQ company) engaged in the medical equipment and instrumentation business.

During the Company's year ended December 31, 2001, the Board of Directors has held five meetings. During the five months ended May 31, 2002, the Board of Directors has held three meetings.

At its organizational meeting on May 2, 2002, the Company's Board of Directors appointed the entire Board of Directors to serve on the compensation committee. The Board currently does not have a standing nominating committee.

### Audit Committee Report

The Board of Directors formed an Audit Committee on May 2, 2002 and appointed James R. Yarter to the Committee. Mr. Yarter would not be considered "independent" since he is employed by the Company as a part-time

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sales and marketing consultant under NASD Rule 4200(a)(14). The Board of Directors considered the independence of Mr. Yarter and concluded that his nominal employment by the Company would not interfere with his exercise of independent judgement in carrying out his responsibilities as a member of the Audit Committee. The entire Board of Directors reviewed and approved the Company's financial statements for the year ended December 31, 2001 and the Company's Annual Report on Form 10-K/A as filed on April 30, 2002. The Audit Committee's charter is currently under development by the Committee. The Audit Committee has discussed the Company's audited financial statements for the year ended December 31, 2001 with management. The Audit Committee has discussed with the Company's independent auditor, BDO Seidman LLP ("BDO"), the matters required to be discussed under Statement of Auditing Standards ("SAS") No. 61, "Communications with Audit Committees," as amended by SAS 90, "Audit Committee Communications." BDO has also provided written disclosures and the letter to the Audit Committee required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees." The Audit Committee has further considered and discussed the independence of the Company's independent certified public accountants in light of the actual and expected audit fees and non-audit related fees in 2002. (See "Fees Paid To BDO Seidman, LLP" below).

ss/ James R. Yarter

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James R. Yarter  
Member of Audit Committee

### Directors and Named Executive Officers

The following table sets forth the names and ages of, and the positions and offices within the Company held by, certain directors and officers of the Company at December 31, 2001:

Name	Age	Position
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Robert S. Cope	66	Chairman of the Board, Director and President. Has served in these capacities for more than ten years.
Robert H. Bretz	58	Director. Attorney who has acted as the Company's outside general legal counsel and served as a Director for more than ten years until May 9, 2001 and February 27, 2002, respectively (See below).
James R. Yarter	65	Director. Has served as a director for less than one year. During the past nine years, Mr. Yarter has served as President and CEO of Block Medical, US Medical, and Gish Biomedical, Inc. and as a member of the board of director's of Avant Medical and Group 3 Inc.
Daniel E. Luebben	53	Chief Financial Officer and Secretary. Has served in these and similar capacities for more than ten years.

Directors serve until their successors are elected at the annual meeting of stockholders. All executive officers serve at the discretion of the Company's Board of Directors.

### Beneficial Ownership

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The following table sets forth information regarding the beneficial ownership of the Company's common shares by the directors, the Company's Chief Executive Officer and the four other highest paid executive officers (the "Named Executive Officers"), and the directors and executive officers as a group:

Names	Amount and Nature of Beneficial Ownership of Common Shares as of 5/31/02	Percent of Class
Robert S. Cope	1,829,725 (1)	36.6%
Paul R. Cope	373,602	7.5%
James R. Yarter	120,000	2.4%
Thomas J. Dudley	30,000	0.6%
Daniel E. Luebben	15,000	0.3%
Executive Officers and Directors as a Group (5 Persons)	2,368,327	47.4%

(1) Includes the following shares held by family members and relatives: 1,641,475 shares held by the Cope Family Trust of which Mr. Cope is the trustee; 71,625 shares held by Bryan A. Cope; 101,625 shares held by Lizabeth L. Cope; and 15,000 shares held by William R. McConnell.

## Cash Compensation

The following table discloses compensation received for the three fiscal years ended December 31, 2001 by the Named Executive Officers.

### SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		
		Salary	Bonus	Other Compensation
Robert S. Cope	2001	\$137,500	-0-	\$45,869
Chairman of the	2000	137,000	-0-	43,391
Board (1)	1999	156,000	-0-	32,708
Daniel E. Luebben	2001	\$105,000	-0-	-0-
CFO/Secretary	2000	108,000	-0-	-0-
	1999	93,000	-0-	-0-
Michael K. Skiles	2001	\$155,000	-0-	-0-
Former President (2)	2000	102,000	-0-	-0-
Michael F. Ferguson	2001	\$111,000	-0-	-0-
Former CFO/Sec. (2)	2000	11,000	-0-	-0-