

CORRPRO COMPANIES INC /OH/
Form DEF 14A
July 17, 2001

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SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT
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 Rule 14a-11(c) or Rule 14a-12. | |

CORRPRO COMPANIES, INC.
(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

XXXXXXXXXXXXXXXXXXXX
(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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(1) Title of each class 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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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[CORRPRO COMPANIES LOGO]

July 17, 2001

Dear Corrpro Shareholders:

We invite you to attend Corrpro's 2001 annual shareholders' meeting. It will be held on Thursday, August 16, 2001, at The Medina Country Club, 5588 Wedgewood Road, Medina, Ohio 44256 beginning at 10:00 a.m. eastern daylight savings time.

Our directors and officers are expected to be available before and after the meeting to speak with you. During the meeting, we will review the performance of our business over the past fiscal year and will consider the matters explained in the formal notice and proxy statement that follows.

Please vote, sign and return the enclosed proxy as soon as possible, whether or not you plan to attend the meeting. Your vote is important.

Sincerely,

/s/ Joseph W. Rog
Joseph W. Rog
Chairman of the Board, Chief Executive Officer,
and President

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[CORRPRO COMPANIES LOGO]

CORRPRO COMPANIES, INC.

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

TO BE HELD AUGUST 16, 2001

To the Holders of Common Shares of
Corrpro Companies, Inc.:

We will hold the annual shareholders' meeting of Corrpro Companies, Inc. at The Medina Country Club, 5588 Wedgewood Road, Medina, Ohio 44256, on Thursday, August 16, 2001, at 10:00 a.m., eastern daylight savings time.

The meeting's purpose is to:

1. Elect four directors; and
2. Consider any other matters which properly come before the meeting and any adjournments.

Only holders of record of common shares at the close of business on June

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18, 2001 are entitled to receive notice of and to vote at the meeting. A list of the shareholders entitled to vote will be available for examination at the meeting by any shareholder for any proper purpose related to the meeting.

We have enclosed our fiscal 2001 annual report, which includes our financial statements, and our proxy statement with this notice of annual meeting.

To assure your wishes are carried out, please vote, sign and mail the enclosed proxy as soon as possible. We have enclosed a postage prepaid return envelope. Your proxy is being solicited on behalf of Corrpro's Board of Directors.

/s/ Kurt R. Packer
Kurt R. Packer
Executive Vice President, Chief Financial Officer,
Secretary and Treasurer

July 17, 2001

PLEASE VOTE -- YOUR VOTE IS IMPORTANT

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CORRPRO COMPANIES, INC.

PROXY STATEMENT

GENERAL INFORMATION

ANNUAL SHAREHOLDERS' MEETING

Corrpro's 2001 annual shareholders' meeting will be held on August 16, 2001 beginning at 10:00 a.m., eastern daylight savings time. It will be at The Medina Country Club, 5588 Wedgewood Road, Medina, Ohio 44256.

RECORD DATE

Shareholders as of the close of business on June 18, 2001 are entitled to vote at the meeting. Each share is entitled to one vote. On June 18, 2001, we had 7,987,180 common shares outstanding.

AGENDA

The purpose of the meeting is to:

1. Elect four directors; and
2. Consider any other proper business.

PROXIES

We will follow your voting instructions on the proxy card that you return. If no instructions are given, we will vote signed proxies FOR the Board's nominees. The proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.

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PROXIES SOLICITED BY

Corrpro is soliciting this proxy on behalf of the Corrpro Board of Directors.

FIRST MAILING DATE

This proxy statement is being mailed to shareholders on or about July 17, 2001.

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REVOKING YOUR PROXY

You may revoke your proxy before it is voted at the meeting. To revoke, follow the procedures listed under "Voting Procedures/Revoking Your Proxy."

FISCAL YEAR

Our fiscal year is the 12-month period beginning April 1 and ending March 31. Unless otherwise noted, we are presenting information for our fiscal year that ended March 31, 2001. Fiscal 2001 means our most recently completed fiscal year, which ended March 31, 2001. Fiscal 2002 means our current fiscal year that will end March 31, 2002.

PLEASE VOTE -- YOUR VOTE IS IMPORTANT
PROMPT RETURN OF YOUR PROXY WILL HELP REDUCE THE COSTS OF RESOLICITATION.

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(1)The Compensation Committee Report on Executive Compensation, the Company

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Stock Performance Graph, and the Audit Committee Report will not be incorporated by reference into any present or future filings we make with the SEC, even if those reports incorporate all or any part of this proxy statement.

PROPOSAL ONE: ELECTION OF DIRECTORS

BOARD STRUCTURE

The number of directors on the Board is set at seven. One directorship is vacant at this time as a result of the resignation of Barry W. Schadeck as a Director, effective February 5, 2001. The directors are divided into two classes. At each annual meeting, the term of one class expires. Directors in each class serve for two-year terms.

BOARD NOMINEES WHOSE TERMS EXPIRE AT THE 2003 ANNUAL MEETING:

We will elect four directors this year. We urge you to vote FOR Mr. Rog, Mr. Kroon, Mr. Lynham and Mr. Restivo as directors for a two-year term ending at the 2003 annual shareholders' meeting. Each of the nominees has agreed to continue to serve as a director if elected.

JOSEPH W. ROG

Mr. Rog has been a director and Corrpro's Chief Executive Officer since our formation in 1984. He became Chairman of the Board in June 1993 and has been President since June 1995. Mr. Rog was also Corrpro's President between January 1984 and June 1993. Mr. Rog has over thirty-five years of industry experience in various technical and management capacities and has broad, first-hand experience in corrosion analysis and the design and implementation of corrosion control systems. He graduated from Kent State University with a Bachelor of Science degree in Geology, and has also completed the Graduate School of Business course at Stanford University. Age 61.

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DAVID H. KROON

Mr. Kroon has been a director of Corrpro since 1984, and an Executive Vice President since April 1993. He is currently our Executive Vice President, Engineering. He served as Senior Vice President of Corrpro from its formation in 1984 until April 1993. Mr. Kroon has over thirty years of engineering and consulting experience in the corrosion control market. He is widely published in water and waste treatment, electrical power, oil and gas, and environmental journals worldwide. His experience includes management of business, planning, policies and procedures, and professional development. Mr. Kroon graduated from Yale University with a Bachelor of Science degree in Chemistry. Age 52.

C. RICHARD LYNHAM

Mr. Lynham has been a Director of Corrpro since June 1992. Since 1992, he has been the owner and Chief Executive Officer of Harbor Castings, Inc., an investment-casting foundry holding company with wholly-owned subsidiaries in North Canton, Ohio, Piney Flats, Tennessee, and Muskegon, Michigan. From 1984 to 1992, he was Group Vice President, Industrial Ceramics, for Ferro Corporation, a Fortune 500 manufacturer of specialty industrial products. Mr. Lynham is a director of Western Reserve Bancorp, Inc. He holds the degrees of Bachelor of

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Mechanical Engineering from Cornell University and Master of Business Administration from Harvard University. Age 59.

NEAL R. RESTIVO

Neal R. Restivo has been a director since January 29, 2001. He is currently employed as Vice President, Chief Financial Officer, Secretary and Treasurer at Grand Eagle Companies, Inc., a motor, transformer and power system repair services company. From October 1995 to January 2001, Mr. Restivo was employed as our Chief Financial Officer, Secretary and Treasurer. He was also elected Senior Vice President in October 1995 and became an Executive Vice President in March 1998. From November 1989 to September 1995, Mr. Restivo was employed by Waxman Industries, Inc. and held the positions of Senior Vice President, Finance and Chief Financial Officer. From 1982 to 1989, Mr. Restivo was employed by Arthur Andersen where he was an Audit Manager beginning in 1988. Mr. Restivo graduated from Miami University, Ohio with the degree of Bachelor of Science, Accountancy. Age 41.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THESE NOMINEES.

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CONTINUING DIRECTORS WHOSE
TERMS EXPIRE AT THE 2002 ANNUAL MEETING(2):

WARREN F. ROGERS

Dr. Rogers has been a director of Corrpro since July 1996. He has been, since 1979, President of Warren Rogers Associates, Inc., a Newport, Rhode Island firm which provides underground storage tank management and consulting services, including mathematical and statistical modeling. Dr. Rogers also served as a Vice President of the Center for Naval Analysis in Alexandria, Virginia from 1982 to 1989. He earned a Ph.D. in statistics from Stanford University and has an M.S. in Operations Research from the U.S. Naval Post-Graduate School. Age 71.

MICHAEL K. BAACH

Mr. Baach has been a Director of Corrpro since August 2000 and an Executive Vice President since April 1993. Mr. Baach was our Vice President of Sales and Marketing from our formation in 1984 until February 1992 when he was elected Senior Vice President. Mr. Baach has over twenty years of experience in the corrosion control market and has been responsible for Corrpro's marketing and sales activities, manufacturing, and international operations. Mr. Baach has invented several corrosion control systems for which both U.S. and European patents have been issued. Mr. Baach has conducted numerous corrosion control training seminars and educational courses sponsored by numerous customers, federal and state regulatory agencies, and universities. Mr. Baach attended Cuyahoga Community College and is an active member of the National Association of Corrosion Engineers. Age 46.

BOARD INFORMATION

BOARD MEETINGS:

In fiscal 2001, the Board held a total of six meetings. Each director attended at least 75% of all Board and applicable Committee meetings.

BOARD COMMITTEES:

The Board has an Audit Committee and a Compensation Committee, which has a subcommittee. The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibility by reviewing the financial information which will be provided to shareholders and others, the systems of internal financial controls that management and the Board have established, and the audit process. The specific functions and responsibilities of the Audit Committee are set forth in the Audit Committee Charter, which is set forth in Appendix A of this Proxy Statement. The Audit Committee reports its activities to the Board

- [2] Our class of directors whose term expires at the 2002 annual meeting currently has a vacancy as a result of the resignation of Barry W. Schadek as a director, effective February 5, 2001. This vacancy may be filled by vote of the remaining directors. We are currently considering our available options for recruiting a qualified person to fill this vacancy.

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on a regular basis. The Audit Committee held three meetings in fiscal 2001. Current Members: Mr. Lynham (Chairperson), Dr. Rogers, and Mr. Restivo.

The Compensation Committee reviews and approves the Chief Executive Officer's ("CEO") compensation and, upon consultation with the CEO, compensation for the officers of the Company and its subsidiaries who report directly to the CEO. It also establishes, amends, and determines awards under executive compensation plans and programs; oversees selection of and meets with outside consultants to review the Company's executive compensation programs as appropriate; and reviews Board responsibilities, recommends the number of directors, and is authorized to nominate directors and Committee members. The Compensation Committee, concurrently with its Stock Option Subcommittee, held two meetings during fiscal 2001. Current Members: Mr. Lynham, Mr. Rog and Dr. Rogers (Chairperson). Its Stock Option Subcommittee, which administers and authorizes awards under certain of the Company's compensation plans, is comprised of Mr. Lynham and Dr. Rogers (Chairperson).

The entire Board elected to exercise its right to nominate the directors standing for election at the 2001 annual shareholders' meeting. The Compensation Committee will consider in its discretion Director nominees recommended by shareholders for election at an annual shareholders' meeting if a written nomination is received by our corporate secretary not later than 60 days before the date on which we first mailed our proxy materials for the prior year's annual shareholders' meeting.

BOARD COMPENSATION

RETAINER AND FEES

Corrpro pays non-employee directors an annual retainer of \$12,000. Corrpro also pays non-employee directors \$1,000 (\$1,200 for a Committee chairperson) for each in-person Board or Committee meeting attended and \$350 (\$550 for a Committee chairperson) for each telephonic Board or Committee meeting attended. Corrpro also reimburses its directors for reasonable out of pocket expenses incurred in attending Board and Committee meetings.

We recently reviewed our non-employee directors' historic level of compensation and the compensation levels of directors within the industry and at

other publicly held companies. As a result, we recommended to the Compensation Committee an increase in our director's cash compensation. The Compensation Committee expressed its desire to align more closely the compensation of our outside directors with the performance of the Company and the interests of the shareholders. The Compensation Committee asked the Company to explore the use of equity incentives in lieu of increasing the cash retainer to accomplish this purpose. As a result, on May 17, 2001, the Board approved a one-time grant of vested stock appreciation rights to non-employee directors then serving on the Board. The stock appreciation rights entitle each eligible director to be paid in cash, subject to the applicable terms and conditions of the grant, on or after May 17, 2006 the amount of appreciation in the fair market value of 10,000 shares of Corrpro stock between May 17, 2001 and May 17, 2006.

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DEFERRED COMPENSATION PLAN

Eligible directors may elect to defer payment of all or any part of their compensation under the Deferred Compensation Plan for Outside Directors. Participating directors elect an investment model which determines the return on their deferred funds. The investment model can include Corrpro common shares. Deferred portions are payable in a lump sum, over a period of five years or over a period of ten years. The director specifies in advance the date on which payments will begin. Payments may be accelerated if the director dies or becomes disabled.

OUTSIDE DIRECTORS' STOCK OPTION PLAN

Under the 1997 Non-employee Directors' Stock Option Plan, Corrpro automatically grants stock options to purchase 2,500 Corrpro common shares at fair market value on the date a director is first elected, and, beginning the next calendar year, on each September 30th on which the individual continues as a Corrpro director.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

THE COMPENSATION COMMITTEE

Corrpro's Compensation Committee generally exercises the Board's powers in determining the compensation of Corrpro's executive officers. The Compensation Committee also administers Corrpro's incentive plans, including, through its Stock Option Subcommittee, the 1997 Long-Term Incentive Plan. The Stock Option Subcommittee is comprised only of non-employee directors as defined by the SEC. Mr. Rog, who is a member of the Compensation Committee, abstains from actions on his own compensation.

BASE SALARIES

The Compensation Committee reviews recommendations and sets the base salaries of the named executive officers each fiscal year. In performing this review, the Compensation Committee considers the compensation practices of comparable companies, competitive trends, individual performance, and duties and responsibilities of the officers.

In establishing Mr. Rog's base salary for fiscal 2001, the Compensation Committee considered published market data on domestic industrial companies of similar size. The Compensation Committee believed it was necessary to consider a

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broad group of domestic industrial companies of similar size for salary comparisons since this broad group of companies competes for the talent of the executive officers.

INCENTIVE COMPENSATION

Cash Incentives. Corrpro maintains an annual cash incentive bonus program. Key employees, including the executive officers, can earn cash incentive bonuses. Incentive bonuses for executive officers are determined based on performance measures approved by

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the Board and the Compensation Committee and upon management's recommendations. The performance measures used for fiscal 2001 included Corrpro's consolidated earnings before taxes and bonus expense, as well as local, regional and business unit performance objectives. In determining the size of target awards for the Chief Executive Officer and other executive officers for fiscal 2001, the Compensation Committee reviewed the performance of each executive relative to such executive's individual goals. As a result of Corrpro's financial performance in fiscal 2001, however, no executive officer received a cash incentive bonus award for fiscal 2001.

Equity Incentives. During fiscal 2001, stock options were granted to executive officers and key employees. The options were designed to provide incentives to increase the value of Corrpro's common shares, and to encourage the executives to remain employed by Corrpro on a long-term basis. The Stock Option Subcommittee granted these awards to executive officers based upon the level of the executive's responsibility, performance, and the importance of such executive's retention. These factors were weighted as deemed appropriate by the Stock Option Subcommittee.

In fiscal 2001 the Stock Option Subcommittee approved a stock option surrender program in which our executive officers were eligible to participate. The Stock Option Subcommittee believed that many of our outstanding stock options were not achieving the purpose for which they were designed because the exercise prices were significantly higher than the prevailing fair market value of the common shares. The Stock Option Subcommittee determined that the surrender program, which commenced in December 2000, was in the best interests of Corrpro, the participants and the shareholders and would serve the options' purpose of increasing shareholder value under current circumstances by helping to motivate and retain employees. Under the program, eligible participants were provided the opportunity to surrender voluntarily any or all of their eligible existing Corrpro stock options (generally those granted prior to fiscal 2001) and have a like number of new options issued at a date at least six months in the future at the fair market value of the common shares at that time. The new options are subject to a new 3-year vesting schedule, regardless of the vested status of the options surrendered.

Respectfully submitted,

Compensation Committee:
C. Richard Lynham
Joseph W. Rog
Warren F. Rogers

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COMPANY STOCK PERFORMANCE

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The graph below compares the cumulative total stockholders return from investing \$100 on March 31, 1996 in Corrpro shares, the S&P 500 Index, and an index of peer companies. The graph assumes that all dividends, if any, were reinvested. The peer companies offer a broad range of engineering, environmental and cost construction services. They include Exponent, Inc., Harding Lawson Associates Group, Inc. (through June 2000, after which its results are no longer available), Michael Baker Corp. and, for periods prior to fiscal 1999, Tanknology Environmental, Inc. Tanknology Environmental, Inc.'s results are no longer available as of the end of fiscal 1999.

COMPARISON OF CUMULATIVE TOTAL RETURN MARCH 31, 1996 TO MARCH 31, 2001

	CUMULATIVE TOTAL RETURN			
	3/96	3/97	3/98	3/99
CORRPRO COMPANIES, INC.....	100.00	126.23	194.26	186.4
S & P 500.....	100.00	119.82	177.34	210.0
PEER GROUP.....	100.00	100.72	150.87	101.7

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

SUMMARY OF COMPENSATION

The following table summarizes the compensation we paid our CEO and each of the four other most highly compensated executive officers for fiscal 2001, 2000, and 1999.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	LONG TERM COMPENSATION AWARDS STOCK OPTIONS	ALL OTHER COMPENSATION
Joseph W. Rog.....	2001	\$285,000	\$ 0	0	28,000	\$8
Chairman of the Board,	2000	274,000	0	0	0	7
Chief Executive Officer and President	1999	274,000	165,000	0	25,000	4
Michael K. Baach.....	2001	180,000	0	0	17,000	6
Executive Vice President,	2000	165,000	0	0	0	6
Sales	1999	165,000	80,000	0	10,000	1
George A. Gehring, Jr.....	2001	172,000	0	0	17,000	6
Executive Vice President,	2000	165,000	0	0	0	6
Operations	1999	165,000	120,000	0	10,000	2
David H. Kroon.....	2001	170,000	0	0	17,000	6
Executive Vice President,	2000	160,000	0	0	0	4
Engineering	1999	160,000	35,000	0	10,000	2

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Barry W. Schadeck.....	2001	180,000	0	0	17,000
Executive Vice President,	2000	165,000	0	0	0
Manufacturing and	1999	165,000	120,000	0	10,000
President of Corrpro					
Canada, Inc.					

(3) Amounts represent Company matching contributions under Corrpro's 401(k) retirement savings plan.

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OPTIONS GRANTED IN LAST FISCAL YEAR

The following table lists our grants during fiscal 2001 of stock options to the officers named in the Summary Compensation Table. The amounts shown as potential realizable values rely on arbitrarily assumed increases in value required by the SEC. The ultimate value of the options depends on actual future share prices. Market conditions and other factors can influence those future share values, and the amounts shown below are not intended to forecast future appreciation of Corrpro shares.

NAME (A)	NUMBER OF SECURITIES UNDERLYING OPTION/SARS GRANTED (#) (B)	PERCENT OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR (C)	EXERCISE OR BASE PRICE (\$/SH) (D)	EXPIRATION DATE (E)	POTENTIAL R VALUE ASSUMED RATES OF ST APPRECIAT OPTION
					5% (\$) (F)
Joseph W. Rog.....	28,000 (4)	6.7	3.75	May 18, 2010	66,034
Michael K. Baach.....	17,000 (4)	4.0	3.75	May 18, 2010	40,092
George A. Gehring, Jr.....	17,000 (4)	4.0	3.75	May 18, 2010	40,092
David H. Kroon.....	17,000 (4)	4.0	3.75	May 18, 2010	40,092
Barry W. Schadeck.....	17,000 (4)	4.0	3.75	May 18, 2010	40,092

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION/SAR VALUES

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING OPTIONS AT FISCAL YEAR-END EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (5) EXERCISABLE/ UNEXERCISABLE	
Joseph W. Rog.....	None	N/A	45,000	28,000	0 0
Michael K. Baach.....	None	N/A	18,750	17,000	0 0

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George A. Gehring, Jr.....	None	N/A	15,600	17,000	0	0
David H. Kroon.....	None	N/A	18,750	17,000	0	0
Barry W. Schadeck.....	None	N/A	0	17,000	0	0

As described in the Compensation Committee Report on Executive Compensation above, in fiscal 2001 we initiated a stock option surrender program. Under the program, eligible participants were provided the opportunity to surrender voluntarily any or all of their eligible existing Corrpro stock options (generally those granted prior to fiscal 2001) and have a like number of new options issued at a date at least six months in the future at the fair market value of the common shares at that time.

(4) Nonqualified stock options granted under Corrpro's 1997 Long-Term Incentive Plan. The options have a term of ten years and become exercisable in equal annual increments on the first, second, and third anniversaries of the grant date. The options may also vest upon a change in control as defined either in the 1997 Long-Term Incentive Plan or the applicable change in control agreements entered into by Corrpro and the named executive officers.

(5) Based on the fact that the closing price of Corrpro's common shares on March 31, 2001 exceeded the exercise price of the options, none of the outstanding options were in-the-money.

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In exchange, Corrpro granted new options on June 30, 2001 in an amount equal to the same number of options surrendered under this program. Participants who surrendered options had to be in our employ on the date the new options were granted in order to receive a grant of new options. The new options are subject to the terms of the applicable option agreement and the provisions of the Corrpro 1997 Long-Term Incentive Plan.

These new options were granted at an exercise price of \$2.55 per share, the fair market value of our common shares on June 30, 2001. The new options become exercisable in equal annual increments on the first, second, and third anniversaries of the grant date. The new options were granted subject to a new 3-year vesting schedule, regardless of the vested status of the options surrendered.

In December 2000, Messrs. Rog, Baach, Gehring, Kroon, and Schadeck surrendered, respectively, 206,250, 56,250, 131,250, 46,875, and 91,250 previously granted options. On June 30, 2001, each was granted a like number of options, subject to a new vesting schedule, at the June 30, 2001 fair market value of \$2.55 per share.

EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

Mr. Rog is employed under an employment agreement having a term through March 31, 2004. Under this agreement, Mr. Rog serves as Corrpro's Chairman of the Board, Chief Executive Officer and President. The agreement provides for Mr. Rog to be nominated as a Corrpro director for so long as such agreement remains in effect.

This employment agreement provides for the payment of Mr. Rog's base salary and such other compensation as determined by the Board of Directors from time to time. Other compensation may include bonuses, stock options, and incentive compensation. Mr. Rog's base salary is subject to annual review.

Mr. Rog may not compete with Corrpro during the term of the agreement and for as long as Mr. Rog receives retirement income payments from Corrpro. Corrpro may terminate Mr. Rog's employment for good cause (as defined in the agreement), in which case the Company will pay Mr. Rog his base salary earned through termination with no further obligation to him except as required by law. Mr. Rog has earned the right to receive retirement income with a lifetime survivor benefit to his spouse in an amount equal to 50% of his base salary, payable monthly, provided that certain conditions are satisfied.

Corrpro may have to pay severance to Mr. Rog if specified events occur. These events include termination of his employment at a time when Corrpro is in breach or termination of the agreement by Corrpro without good cause. In such cases, Corrpro must pay two years of severance at the rate of his base salary in effect at the time of termination plus a payment equal to one full year's participation in any short-term incentive bonus plan at the 100% level. Mr. Rog also would be entitled to continue any medical or other insurance coverage in effect at the time of termination until Age 65.

Mr. Rog is eligible for disability benefits. If he becomes disabled while employed, his salary and other compensation continues for the first ninety days, offset by amounts paid under other company-sponsored disability plans. If his disability cannot be reasonably accommodated, the Board may terminate his employment. In such case, Mr. Rog's current participation in bonus and incentive plans will not be adversely affected. Mr. Rog also is covered by other company welfare benefits.

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Corrpro and each of Mr. Baach, Mr. Gehring and Mr. Kroon have signed employment agreements effective through March 31, 2004 under which each serves as an Executive Vice President. These agreements provide for the payment of base salaries, subject to annual adjustment. In general, these agreements provide severance arrangements similar to those included in the employment agreement with Mr. Rog described above, except that no retirement income will be paid and that medical and other insurance coverage shall continue for a period of twenty-four months rather than to age 65 if the executive is terminated when specified events occur. Mr. Schadeck's services are provided through one of Corrpro's Canadian subsidiaries. This subsidiary has engaged Mr. Schadeck under a management services agreement which provides for base level compensation and bonuses based on performance. The agreements with the named executive officers generally restrict the officers from competing for two years following termination.

We recognize that our executives may be involved from time to time in evaluating or negotiating offers, proposals, or other transactions that could result in a change in control of Corrpro and believe that it is in the best interest of Corrpro and its shareholders for such executives to be in a position, free from personal financial and employment considerations, to be able to assess objectively and pursue aggressively our interests and the interests of our shareholders in making these evaluations and carrying on such negotiations. Therefore, we have entered into change in control agreements with our named executive officers. The agreements are intended to provide the executives with certain benefits and to grant certain protections so that the executives may more fully focus on enhancing shareholder value and addressing the issues related to a change in control (as defined in the agreements), and to reward the executives for the substantial extra effort involved in a change in control.

The change in control agreements provide for severance payments and other benefits, without duplication of amounts payable under the executive employment contracts, if certain events occur. Each agreement applies only to the first

change in control to occur.

The type of change in control determines the potential severance benefits. Upon the occurrence of a hostile change in control, the executive would be entitled, whether or not employment is terminated, to a lump sum payment equal to three times current cash compensation, bonus, and certain benefits and a gross-up for certain excise taxes, if they apply. The executive would also be entitled to three years of continued welfare benefits. In a friendly change in control, if the executive is terminated, other than for good cause, or resigns for good reason, in contemplation of or before the second anniversary of the friendly change in control, the executive is entitled to, in total, a lump sum payment equal to two times current cash compensation, bonus, and certain benefits. The executive would also be entitled to two years of continued welfare benefits. In the event of a change in control of any type, all of the executives' outstanding stock options become exercisable. In addition, Corrpro must set aside sufficient funds, in a trust which satisfies certain tax requirements, covering potential obligations to Mr. Rog. The following terms are used in this paragraph, as defined in the change in control agreements: hostile change in control, welfare benefits, friendly change in control, good cause, good reason, and in contemplation of.

In addition, to provide further incentives to management to maximize shareholder value on a continuing basis and to address certain other concerns, executives can earn a transaction bonus upon a change in control in certain circumstances. In the event of a friendly change in control, the transaction bonuses are payable 50% upon completion of a change in control and 50% on the first anniversary thereof, provided the executive is still a Corrpro employee at that time.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based on a review of reports filed by our directors, executive officers and beneficial holders of 10% or more of our shares, and upon information provided by those persons, all SEC stock ownership reports required to be filed by those reporting persons during fiscal 2001 were timely made, with the exception of a single transaction on one Form 4. Mr. Schadeck entered into a reportable transaction at the end of January 2001. Our corporate staff, which coordinates such filings, inadvertently failed to transmit the applicable Form 4 reporting the transaction to the SEC until March 2001.

CORRPRO SHARE OWNERSHIP

The following table shows information regarding beneficial ownership of our common shares as of June 18, 2001, unless otherwise indicated, by each person or group which is known by us to own beneficially more than 5% of our common shares, each director and nominee for election as a director, each of the officers named in the Summary Compensation Table and all directors and executive officers as a group. All information with respect to beneficial ownership has been furnished by the respective director, officer or shareholder, as the case may be. Ownership includes direct and indirect (beneficial) ownership, as defined by SEC rules. To our knowledge, each person, along with his or her spouse, has sole voting and investment power over the shares unless otherwise noted.

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CERTAIN BENEFICIAL OWNERS

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NAME	NUMBER OF SHARES (1)	PERCENT
Michael K. Baach.....	103,746	1.3
George A. Gehring, Jr.....	20,427	*
David H. Kroon.....	263,336	3.2
C. Richard Lynham.....	23,125	*
Neal R. Restivo.....	105,915	1.3
Joseph W. Rog.....	317,325	3.9
Warren F. Rogers.....	28,375	*
Barry W. Schadeck.....	0	*
13 Directors and executive officers as a group.....	892,447	10.9
Dimensional Fund Advisors, Inc. (2).....	505,300	6.3
1299 Ocean Avenue, 11th Floor Santa Monica, California 90401		
Royce & Associates, Inc. (2).....	835,275	10.5
1414 Avenue of the Americas New York, New York 10019		
Rutabaga Capital Management (2).....	485,937	6.1
2 Oliver Street, 2nd Floor Boston, Massachusetts 02109		
Richard M. Osborne (2).....	535,000 (3)	6.7
8500 Station Street, Suite 113 Mentor, Ohio 44060 (2)		
Wellington Management Co. LLP (2).....	574,800 (4)	7.2
75 State Street Boston, Massachusetts 02109		

* Less than 1%

(1) The number of shares listed includes shares under currently exercisable stock options and stock options which may become exercisable within 60 days following June 18, 2001. The number of such exercisable stock options for those listed above are: Mr. Baach (18,750 shares); Mr. Gehring (15,600 shares); Mr. Kroon (18,750 shares); Mr. Lynham (21,250 shares); Mr. Restivo (103,333 shares); Mr. Rog (45,000 shares); and Dr. Rogers (8,125 shares); and all directors and executive officers as a group (237,475 shares).

(2) Based upon information contained in the following documents as filed with the SEC:

- Schedule 13G filed by Dimensional Fund Advisors, Inc. on February 2, 2001.
- Amendment to Schedule 13G filed by Royce & Associates on April 5, 2001.
- Amendment to Schedule 13G filed by Rutabaga Capital Management on June 22, 2001.
- Schedule 13D filed by Turkey Vulture Fund XIII Ltd. and the Richard M. Osborne Trust on May 11, 2001.
- Schedule 13D filed by Wellington Management Co. LLP on February 13, 2001.

- (3) Richard M. Osborne is the sole manager of Turkey Vulture Fund XIII which owns 150,000 shares and the sole trustee of the Richard M. Osborne Trust which owns 385,000 shares. As sole manager for the Fund and sole trustee for the Trust, Mr. Osborne may be deemed to beneficially own 535,000 shares held by the Fund and the Trust.
- (4) Wellington Management Co. LLP reported on its Schedule 13D that it had shared voting power with respect to 477,200 shares and sole dispositive power with respect to 574,800 shares.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2001, Joseph W. Rog served as our Chairman of the Board, Chief Executive Officer, and President and also served on our Compensation Committee.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors (the "Audit Committee") is comprised of the three directors named below. Each member of the Audit Committee is an independent director as defined by New York Stock Exchange rules, other than Mr. Restivo who was appointed to the Audit Committee pursuant to the override provision of the New York Stock Exchange rules.(6)

The Audit Committee has adopted a written charter which has been approved by the Board of Directors, and which is set forth in Appendix A of this Proxy Statement. The Audit Committee has reviewed and discussed Corrpro's audited financial statements with management, which has primary responsibility for the financial statements. KPMG LLP ("KPMG"), Corrpro's independent auditors for 2001, is responsible for expressing an opinion on the conformity of Corrpro's audited financial statements with generally accepted accounting principles.

The Audit Committee has discussed with KPMG the matters that are required to be discussed by Statement on Auditing Standards No. 61 (Communication With Audit Committees). KPMG has provided to the Audit Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with KPMG that firm's

- (6)Under the New York Stock Exchange rules, generally a director who was employed by a listed company may not serve on the Company's Audit Committee until three years following the termination of his or her employment. A former executive officer, who is not considered independent due to the three-year restriction period, may be appointed, under exceptional and limited circumstances, to the Audit Committee if the company's Board determines in its business judgment that membership on the committee by the individual is required by the best interests of the company and its shareholders.

During calendar year 2000, we experienced two unexpected health-related vacancies on the Board by directors who also served on the Audit Committee causing our Audit Committee membership to drop below the required minimum of three members. None of the other directors met the New York Stock Exchange requirements to serve on the Audit Committee. Mr. Restivo had served as our Executive Vice President and Chief Financial Officer and held other executive officer positions from 1995 until his resignation to pursue other opportunities in January 2001. He agreed to be nominated to the Board to fill one of the Board vacancies effective January 29, 2001. Given the facts and

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circumstances and the requirements of the New York Stock Exchange and SEC, the Board determined that Mr. Restivo also should be appointed to the Audit Committee as being in the best interests of Corrpro and our shareholders.

The factors that the Board considered in making this determination included Mr. Restivo's credibility, integrity, familiarity with Corrpro and business and financial acumen, as well as the mix of our inside and outside directors, our ability to recruit outside independent directors on a timely basis, strategic alternatives being considered, the impact on our ongoing relationships with our lenders and the investment community and the perception of employees.

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independence. The Audit Committee also considered whether KPMG's provision of non-audit services to Corrpro and its affiliates is compatible with KPMG's independence. Based on the considerations referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Corrpro's Annual Report on Form 10-K for 2001.

Respectfully submitted,

Audit Committee:
C. Richard Lynham
Neal R. Restivo
Warren F. Rogers

INDEPENDENT AUDITORS

Corrpro is incorporated in Ohio, which does not require approval by shareholders of the selection of independent auditors. A representative of KPMG is expected to be present at the annual meeting, will have the opportunity to make a statement and is expected to be available to respond to appropriate questions. KPMG acted as independent auditors for Corrpro for fiscal 2001. The Board of Directors has yet to make a determination as to the independent auditors who will audit Corrpro's financial statements for fiscal 2002.

Fees paid to KPMG for fiscal 2001 were as follows:

Audit Fees:.....	\$319,700
All Other Fees:.....	14,423

VOTING PROCEDURES/REVOKING YOUR PROXY

You may vote by mail or in person at the meeting. To vote by mail, complete and sign your proxy card -- or your broker's voting instruction card if your shares are held by your broker -- and return it in the enclosed business-reply envelope.

To be elected, directors must receive a plurality of the shares present and voting in person or by proxy, provided a quorum exists. A plurality means receiving the largest number of votes, regardless of whether that is a majority. A quorum is present if at least a majority of the outstanding shares on June 18, 2001 (i.e. a majority of 7,987,180 shares) is present in person or by proxy. All other matters submitted to you at the meeting will be decided by a majority of the votes cast on the matter, provided a quorum exists, except as otherwise provided by law or our Articles of Incorporation or Code of Regulations.

Those who fail to return a proxy or attend the meeting will not count

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towards determining any required plurality, majority or quorum. Shareholders and brokers returning proxies or attending the meeting who abstain from voting on a proposition will count towards determining a quorum for that matter, and their proxies will not affect determination of a plurality. Those abstentions, however, will not count towards achievement of a majority.

A proxy statement and proxy card is being sent to participants who own Corrpro shares through our 401(k) retirement savings plan and our employee stock purchase plan. The proxy serves as a voting instruction for your plan shares. For our 401(k) plan, if you do not vote your shares, the plan trustee will vote them on your behalf. For the employee stock purchase plan, if you do not vote your shares, they will remain unvoted at the annual meeting.

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The enclosed proxies will be voted in accordance with the instructions you place on the proxy card. Unless otherwise stated, all shares represented by your returned, signed proxy will be voted FOR the agenda items noted on the first page of this proxy statement.

You can change your mind after sending in a proxy, until the meeting, by following these procedures.

Your proxy may be revoked if you:

- Deliver a signed, written revocation letter, dated later than the proxy, to Kurt R. Packer, Secretary, at 1090 Enterprise Drive, Medina, Ohio 44256;
- Deliver a signed proxy, dated later than the first one, to Fifth Third Bank, 38 Fountain Square Plaza 10AT60, Cincinnati, OH 45263; or
- Attend the meeting and vote in person or by proxy.

Attending the meeting alone will not revoke your proxy.

PROXY SOLICITATION

Corrpro will bear the costs of soliciting proxies. In addition to solicitation by mail, our employees may also solicit proxies for no additional compensation by telephone, mail or personal interview. We will reimburse banks, brokers, custodians, nominees and fiduciaries for reasonable expenses they incur in sending these proxy materials to you if you are a beneficial holder of our shares.

SUBMISSION OF SHAREHOLDER PROPOSALS

From time to time, shareholders seek to nominate directors or present proposals for inclusion in the proxy statement and form of proxy for consideration at the annual meeting. To be included in the proxy statement or considered at an annual or any special meeting, you must timely submit, to our Secretary, nominations of directors or proposals, in addition to meeting other legal requirements. We must receive proposals to be included in the proxy statement for the 2002 annual meeting no later than March 12, 2002.

We must receive proposals not to be included in the proxy statement for the 2002 annual meeting no later than May 26, 2002. Our proxy for the 2002 annual meeting will grant discretionary authority to persons named therein with respect to any such matter of which we do not receive notice by May 26, 2002.

In addition, Section 3.3 of our Code of Regulations provides generally that

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no proposal, resolution, amendment to any proposal or resolution, or nomination, other than procedural matters relating to the conduct of the meeting, may be considered at a meeting of our shareholders unless that matter has been set forth in a proxy or information statement furnished to our shareholders in connection with the meeting in compliance with the requirements of the Securities Exchange Act of 1934.

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OTHER BUSINESS

The Board of Directors knows of no other matters for consideration at the meeting. If any other business should properly arise, the persons appointed in the enclosed proxy have discretionary authority to vote in accordance with their best judgment.

A copy of Corrpro's Fiscal 2001 Annual Report on Form 10-K filed with the SEC is contained within the enclosed annual report. Copies may be obtained by shareholders, without charge, upon written request to Investor Relations, Corrpro Companies, Inc., 1090 Enterprise Drive, Medina, OH 44256. You may also obtain our SEC filings through the Internet at or visit us at our website at www.corrpro.com.

By order of the Board of Directors.

Kurt R. Packer
Executive Vice President, Chief Financial Officer,
Secretary and Treasurer

PLEASE VOTE -- YOUR VOTE IS IMPORTANT

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APPENDIX A

CORRPRO COMPANIES, INC. AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors. Its primary function is to assist the board in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others, the systems of internal controls which management and the board of directors have established, and the audit process.

In meeting its responsibilities, the audit committee is expected to:

1. Provide an open avenue of communication between the independent accountants and the board of directors.
2. Review and update the committee's charter annually.
3. Recommend to the board of directors the independent accountants to be nominated, review the compensation of the independent accountant, and review and approve any discharge of the independent accountants.
4. Consider that the outside auditor is ultimately accountable to the Board of Directors and Audit Committee.
5. Confirm and assure the independence of the independent accountant, including a review of management consulting services and related fees

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provided by the independent accountant.

6. Ensure that the independent accountant submits on a periodic basis to the audit committee a formal written statement delineating all relationships between the accountant and the company.
7. Engage in a dialog with the independent accountant with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountant and recommending to the board of directors the appropriate action in response to such report.
8. Inquire of management and the independent accountant about significant risks or exposures and assess the steps management has taken to minimize such risk to the company.
9. Consider, in consultation with the independent accountant, the audit scope and plan of the independent accountant.
10. Consider and review with the independent accountant:
 - a) The adequacy of the company's internal controls including computerized information system controls and security.
 - b) Any related significant findings and recommendations of the independent accountant together with management's responses thereto.

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- 11) Review with management and the independent accountant at the completion of the annual examination:
 - a) The company's annual financial statements and related footnotes.
 - b) The independent accountant's audit of the financial statements and his or her report thereon.
 - c) Any significant changes required in the independent accountant's audit plan.
 - d) Any serious difficulties or disputes with management encountered during the course of the audit.
 - e) Other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards.
- 12) Review legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies, and programs and reports received from regulators.
- 13) Meet with the independent accountant and management in separate executive sessions to discuss any matters that the committee or these groups believe should be discussed privately with the audit committee.
- 14) Report committee actions to the board of directors with such recommendations as the committee may deem appropriate.
- 15) Prepare a letter for inclusion in the annual report that describes the committee's composition and responsibilities, and how they were discharged.

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- 16) The audit committee shall have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- 17) The committee shall meet at least two times per year or more frequently as circumstances require. The committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.
- 18) The committee will perform such other functions as assigned by law, the company's charter or bylaws, or the board of directors.

The membership of the audit committee shall consist of at least three independent members of the board of directors who are financially literate. The members shall serve at the pleasure of the board of directors. Audit committee members and the committee chairman shall be designated by the full board of directors.

The duties and responsibilities of a member of the audit committee are in addition to those duties set out for a member of the board of directors.

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PROXY

CORRPRO COMPANIES, INC.

Board of Directors Proxy for Annual Meeting, August 16, 2001

The undersigned, having received the Notice of Meeting and Proxy Statement, hereby constitutes and appoints Joseph W. Rog, David H. Kroon and Michael K. Baach, and each of them (with full power of substitution respectively), true and lawful attorneys and proxies for the undersigned to attend the Annual Meeting to be held on August 16, 2001, at 10:00 a.m., at The Medina Country Club, 5588 Wedgewood Rd., Medina, Ohio, and any adjournments thereof.

The Proxy when properly executed will be voted in the manner directed; if no direction is made this Proxy will be voted FOR the Director Nominees. In their discretion, the parties are also authorized to vote upon such other matters as may properly come before the meeting.

1. Election of Directors, Nominees:

☐ FOR all nominees listed below
(except as marked to the contrary below)

☐ WITHHOLD AUTHORITY
to vote for the nominees listed below

DAVID H. KROON, C. RICHARD LYNHAM, NEAL R. RESTIVO, JOSEPH W. R

(INSTRUCTION: To withhold authority to vote for any individual nominee, write that nominee's name

We would appreciate your indicating if you are planning to attend the Annual Meeting. Your failure to check this box will not prejudice you from attending the meeting. ☐ ATTEND MEETING

(Continued on the reverse side)

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Corrpro Companies, Inc.
c/o Corporate Trust Services
Mail Drop 10AT66-4129
38 Fountain Square Plaza
Cincinnati, OH 45263

(Continued from other side)

You are encouraged to specify your choice by marking the appropriate boxes, SEE REVERSE SIDE, but you need not mark any boxes if you wish to vote in accordance with the Board of Director's recommendations. Your shares cannot be voted unless you sign and return this card.

Dated:

Signature(s)

Signature(s)

Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such.

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