

VECTOR GROUP LTD
Form 4
December 17, 2004

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LEBOW BENNETT S

(Last) (First) (Middle)

C/O VECTOR GROUP LTD., 100
S.E. SECOND STREET

(Street)

MIAMI, FL 33131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VECTOR GROUP LTD [VGR]

3. Date of Earliest Transaction
(Month/Day/Year)
12/15/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chariman of the Board and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	12/15/2004	12/15/2004	S ⁽¹⁾		200,000	D	\$ 15.74 <u>(1)</u>
Common Stock						I	367,033
						I	By LeBow Gamma Limited Partnership <u>(2)</u> By LeBow Alpha LLLP <u>(3)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

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Qualifying termination after change in control(9)

\$

934,712

(6)

Ronald Bryan

Qualifying termination after change in control(9)

\$

1,336,359

(6)

John Fallis

Qualifying termination after change in control(9)

\$

1,498,471

(6)

David J. Goadby

Termination at executive's election after change of control(10)

\$

709,602

(11)

(1) For purposes of Dr. Brisimitzakis' employment agreement, Disability occurs when Dr. Brisimitzakis is unable to perform the essential functions of his position, with or without reasonable accommodation, for more than 30 consecutive days after reaching maximum medical improvement.

- (2) Based on 60 percent of then-current base salary for 12 months and entitlement to participate in then-applicable health care plan (or, if not allowed, then the Company shall provide such benefits on the same after-tax basis).
- (3) For purposes of Dr. Brisimitzakis' employment agreement, Cause means, in Company's good faith belief, any of the following: (i) the conviction of Executive of or plea of guilty or no contest by Executive to, a felony or misdemeanor involving moral turpitude; (ii) the indictment of Executive for a felony or misdemeanor under the federal securities laws; (iii) the willful misconduct or gross negligence by Executive resulting in material harm to Company or any Company subsidiary; (iv) fraud, embezzlement, theft, or dishonesty by Executive against Company or any Company subsidiary, or willful violation by Executive of a policy or procedure of Company, resulting in any case in material harm to Company; (v) material breach of any Confidentiality Agreement or obligation and/or material breach of any Restrictive Covenant Agreement or similar agreement by and between Executive and Company; or (vi) material or intentional falsification of any Company record. Under this Agreement, Executive shall have Good Reason to terminate this Agreement and his employment hereunder in the event of: (i) a material adverse change in Executive's duties, in Executive's reporting structure (except if Company appoints a non-executive Chairman, in which case Executive shall not have Good Reason unless such appointment occurs after a Change in Control, as defined in Executive's separate Change in Control Severance Agreement), or in Executive's responsibilities (as set forth herein or as the same may be altered from time to time thereafter); (ii) any reduction in Executive's Base Salary (as set forth herein or as the same may be altered from time to time), except as provided in this Agreement; (iii) Company's relocation of Executive more than 50 miles from Executive's primary office location (initially Overland Park, Kansas) and more than 50 miles from Executive's principal residence; or (iv) Company's sale to an entity that is not publicly traded or that results in the Company no longer being a publicly traded entity.
- (4) Based on two times the Executive's highest annual Base Salary during the 12 month period immediately before such termination plus reimbursement, up to a maximum of 18 months, for premium payments for any elected COBRA coverage, plus immediate vesting of all stock options and/or restricted stock units.
- (5) In Dr. Brisimitzakis' Change in Control Severance Agreement, Qualifying Termination means a termination of Executive's employment during the Termination Period (i) by Company other than for Cause or (ii) by Executive for Good Reason. Termination Period means a period of two years after a Change in Control. Both Cause and Good Reason are defined in Dr. Brisimitzakis' Employment Agreement (see note (3) above).
- (6) Based on two times the sum of (A) Executive's highest annual rate of base salary during the 12-month period immediately before the Date of Termination plus (B) the higher of (x) Executive's average AIP Bonus over the three prior complete fiscal years or (y) Executive's annual target AIP bonus for the fiscal year in which the Date of Termination occurs and the value of continued participation in medical, dental, accident, disability, and life insurance benefit plans for two years, and assumes immediate vesting of options and RSUs pursuant to the applicable award agreements.
- (7) For purposes of Mr. Ducey's Employment and Consulting Agreement, Disability occurs when Mr. Ducey is unable to perform the essential functions of his position, with or without reasonable accommodation, for more than 30 consecutive days after reaching maximum medical improvement.

(8) Based on continuation of base salary through 12/31/08 and continued participation in health and medical benefit plans until Executive's 65th birthday.

(9) For purposes of the Change in Control Severance Agreement, **Qualifying Termination** means a termination of Executive's employment during the Termination Period (i) by Company other than for Cause or (ii) by Executive for Good Reason. **Termination Period** means a period of two years after a Change in Control. **Cause** means Executive's (i) conviction of, or plea of guilty or nolo contendere to, a felony or misdemeanor involving moral turpitude, (ii) indictment for a felony or misdemeanor under the federal securities laws, (iii) willful misconduct or gross negligence resulting in material harm to the Company, (iv) willful breach of Executive's duties or responsibilities herein or of the separate Restrictive Covenant Agreement as defined, (v) fraud, embezzlement, theft, or dishonesty against the Company or any Subsidiary, or (vi) willful violation of a policy or procedure of the Company resulting in any case in material harm to the Company. **Good Reason** means, without Executive's express written consent, the occurrence of any of the following events within two years after a Change in Control: a material adverse change in Executive's duties or responsibilities as of the Change in Control (or as the same may be increased from time to time thereafter); provided, however, that Good Reason shall not be deemed to occur upon a change in Executive's reporting structure, upon a change in Executive's duties or responsibilities that is a result of the Company no longer being a publicly traded entity and does not involve any other event set forth in this paragraph, or upon a change in Executive's duties or responsibilities that is part of an across-the-board change in duties or responsibilities of employees at Executive's level; any reduction in Executive's annual base salary or annual target or maximum bonus opportunity in effect as of the Change in Control (or as the same may be increased from time to time thereafter); provided, however, that Good Reason shall not include such a reduction of less than 10 percent that is part of an across-the-board reduction applicable to employees at Executive's level; Company's (A) relocation of Executive more than 50 miles from Executive's primary office location and more than 50 miles from Executive's principal residence as of the Change in Control or (B) requirement that Executive travel on Company business to an extent substantially greater than Executive's travel obligations immediately before such Change in Control; a reduction of more than 10 percent in the aggregate benefits provided to Executive under the Company's employee benefit plans, including but not limited to any top hat plans designated for key employees in which Executive is participating as of the Change in Control; any purported termination of Executive's employment without notice; or the failure of the Company to obtain a required assumption agreement from any successor.

(10) Mr. Goadby is entitled to receive special bonus payments of £75,000 on November 1, 2007, and May 1, 2008. Payment on termination after a change of control is reduced to the extent these bonus payments have been made.

(11) Based on Mr. Goadby's base salary and medical insurance benefit calculated over a 12 month period plus £150,000 special bonus payments and assumes immediate vesting of options and RSUs pursuant to the applicable award agreements.

DIRECTOR COMPENSATION

Name	Fees Earned Or Paid In Cash(1)	Total
Vernon G. Baker	\$ 87,500	\$ 87,500
Bradley J. Bell	\$ 97,500	\$ 97,500
David J. D. Antoni	\$ 90,000	\$ 90,000
Richard S. Grant	\$ 102,500	\$ 102,500
Perry W. Premdas	\$ 82,500	\$ 82,500
Allan R. Rothwell(2)	\$ 65,542	\$ 65,542
Timothy R. Snider(3)	\$ 64,625	\$ 64,625
John Stevenson(4)	\$ 12,375	\$ 12,375

(1) Includes amounts deferred under the Directors' Deferred Compensation Plan.

(2) Mr. Rothwell commenced service as a director on March 16, 2006.

- (3) Mr. Snider commenced service as a director on March 20, 2006.
- (4) Mr. Stevenson passed away on February 23, 2006.

In 2006, the non-employee members of the Company's Board of Directors each received an annual retainer of \$82,500 and reimbursement for out-of-pocket expenses incurred in connection with their

service. The Board of Directors approved additional annual retainer compensation for the chair of the Audit Committee in the amount of \$15,000 per year, for the chair of the Compensation Committee in the amount of \$7,500, and for the chairs of the Nominating/Corporate Governance and Environmental, Health and Safety Committees in the amount of \$5,000 per year. The Board of Directors also elected a Lead Independent Director and approved additional annual retainer compensation for that position in the amount of \$15,000 per year for 2006. Directors were expected to defer at least 50 percent of their compensation pursuant to the Directors' Deferred Compensation Plan. Deferred amounts are converted into units equivalent to the value of the Company's common stock and accumulated deferred fees are distributed in common stock.

On August 3, 2006 the Board of Directors approved annual retainer compensation for each non-employee member of the Board of Directors effective January 1, 2007 as follows: 1) each non-employee director will receive an annual cash retainer of \$40,000 per year, which amount may be received either in cash or deferred into the Directors' Deferred Compensation Plan at the election of the director; and 2) each non-employee director will receive an equity award of \$50,000 per year, which amount may be deferred into the Directors' Deferred Compensation Plan or taken in shares of stock of the Company. Each non-employee member of the Board of Directors is required to obtain ownership in Company stock (or its equivalent) equal to five times the annual cash retainer, which amount is to be achieved within five years of joining the Board, and maintain at least five times the annual cash retainer in stock ownership (or its equivalent) while on the Board. Additional retainers for Committee Chairs and the Lead Independent Director were not changed from 2006 levels.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee consists of David J. D'Antoni (chair), Perry W. Premdas, Allan R. Rothwell and Timothy R. Snider. None of these individuals is or has ever been an officer or employee of Compass Minerals. During 2006, no executive officer of Compass Minerals served as a director of any corporation for which any of these individuals served as an executive officer, and there were no other Compensation Committee interlocks with the companies with which these individuals or Compass Minerals' other directors are affiliated.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires directors and certain officers of Compass Minerals and persons who own more than 10 percent of Compass Minerals' common stock to file with the Securities and Exchange Commission initial reports of beneficial ownership (Form 3) and reports of subsequent changes in their beneficial ownership (Form 4 or Form 5) of Compass Minerals' common stock. Such directors, officers and greater-than-ten-percent stockholders are required to furnish Compass Minerals with copies of the Section 16(a) reports they file. The Securities and Exchange Commission has established specific due dates for these reports, and Compass Minerals is required to disclose in this proxy statement any late filings or failures to file.

Based solely upon a review of the copies of the Section 16(a) reports (and any amendments thereto) furnished to Compass Minerals and written representations from certain reporting persons that no additional reports were required, Compass Minerals believes that its directors, reporting officers and greater-than-ten-percent stockholders complied with all these filing requirements for the fiscal year ended December 31, 2006.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

The Board has adopted a written policy and procedures for review, approval and monitoring of transactions involving the Company and related persons (directors, director nominees and executive officers or their immediate family members, or stockholders owning five percent or greater of the Company's outstanding stock). The policy covers any related-person transaction that meets or is near the minimum threshold for disclosure in the proxy statement under the relevant SEC rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest).

The Company's Nominating/Corporate Governance Committee (the Committee) will review the material facts of all proposed related-party transactions. In determining whether to approve or ratify a related-party transaction, the Committee will take into account, among other factors it deems appropriate, whether the related-party transaction is on terms no less favorable to the Company than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. No director shall participate in any discussion, approval or ratification of any related-party transaction for which he or she is a related party, except that the director shall provide all material information concerning the related-party transaction to the Committee. If a related-party transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the related party. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the related party to determine whether they are in compliance with the Committee's guidelines and that the related-party transaction remains appropriate.

OTHER MATTERS

We know of no other business that will be presented at the meeting. If any other matter properly comes before the stockholders for a vote at the meeting, however, the proxy holders will vote your shares in accordance with their best judgment.

ADDITIONAL INFORMATION

Under rules adopted by the SEC, we are permitted to deliver a single set of any proxy statement, information statement, annual report and prospectus to any household at which two or more stockholders reside if we believe the stockholders are members of the same family. This process, called householding, allows us to reduce the number of copies of these materials we must print and mail. Even if householding is used, each stockholder will continue to receive a separate proxy card or voting instruction card.

The Company is not householding this year for those stockholders who hold their shares directly in their own name. If you share the same last name and address with another Company stockholder who also holds his or her shares directly and you would each like to start householding for the Company's annual reports, proxy statements, information statements and prospectuses for your respective accounts, then please contact us at Compass Minerals International, Inc., 9900 West 109th Street, Suite 600, Overland Park, Kansas 66210, Attention: Secretary.

This year, some brokers and nominees who hold Company shares on behalf of stockholders may be participating in the practice of householding proxy statements and annual reports for those stockholders. If your household received a single proxy statement and annual report for this year, but you would like to receive your own copy, please contact us at Compass Minerals International, Inc., 9900 West 109th Street, Suite 600, Overland Park, Kansas 66210, Attention: Secretary, and we will promptly send you a copy. If a broker or nominee holds Company shares on your behalf and you share the same last name and address with another stockholder for whom a broker or nominee holds Company shares, and together both of you

would like to receive only a single set of the Company's disclosure documents, please contact your broker or nominee as described in the voting instruction card or other information you received from your broker or nominee.

If you consent to householding, your election will remain in effect until you revoke it. Should you later revoke your consent, you will be sent separate copies of those documents that are mailed at least 30 days or more after receipt of your revocation.

ADDITIONAL FILINGS AND INFORMATION

The Company's Forms 10-K, 10-Q, 8-K and all amendments to those reports are available without charge through the Company's website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission. They may be accessed at www.compassminerals.com. Additional copies of the Company's annual report to stockholders are available upon a written request to the Company at Compass Minerals International, Inc., 9900 West 109th Street, Suite 600, Overland Park, Kansas 66210, Attention: Secretary.

Proxy Solicitation

Compass Minerals will bear the entire cost of this proxy solicitation. In addition to soliciting proxies by this mailing, we expect that our directors, officers and regularly engaged employees may solicit proxies personally or by mail, telephone, facsimile or other electronic means, for which solicitation they will not receive any additional compensation. Compass Minerals will reimburse brokerage firms, custodians, fiduciaries and other nominees for their out-of-pocket expenses in forwarding solicitation materials to beneficial owners upon our request.

Stockholder Proposals for 2008 Annual Meeting

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Any stockholder who intends to present a proposal at the annual meeting in 2008 must deliver the proposal to Compass Minerals International, Inc., 9900 West 109th Street, Suite 600, Overland Park, Kansas 66210, Attention: Secretary

- if the proposal is submitted for inclusion in our proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, not later than December 6, 2007;
- if the proposal is submitted pursuant to Compass Minerals by-laws (in which case we are not required to include the proposal in our proxy materials), not later than the close of business on February 11, 2008 nor earlier than the close of business on January 11, 2008. However, if the Company advances the date of the annual meeting by more than thirty (30) days or delays it by more than seventy (70) days, then notice must be delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Company.

By order of the Board of Directors,

Vice President, Chief Financial Officer,
Secretary and Treasurer

c/o UMB Bank, n. a.
P.O. Box 419064
Kansas City, MO 64141

Please fold and detach card at perforation before mailing.

COMPASS MINERALS INTERNATIONAL, INC.

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 10, 2007

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The undersigned hereby appoints RODNEY L. UNDERDOWN, RICHARD S. GRANT, and VERNON G. BAKER, II, and each of them, with full power of substitution, proxies of the undersigned to vote my shares of Common Stock of Compass Minerals International, Inc., at the Company's annual meeting of stockholders to be held at the Doubletree Hotel Overland Park-Corporate Woods, 10100 College Blvd., Overland Park, Kansas 66210-1462 on Thursday, May 10, 2007, at 9:00 a.m. local time, and at any postponements or adjournments thereof. Without limiting the authority granted herein, the above named proxies are expressly authorized to vote as directed by the undersigned as to those matters set forth on the reverse side hereof and in their discretion on all other matters that are properly brought before the annual meeting.

If more than one of the above named proxies shall be present in person or by substitution at such meeting or at any postponement or adjournment thereof, the majority of said proxies so present and voting, either in person or by substitution, shall exercise all of the powers hereby given. The undersigned hereby revokes any proxy heretofore given to vote at such meeting.

Dated: _____, 2007.

Signature

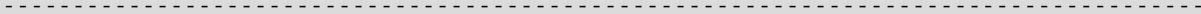
Signature(s) of Stockholder(s)

(Please sign exactly as your name or names appear on certificate and mail this proxy promptly in the enclosed paid envelope. When signing in representative capacity, insert title and attach papers showing authority unless already on file with the corporation.)

PLEASE SIGN AND MAIL THIS PROXY PROMPTLY.

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COMPASS MINERALS INTERNATIONAL, INC.

PROXY

This proxy when properly executed will be voted in the manner directed herein by the undersigned. If no direction is given, this proxy will be voted FOR each of the nominees and FOR Proposal 2.

The Board of Directors recommends a vote FOR the Directors and FOR Proposal 2.

1. Elect two directors, each for a term of three years:

Dr. Angelo C. Brisimitzakis

Mr. Timothy R. Snider

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

WITHHOLD AUTHORITY
to vote for the nominees listed above

To withhold authority to vote for any individual nominee, write that nominee's name in the space provided below:

2. Ratify the appointment of Ernst & Young LLP as the Company's independent auditors for 2007.

FOR

AGAINST

ABSTAIN

(CONTINUED AND TO BE SIGNED ON THE OTHER SIDE)

