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NOBILITY HOMES INC
Form DEF 14A
February 08, 2002

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to 17C.F.R. 240.14a-11(c) or 17C.F.R. 240.14a-12

Nobility Homes, Inc.
(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)(4) 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:
5) Total fee paid:

 Fee paid previously with preliminary materials.

 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date if its filing.

1) Amount Previously Paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

NOBILITY HOMES, INC.

Notice and Proxy Statement

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MARCH 1, 2002

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TO THE HOLDERS OF COMMON STOCK:

PLEASE TAKE NOTICE that the annual meeting of the shareholders of NOBILITY HOMES, INC. will be held on Friday, the 1st day of March, 2002, at 10:00 A.M. local time, at the Ocala Hilton, 3600 S.W. 36th Avenue, Ocala, Florida.

The meeting will be held for the following purposes:

1. To elect a board of five directors.
2. To transact such other business as may properly come before the meeting or any adjournment.

To be sure that your shares will be represented at the meeting, please date, sign and return your proxy, even if you plan to attend in person. A form of proxy and a self-addressed, postage prepaid envelope are enclosed. If you do attend the meeting, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,
Jean Etheredge, Secretary

DATED: February 12, 2002

NOBILITY HOMES, INC.

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MARCH 1, 2002

This proxy material and the enclosed form of proxy are being sent to the shareholders of Nobility Homes, Inc. on or about February 12, 2002, in connection with the solicitation by Nobility's board of directors of proxies to be used at the annual meeting of the shareholders of Nobility. The meeting will be held at the Ocala Hilton, 3600 S.W. 36th Avenue, Ocala, Florida, at 10:00 A.M., local time, on Friday, March 1, 2002.

If the enclosed form of proxy is executed and returned, you may revoke it at any time if it has not yet been exercised, by delivering a later dated proxy or written notice of revocation to the Secretary of the meeting or by attending the annual meeting and electing to vote in person. The shares represented by the proxy will be voted unless the proxy is received in such form as to render it not votable. The proxy is in ballot form so that you may specifically grant or withhold authority to vote for the election of each director. Unless you direct otherwise, the shares represented by the proxy will be voted "for" the election of each director nominated by the board of directors. Directors will be elected by a plurality of the votes cast by shares entitled to vote at the meeting.

Shareholders of record at the close of business on February 6, 2002, will be entitled to vote. Each share of common stock is entitled to one vote on any matter to come before the meeting. As of February 6, 2002, Nobility had 4,125,113 shares of common stock outstanding and entitled to vote.

The complete mailing address of Nobility's principal office is P.O. Box 1659, Ocala, Florida 34478.

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PRINCIPAL HOLDERS OF COMPANY'S COMMON SHARES

The following table sets forth, as of January 31, 2002, information as to the \$.10 par value common stock of Nobility owned beneficially, directly or indirectly, (1) by each person who is known by Nobility to own beneficially more than five percent (5%) of Nobility's outstanding voting securities, (2) by each director, (3) by each executive officer named in the summary compensation table set forth elsewhere herein and (4) by all directors and executive officers as a group:

Name and Address of Beneficial Owner(1) -----	Number of Common Shares Beneficially Owned(2) -----	Percent -----
Terry E. Trexler(3) 3741 S.W. 7th Street Ocala, Florida 34474	2,182,575 (1) (4)	5
Thomas W. Trexler(5) 3741 S.W. 7th Street Ocala, Florida 34474	473,301 (1) (6)	1
Richard C. Barberie(5) 15300 SE 140 Avenue Road Weirsdale, Florida 32195	825	
Robert P. Holliday (5) 931 NW 37th Avenue Ocala, Florida 34475	4,935	
Robert P. Saltsman (5) 222 South Pennsylvania Avenue, Suite 200 Winter Park, Florida 32789	2,537	
Directors and Executive Officers (8 persons)	2,711,498 (4) (6) (7)	6

*Less than 1%

- (1) Information contained in this table is based upon information furnished by the beneficial owners.
- (2) Unless otherwise noted, all shares are owned directly with sole voting and dispositive power.
- (3) Mr. Terry Trexler is President and Chairman of the Board of Nobility. Additional information is contained under "Nomination and Election of Directors".

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- (4) Excludes 42,111 common shares held in trust for the benefit of one of Terry E. Trexler's children over which Mr. Trexler disclaims beneficial ownership. Includes 2,040 shares held in trust for the benefit of Mr. Trexler's grandchild.

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- (5) Mr. Thomas Trexler is Executive Vice President and a director of Nobility. Messrs. Barberie, Holliday and Saltsman are directors of Nobility. Additional information is contained under "Nomination and Election of Directors".
- (6) Includes 165,000 shares subject to presently exercisable options.
- (7) Includes 3,465 shares subject to presently exercisable options held by executive officers. Excludes 1,485 shares subject to options held by executive officers which are not presently exercisable.

NOMINATION AND ELECTION OF DIRECTORS

At the meeting, a board of five directors will be elected to serve for one year and until the election and qualification of their successors. Your proxy will be voted, unless you withhold authority to do so, for the election as directors of the persons named below who have been nominated by Nobility's current board of directors.

The bylaws of Nobility provide that Nobility's board shall be made up of no fewer than one nor more than ten directors. The current board of directors has determined that five directors are appropriate for the present time. Proxies cannot be voted for more than five nominees.

Each nominee has consented to being named as such in this proxy statement, and is at present available for election. Each nominee presently is a member of the board, having been elected as such at the last annual meeting of the shareholders.

If any nominee should become unavailable, the persons voting the accompanying proxy may, in their discretion, vote for a substitute. Additional information concerning the nominees, based on data furnished by them, is set forth below. Terry E. Trexler is the father of Thomas W. Trexler.

The board of directors of Nobility recommends a vote "for" the election of each of the following nominees. Proxies solicited by the board of directors will be so voted unless shareholders specify in their proxies a contrary choice.

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Name (Age)	Principal Occupation or Employment; Certain Other Directors
Terry E. Trexler (62)	Chairman of the Board and President of Nobility for more than five years. Trexler is also President of TLT, Inc.
Thomas W. Trexler (38)	Executive Vice President and Chief Financial Officer of Nobility since 1994; President of Prestige Home Centers, Inc. since June 1995; Director of Prestige since 1993 and Vice President from 1991 to June 1995; President of Financial, Inc. since August 1992; Vice President of TLT, Inc. since 1992
Richard C. Barberie (63)	Vice President of Purchasing of Nobility from December 1994 until his resignation in June 1995; Executive Vice President of Nobility for more than five years until December 1994
Robert P. Holliday (63)	President of Chariot Eagle, Inc. (which is engaged in the manufactured business) since 1984 and President of Chariot Eagle-West, Inc. since 1984
Robert P. Saltsman (49)	Attorney and CPA in private practice since 1983; prior to 1983 Mr. Saltsman was employed as a CPA by Arthur Andersen & Co. in Orlando, Florida

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Securities Exchange Act, a Form 4 reporting the acquisition or disposition of Company securities by an officer, director or 10% shareholder must be filed with the Securities and Exchange Commission no later than the 10th day after the end of the month in which the transaction occurred unless certain exceptions apply. Transactions not reported on Form 4 must be reported on Form 5 within 45 days after the end of Nobility's fiscal year. Based on information provided by Nobility's directors and executive officers, during the fiscal year ended November 3, 2001, all required reports were filed when due.

BOARD OF DIRECTORS AND COMMITTEES

During the fiscal year ended November 3, 2001, the board of directors of Nobility held four regular meetings. All directors of Nobility attended at least 75% of the meetings of the board of directors and committees of the board on which they served. During the year ended November 3, 2001, directors who were not employees of Nobility were paid quarterly fees of \$1,250. For the year ending November 2, 2002, non-employee directors will receive quarterly fees of \$1,500.

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Nobility presently has two standing committees of its board of directors, an audit committee and a salary review committee. Nobility has no standing nominating committee of the board.

Audit Committee. During fiscal 2001, Nobility's audit committee was comprised of Messrs. Robert Saltsman, Robert Holliday and Richard Barberie. In June 2000 the board of directors adopted a formal charter for the audit committee which established the scope of the committee's responsibilities and how it is to carry out those responsibilities. The audit committee charter

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charges the committee with overseeing management's conduct of Nobility's financial reporting process, including (1) the integrity of the financial statements of Nobility, (2) the compliance by Nobility with legal and regulatory requirements, and (3) the independence and performance of Nobility's internal and external auditors. The audit committee met once during fiscal 2001.

Salary Review Committee. The salary review committee is presently comprised of Messrs. Terry Trexler, Tom Trexler, Robert Holliday and Robert Saltsman. The salary review committee meets each quarter and recommends to the board of directors the salaries and bonuses, if any, to be paid to the officers of Nobility. The salary review committee met four times during fiscal year 2001.

EXECUTIVE COMPENSATION

The following table summarizes the compensation paid or accrued by Nobility for services rendered during the years indicated by Nobility's Chief Executive Officer and its Executive Vice President, the only other executive officer who had total salary and bonus exceeding \$100,000 during the fiscal year ended November 3, 2001. Nobility did not grant any restricted stock awards or stock appreciation rights or make any long-term incentive plan payouts to any executive officers during the years indicated.

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SUMMARY COMPENSATION TABLE

Name & Principal Position -----	Year Ended -----	Annual Compensation		Long Term Compensation Awards Securities Underlying Options/SAR's -----
		Salary -----	Bonus -----	
Terry E. Trexler	11/03/01	\$ 93,500	\$ 95,000	----
President and	11/04/00	\$ 93,500	\$ 40,000	----
Chairman of the Board	11/06/99	\$ 93,500	0	----
Thomas W. Trexler	11/03/01	\$ 72,150	\$ 100,000	----
Executive Vice	11/04/00	\$ 72,150	\$ 74,467	----
President	11/06/99	\$ 72,150	\$ 130,000	----

(1) All other compensation represents the following insurance premiums paid or accrued by Nobility on two life insurance policies and total annual premiums paid or accrued under of two split dollar life insurance policies on the life of Mr. Terry E. Trexler:

Year Ended	Life Insurance Policies	Split Dollar Policies
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11/3/01	\$27,786	\$ 0
11/4/00	\$17,100	\$ 19,975
11/6/99	\$17,100	\$ 19,975

The proceeds of the two policies will be paid to Mr. Trexler's designated beneficiaries in the event of his death, but in the case of the two split dollar policies, all premiums previously paid by Nobility will be repaid to Nobility out of the policy proceeds, and the remainder of the proceeds will be paid to Mr. Trexler's designated beneficiaries. Beginning in fiscal 2001, the annual premiums for the two split dollar policies were paid from dividends generated by those policies.

- (2) Represents the total annual premiums paid or accrued by Nobility on a split dollar life insurance policy on the life of Mr. Thomas W. Trexler. In the event of Mr. Trexler's death, the premiums paid by Nobility will be repaid to Nobility out of the policy proceeds, and the remainder of the proceeds will be paid to Mr. Trexler's designated beneficiaries.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Nobility's salary review committee (the "salary review committee") consists of Messrs. Terry Trexler, Thomas Trexler, Robert Holliday and Robert Saltsman. Nobility's executive

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compensation policy seeks to fairly compensate executives for their performance and contributions to Nobility and to provide incentives that will attract and retain key employees. Compensation of executive officers for fiscal 2001 performance generally consisted of a base salary and profit bonuses tied to the performance of Nobility.

Base salaries and profit bonuses historically have been reviewed and adjusted from time to time based primarily on a non-quantitative assessment of factors such as an individual's performance, contributions, changes in job responsibilities and Nobility's performance and economic conditions. The salary review committee reviewed and approved the base salary and the profit bonuses provided to executive officers in fiscal 2001. In doing so the salary review committee considered (i) Nobility's financial results for fiscal 2000 and the continued improvement in the financial condition of Nobility and (ii) certain non-quantitative factors, with emphasis on the qualitative performance of Nobility's executives. It is an objective of the salary review committee to maintain base salaries that are reflective of the individual executive's experience and responsibilities level, and that are competitive with the salary levels of executives at other companies engaged in the same or similar line of business with revenues in a range comparable to those of Nobility.

The base salary of the Chairman, President and Chief Executive Officer has remained unchanged at his request. His bonuses are tied directly to the net profit before income taxes of the overall Company and are approved on a quarterly basis by the salary review committee. It is the committee's belief that the CEO is undercompensated compared to the compensation paid to chief executive officers by other companies in the industry of similar size and performance. However, it is the CEO's desire to maintain his compensation in its present range, with a major incentive for his performance taking the form of increases in the value of his substantial stock ownership in Nobility.

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Section 162(m) of the Internal Revenue Code, enacted in 1993, precludes a public corporation from deducting compensation of more than \$1 million each for its chief executive officer or for any of its four other highest paid officers. Certain performance-based compensation is exempt from this limitation. Because non-exempt options and other forms of compensation to Nobility's officers are not expected to be anywhere near \$1 million, the salary review committee does not presently have a policy regarding whether it would authorize compensation that would not be deductible for Nobility for federal income tax purposes by reason of Section 162(m).

Terry Trexler
Thomas Trexler
Robert Holliday
Robert Saltsman

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The compensation committee consists of Messrs. Terry Trexler, Thomas Trexler, Holliday and Saltsman. Mr. Terry Trexler is Nobility's President and Chairman of the Board. Mr. Thomas Trexler is Executive Vice President and a director.

Nobility is the owner and beneficiary of three life insurance policies on the life of Terry E. Trexler, having an aggregate death benefit of approximately \$2 million. In September 2001 Nobility entered into an agreement with Mr. Trexler, who presently owns 2,182,575 shares of Nobility's common stock, providing that, upon his death, the proceeds of these life insurance policies will be used to purchase shares of Company common stock from his estate. The number of shares to be purchased will be determined by dividing the amount of the insurance proceeds by the average closing price of Nobility's common stock for the five days prior to Mr. Trexler's death.

Terry E. Trexler owns 100% of the stock of TLT, Inc. which develops, owns and manages manufactured home communities in Florida that cater to the retirement market. Management of Nobility anticipates that TLT and related manufactured homes communities will continue to purchase homes from Nobility during fiscal 2002 and beyond until TLT's manufactured home communities are built out.

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SHAREHOLDER RETURN PERFORMANCE

The following graph compares Nobility's cumulative total shareholder return on its common stock from November 2, 1996, to November 3, 2001, with the cumulative total return of a peer issuer group selected by Nobility and the Nasdaq Market Index.

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COMPARISON OF CUMULATIVE TOTAL RETURN
OF COMPANY, INDUSTRY INDEX AND BROAD MARKET

	1997	1998	1999	2000	2001
Nobility Homes, Inc.	83.90	152.47	62.90	68.49	9
Company Selected					
Peer Issuers(1)	103.75	97.37	62.53	49.57	6
Nasdaq Market Index	131.06	148.19	244.59	287.67	14

(1) Nobility has selected the following peer issuer group for comparison purposes:

Cavalier Homes, Inc.	Oakwood Homes Corp.
Champion Enterprises, Inc.	Palm Harbor Homes, Inc.
Clayton Homes, Inc.	Skyline Corp.
Fleetwood Enterprises	Southern Energy Homes
Liberty Homes, Inc. CL A	Kit Manufacturing Co.

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AUDIT COMMITTEE REPORT

The purpose of the audit committee is to assist the board of directors in its oversight of management's conduct of Nobility's financial reporting process. During the fiscal year ended November 3, 2001 the audit committee was comprised of Messrs. Robert Saltsman, Robert Holliday and Richard Barberie, each of whom is "independent" under Nasdaq rules. For the fiscal year ended November 3, 2001 the audit committee:

- * Reviewed and discussed Nobility's fiscal 2001 financial statements with management and representatives of PricewaterhouseCoopers LLP, Nobility's independent public accountants;
- * Discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Statement on Auditing Standards No. 61;
- * Received the written disclosures and the letter from PricewaterhouseCoopers LLP required by Independence Standards Board Standard No. 1, and discussed with PricewaterhouseCoopers LLP its independence; and
- * Based on the foregoing review, discussions and disclosures,

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recommended to the board of directors that Nobility's audited financial statements for the fiscal year ended November 3, 2001 be included in Nobility's annual report on Form 10-K for the fiscal year.

Robert Saltsman, Chairman
Robert Holliday
Richard Barberie

CERTAIN TRANSACTIONS

For information concerning transactions between Nobility and directors, officers or entities in which they have an interest, see "Salary Review Committee Interlocks and Insider Participation."

INDEPENDENT PUBLIC ACCOUNTANTS

Management of Nobility has interviewed five auditing firms but has not made a decision to recommend to the audit committee that a firm other than PricewaterhouseCoopers LLP be selected as auditors for the fiscal year ending November 2, 2002.

Nobility engaged the firm of PricewaterhouseCoopers LLP, independent certified public accountants, as auditors to examine the books and accounts of Nobility for the fiscal year ended November 3, 2001. PricewaterhouseCoopers LLP has served as Nobility's auditor since October 1993. A representative of PricewaterhouseCoopers LLP is expected to be

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present at the annual meeting with an opportunity to make statements if he so desires and to respond to appropriate questions by shareholders.

The following table provides information relating to the fees billed to Nobility by PricewaterhouseCoopers LLP for the year ended November 3, 2001:

Audit Fees ¹	\$ 69,000
Financial Information Systems Design and Implementation Fees	\$ 0
All Other Fees ²	\$ 12,500

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- 1 Audit fees include all fees and out-of-pocket expenses for services in connection with the annual audits and review of quarterly financial statements for Nobility.
 - 2 Represents fees for preparation and filing of state and federal tax returns. The audit committee discussed these services with PricewaterhouseCoopers LLP and determined that their provision would not impair PricewaterhouseCoopers LLP's independence.

SHAREHOLDER PROPOSALS

Any shareholder desiring to present a proposal to be included in Nobility's proxy statement for the next annual meeting of the shareholders scheduled to be held at the end of February 2003, should submit a written copy of such proposal to the principal offices of Nobility no later than October 15,

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2002. Notice to Nobility of a shareholder proposal submitted otherwise than pursuant to Rule 14a-8 will be considered untimely if received by Nobility after December 29, 2002, and the persons named in proxies solicited by Nobility's Board for its annual meeting of shareholders to be held in 2003 may exercise discretionary voting power with respect to any such proposal as to which Nobility does not receive timely notice. Proposals should be submitted by certified mail, return receipt requested.

ANNUAL REPORT

A copy of Nobility's annual report for the fiscal year ended November 3, 2001, accompanies this proxy statement. Any shareholder who would like an additional copy of the annual report may obtain one by writing the Treasurer of Nobility at Post Office Box 1659, Ocala, Florida 34478.

OTHER MATTERS

Management does not know of any other matters to come before the meeting. However, if any other matters properly come before the meeting, it is the intention of the persons designated as proxies to vote in accordance with their best judgment on such matters.

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EXPENSES OF SOLICITATION

The cost of soliciting proxies will be borne by Nobility. Nobility does not expect to pay any compensation for the solicitation of proxies but may reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their expenses of sending proxy material to principals and obtaining their proxies.

Please specify your choices, date, sign and return the enclosed proxy in the enclosed envelope, postage for which has been provided. Prompt response is helpful. Your cooperation will be appreciated.

Date: February 12, 2002

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|X| PLEASE MARK VOTES AS IN THIS EXAMPLE

REVOCABLE PROXY NOBILITY HOMES, INC.

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR ANNUAL MEETING OF SHAREHOLDERS MARCH 1, 2002 Proposal 1. Elec Dire the

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The undersigned, having received the Notice of Annual Meeting of Shareholders and Proxy Statement appoints Terry E. Trexler and Jean Etheredge, and each or either of them, as proxies, with full power of substitution and resubstitution, to represent the undersigned and to vote all shares of common stock of Nobility Homes, Inc., which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Company to be held on March 1, 2002 and at any and all adjournments thereof, in the manner specified.

Terry E. Trexler
Holliday, Rob
Trexler

INSTRUCTION: To w
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THIS PROXY WIL
DIRECTION IS INDI
OF THE DIRECTORS.

Should any oth
shareholders aris
authorized to vot
best judgment in
Board of Director
is to be presente
than the matters

Please be sure to sign and date
This Proxy in the box below.

Date _____

Please sign ex
owners should eac
executor, adminis
give full title a

Shareholder sign above

Co-holder (if any) sign above

Detach above card, sign, date and mail in postage paid envelope provided.
NOBILITY HOMES, INC.

PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY
