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AMREP CORP
Form DEF 14A
August 07, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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 Section 240.14a-12

AMREP CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

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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5) Total fee paid:

	1998	1999	2000	2001	2002	2003
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AMREP CORP	100	66.67	57.97	45.22	92.75	108.99
S&P 500 INDEX	100	121.82	134.16	116.76	102.02	88.44
SIMILAR CAP ISSUERS	100	94.33	131.71	120.34	125.60	107.09

The Similar Cap Issuers are: Alliance Financial Corporation, American Science and Engineering, Inc., Avanir Pharmaceuticals, Capital Corp. of the West, The Eastern Company, Featherlite, Inc., Federal Screw Works, Finishmaster, Inc., First Midwest Financial, Inc., First State Bancorporation, FSF Financial Corp., Gold Reserve Inc., Hawthorne Financial Corporation, Hemispherx Biopharma, Inc., ID Biomedical Corporation, K-Swiss Inc., Lynx Therapeutics, Inc., Monarch Casino & Resort, Inc., Neogen Corporation, Nyfix, Inc., Orphan Medical, Inc., The Stephan Co., Stratasys, Inc., TTI Team Telecom International Limited, Universal Display Corporation, Utah Medical Products, Inc. and Xenova Group PLC.

As a result of changes in market capitalizations from year to year, none of the companies comprising the Similar Cap Issuer index in the Company's 2002 Proxy Statement met the criteria for inclusion in the Similar Cap Issuer index in this Proxy Statement. The 2002 Similar Cap companies were: Axxess Inc., Cabletel Communications Corp., Chai Na Ta Corp., Cray Inc., Dataram Corp., Decorator Industries, Inc., DIY Home Warehouse, Inc., Electrosources, Inc., Finger Lakes Bancorp, Inc., First Keystone Financial, Inc., Frontier Airlines, Inc., Global Payment Technologies, Inc., Herley Industries, Inc., HPSC, Inc., KMG Chemicals, Inc., Mid-States PLC, Neomedia Technologies, Inc., Neoware Systems, Inc., Nexus Telocation System Ltd., Paravant Inc., PLM Equipment Growth Fund II, Powerbrief Inc., Earl Scheib, Inc., Sel-Leb Marketing, Inc., Shells Seafood Restaurants, Inc. and Spherix, Incorporated.

Retirement Benefits

The Company's executive officers participate in a Retirement Plan which was amended effective January 1, 1998 (the "Plan"). Prior to the amendment, the Plan provided a monthly benefit payable at age 65 to employees with five or more years of service in an amount equal to 1.125% of the employee's highest consecutive 60-month average monthly earnings up to a specified amount related to the social security wage base plus 1.5% of such earnings in excess of such specified amount, multiplied by years of service not to exceed 35. From and after January 1, 1998, a participant's benefits will be the amount of the monthly benefit accrued for that participant as of December 31, 1997 under the terms of the Plan prior to its amendment, plus an additional benefit to be determined by establishing a cash balance account for each participant to which will be allocated annually 2% of such participant's earnings plus an annual interest credit of 5% of the amount in such account. The cash balance account can be converted to a life annuity or can be taken in a lump sum. The law limits the maximum annual amount of earnings which may be taken into account in calculating benefits; that maximum currently is \$200,000 and is to be adjusted

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annually for cost of living increases.

Mr. Wall has thirty-two years of credited service and has passed the normal retirement age of 65 under the Plan. His annual retirement benefit under the Plan had he elected to receive the life annuity pension at normal retirement age would have been \$54,290. Mr. Pizza has seven years of credited service and Mr. Duloc has ten years of credited service. Assuming that (i) they continue to be employed until age 65, (ii) their annual salaries continue to be at the current levels, (iii) there are annual increases of 5% in the maximum earnings permitted to be taken into account under applicable law in calculating retirement benefits under the Plan, and (iv) they elect the life annuity form of pension, their annual retirement benefits are estimated to be: Mr. Pizza - \$10,256 and Mr. Duloc - \$22,324.

Certain Transactions

See "Compensation Committee Interlocks and Insider Participation" for information concerning transactions involving Nicholas G. Karabots.

AUDITORS

The consolidated financial statements of the Company and its subsidiaries included in the Annual Report to Shareholders for the fiscal year ended April 30, 2003 have been examined by McGladrey & Pullen, LLP, independent public accountants. No representative of McGladrey & Pullen, LLP is expected to attend the Annual Meeting. The Board of Directors and its Audit and Examining Committee have not yet acted with respect to the selection of auditors for fiscal 2004.

On March 7, 2002, the Company notified Arthur Andersen LLP that the Company would change its external auditors to McGladrey & Pullen, LLP for its fiscal year ending April 30, 2002. Arthur Andersen LLP and its predecessor partnership had been the independent auditors for the Company since 1981.

Prior to such notification, the Company did not consult with McGladrey & Pullen, LLP regarding the application of accounting principles to a specific completed or contemplated transaction or any matter that was either the subject of a disagreement or a reportable event. The Company also did not consult with McGladrey & Pullen, LLP regarding the type of audit opinion that might be rendered on the Company's consolidated financial statements.

The reports of Arthur Andersen LLP on the Company's consolidated financial statements for the fiscal years ended April 30, 2001 and 2000 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. In connection with the audits for the fiscal years ended April 30, 2001 and 2000 and the subsequent interim period preceding the Company's notification to Arthur Andersen LLP of its intention to dismiss such firm, there were no disagreements with Arthur Andersen LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to the satisfaction of Arthur Andersen LLP, would have caused such firm to make reference to the subject matter of the disagreement(s) in connection with its report.

The Company's Audit and Examining Committee participated in the decision to change the Company's external auditors and recommended the appointment of McGladrey & Pullen, LLP as the Company's auditors to the Board of Directors which made the appointment.

Audit Fees

The aggregate fees billed by McGladrey & Pullen, LLP for professional services rendered for the audit of the Company's annual financial statements for

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its fiscal year ended April 30, 2003 and for the reviews of the Company's financial statements included in its Quarterly Reports on Form 10-Q for the fiscal year amounted to \$89,000.

Financial Information Systems Design and Implementation Fees

No fees were billed to the Company, nor were services rendered to the Company, by McGladrey & Pullen, LLP for financial information systems design and implementation for the Company's fiscal year ended April 30, 2003.

All Other Fees

The aggregate fees billed by McGladrey & Pullen, LLP for the fiscal year ended April 30, 2003 for all services other than audit services amounted to approximately \$78,650. These fees were principally for tax and tax-related services, consultation in connection with acquisitions and benefit plan audits.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and holders of more than 10% of its Common Stock to file initial reports of ownership and reports of changes of ownership of the Common Stock with the Securities and Exchange Commission and the New York Stock Exchange. The related regulations require copies of the reports to be provided to the Company.

Based upon a review of the copies of the reports received by the Company and certain written representations from the directors and executive officers, the Company believes that for the fiscal year ended April 30, 2003 all required Section 16(a) reports were filed on time except the reports of Messrs. Belson, Cloues, Coombs, Karabots, Russo and Seidman of the September 20, 2002 automatic grants to each of them of an option under the Non-Employee Directors Option Plan to purchase 500 shares of Common Stock. Amended regulations under Section 16(a) which were adopted in late August required those reports to be filed within two business days after the grant date. As a result of erroneous advice from counsel, the reports were not filed until October 10, 2003.

OTHER MATTERS

The Board of Directors knows of no matters which will be presented for consideration at the Annual Meeting other than the matters referred to in this Proxy Statement. Should any other matters properly come before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote such proxy in accordance with their best judgment.

SOLICITATION OF PROXIES

The Company will bear the cost of this solicitation of proxies. In addition to solicitation of proxies by mail, the Company may reimburse brokers and other nominees for the expense of forwarding proxy materials to the beneficial owners of stock held in their names. Directors, officers and employees of the Company may solicit proxies on behalf of the Board of Directors but will not receive any additional compensation therefor.

SHAREHOLDER PROPOSALS

From time to time shareholders present proposals which may be proper subjects for inclusion in the Proxy Statement and for consideration at an annual meeting. Shareholders who intend to present proposals at the 2004 Annual Meeting and who wish to have such proposals included in the Company's Proxy Statement for the 2004 Annual Meeting must be certain that such proposals are received by the Company's Secretary at the Company's executive offices, 641 Lexington

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Avenue, New York, New York 10022, not later than March 31, 2004. Such proposals must meet the requirements set forth in the rules and regulations of the Securities and Exchange Commission in order to be eligible for inclusion in the Proxy Statement. For any proposal that is not submitted for inclusion in next year's Proxy Statement, but is instead sought to be presented directly at the 2004 Annual Meeting, Securities and Exchange Commission rules permit management to vote proxies in its discretion if the Company does not receive notice of the proposal prior to the close of business on June 21, 2004.

By Order of the Board of Directors

Peter M. Pizza, Secretary

Dated: July 29, 2003

Upon the written request of any shareholder of the Company, the Company will provide to such shareholder a copy of the Company's Annual Report on Form 10-K for 2003, including the financial statements and the schedules thereto, filed with the Securities and Exchange Commission. Any request should be directed to Peter M. Pizza, Secretary, AMREP Corporation, 641 Lexington Avenue, New York, New York 10022. There will be no charge for such report unless one or more exhibits thereto are requested, in which case the Company's reasonable expenses of furnishing exhibits may be charged.

PROXY

AMREP CORPORATION

PROXY

SOLICITED BY BOARD OF DIRECTORS FOR
ANNUAL MEETING OF SHAREHOLDERS

Kable Fulfillment Services, Inc.
335 Centennial Parkway, Louisville, Colorado
September 19, 2003, 9:00 AM Local Time

The undersigned hereby appoints Edward B. Cloues II and Peter M. Pizza, and each of them acting alone, with full power of substitution, proxies to vote the Common Stock of the undersigned at the 2003 Annual Meeting of Shareholders of AMREP Corporation, and any adjournment thereof, for the election of directors as set forth in the Proxy Statement of the Board of Directors dated July 29, 2003, and upon all other matters which come before said meeting or any continuation or adjournment thereof.

Receipt of the Notice of Annual Meeting of Shareholders and accompanying Proxy Statement of the Board of Directors is acknowledged.

Unless otherwise specified, this proxy will be voted FOR the election of directors as set forth in the Proxy Statement.

(Continued and to be dated and signed on reverse side.)

PLEASE MARK, DATE SIGN

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AND MAIL YOUR PROXY
PROMPTLY IN THE ENVELOPE
PROVIDED.

| |
Votes MUST be indicated
(x) in Black or Blue ink.

A vote FOR ITEM 1 is recommended by the Board of Directors.

- 1. FOR ELECTION OF TWO (2) DIRECTORS AS DESCRIBED IN THE PROXY STATEMENT OF THE BOARD OF DIRECTORS.

FOR all nominees | | WITHHOLD AUTHORITY to vote | | * Exceptions | |
listed below for all nominees listed below

Nominees: Edward B. Clouse II, James H. Wall

(INSTRUCTION: To withhold authority to vote for any individual nominee, mark the "Exceptions" box and write that nominee's name in the space provided below.)

*Exceptions _____ To change your address, please | |
mark this box.

If stock is held in the name of more than one person, all holders should sign. Sign exactly as name or names appear at left. Persons signing in a fiduciary capacity should include their title as such.

Date	Share owner sign here	Co-Owner sign here
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