

WORLD ACCEPTANCE CORP
Form DEF 14A
June 30, 2008

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)**

Filed by the Registrant

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 §240.14a-12

WORLD ACCEPTANCE 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)(4) and 0-11.

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

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

June 30, 2008

To the Shareholders of
World Acceptance Corporation:

In connection with the Annual Meeting of Shareholders of your Company to be held on August 6, 2008, we enclose a Notice of the Meeting, this Proxy Statement containing information about the matters to be considered at the Meeting, and a form of proxy relating to those matters.

In addition, we enclose our 2008 Annual Report, which provides information relating to the Company's activities and operating performance during the most recent fiscal year.

You are cordially invited to attend the Annual Meeting of Shareholders. We would appreciate your signing and returning the form of proxy so that your shares can be voted in the event that you are unable to attend the Meeting. A postage-paid return envelope for that purpose is provided for your convenience. Your proxy will, of course, be returned to you if you are present at the Meeting and elect to vote in person. It may also be revoked in the manner set forth in the Proxy Statement. We look forward to seeing you at the Annual Meeting.

Sincerely yours,

A.A. McLean
*Chairman of the Board and
Chief Executive Officer*

WORLD ACCEPTANCE CORPORATION
108 Frederick Street
Greenville, South Carolina 29607

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Our Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of World Acceptance Corporation will be held at the Company's main office at 108 Frederick Street, Greenville, South Carolina, on Wednesday, August 6, 2008, at 11:00 a.m., local time, for the following purposes:

1. To elect seven (7) directors to hold office until the next annual meeting of shareholders or until their successors have been duly elected and qualified; and
2. To consider and act upon a proposal to approve the 2008 Stock Option Plan authorizing the grant of stock purchase options and restricted stock awards for a maximum of 1,000,000 shares of Common Stock of the Company in the aggregate; and
3. To consider and act upon a proposal to ratify the action of the Audit Committee in selecting KPMG LLP as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending March 31, 2009; and
4. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on June 27, 2008 as the record date for determination of shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment or adjournments thereof.

The Board of Directors of the Company would appreciate your signing and returning the accompanying form of proxy promptly so that, if you are unable to attend, your shares can nevertheless be voted at the Annual Meeting.

A.A. McLean
Chairman of the Board and
Chief Executive Officer

June 30, 2008

IMPORTANT NOTICE
Please Sign and Mail Your Proxy Promptly

WORLD ACCEPTANCE CORPORATION
108 Frederick Street
Greenville, South Carolina 29607

PROXY STATEMENT

The following statement, first mailed on or about June 30, 2008, is furnished in connection with the solicitation by the Board of Directors (the "Board") of World Acceptance Corporation (the "Company") of proxies to be used at the Annual Meeting of Shareholders of the Company (the "Meeting") to be held on August 6, 2008, at 11:00 a.m., local time, at the Company's main office at 108 Frederick Street, Greenville, South Carolina, and at any adjournment or adjournments thereof.

The accompanying form of proxy is for use at the Meeting if a shareholder is unable to attend in person or plans to attend but prefers to vote by proxy. The proxy may be revoked by the shareholder at any time before it is exercised by submitting to the Secretary of the Company written notice of revocation, or a properly executed proxy of a later date, or by attending the Meeting and electing to vote in person. All shares represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified therein. If no specification is made, the proxies will be voted in **favor** of:

1. The election to the Board of the seven (7) nominees named in this Proxy Statement; and
2. The approval of the 2008 Stock Option Plan; and
3. The ratification of the Audit Committee's selection of KPMG LLP as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending March 31, 2009.

The entire cost of soliciting these proxies will be borne by the Company. In addition to the solicitation of the proxies by mail, the Company will request banks, brokers, and other record holders to send proxies and proxy materials to the beneficial owners of the Company's common stock, no par value (the "Common Stock"), and secure the beneficial owners' voting instructions, if necessary. The Company will reimburse them for their reasonable expenses in so doing. If necessary, the Company may use several of its regular employees, who will not be specially compensated, to solicit proxies from shareholders, either personally or by other forms of communication.

Pursuant to the provisions of the South Carolina Business Corporation Act, the Board of Directors has fixed June 27, 2008 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and, accordingly, only holders of record of outstanding shares (the "Shares") of the Common Stock at the close of business on that date will be entitled to notice of and to vote at the Meeting.

The number of outstanding Shares entitled to vote as of the record date was 16,360,543. Each Share is entitled to one vote. In accordance with South Carolina law and the Company's bylaws, a majority of the outstanding Shares entitled to vote, represented in person or by proxy, will constitute a quorum for the election of directors, the approval of the 2008 Stock Option Plan and the ratification of the selection of auditors. Abstentions and broker non-votes (if any) will be counted for purposes of determining the presence or absence of a quorum.

With regard to the election of directors, votes may either be cast in favor of or withheld, and directors will be elected by a plurality of the votes cast. Votes that are withheld will be excluded entirely from the vote and will have no effect on the outcome of the election of directors. Approval of the 2008 Stock Option Plan and the selection of the independent registered public accounting firm will be ratified if more votes are cast in favor of such proposal than are cast against it. Accordingly, abstentions will have no effect on the outcome of the vote on these proposals. Broker non-votes (if any), will not be counted as votes cast and will have no effect on the outcome of the vote on any proposals. Cumulative voting is not permitted under the Company's articles of incorporation.

On June 27, 2008, the only class of voting securities the Company had issued and outstanding was its Common Stock. The following table sets forth the names and addresses of, and the numbers and percentages of Shares beneficially owned by, persons known to the Company to beneficially own five percent or more of the outstanding Shares. Except as noted otherwise, each shareholder listed below possesses sole voting and investment power with respect to the Shares listed opposite the shareholder's name.

Ownership of Shares by Certain Beneficial Owners as of June 27, 2008

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Columbia Wanger Asset Management L.P. (1) Columbia Acorn Trust 227 West Monroe Street, Suite 3000 Chicago, Illinois 60606	2,593,900	15.39%
Thomas W. Smith (2) Scott J. Vassalluzzo Idoya Partners 323 Railroad Avenue Greenwich, Connecticut 06830	2,564,641	15.10%
Wellington Management Company, LLP (3) 75 State Street Boston, MA 02109	1,179,400	7.00%
NorthPointe Capital, LLC (4) 101 W. Big Beaver, Suite 745 Troy, MI 48084	947,308	5.62%
Barclays Global Investors, N.A. (5) Barclays Global Fund Advisors <i>et al.</i> 45 Fremont Street San Francisco, California 94105	919,042	5.45%

(1)Based on an Amended Schedule 13G filed January 29, 2008. Columbia Wanger Asset Management, L.P. reported sole voting power over 2,337,700 Shares listed and shared voting power over 256,200 Shares listed.

(2)Based on an amended Schedule 13G filed February 14, 2008. Mr. Thomas W. Smith has the sole power to vote or to direct the vote of 413,490 Shares and the sole power to dispose or to direct the disposition of 597,900 Shares. Mr. Scott J. Vassalluzzo has the sole power and direct the vote of 11,700 Shares and the sole power to dispose or to direct the disposition of 47,700 Shares. Messrs. Smith and Vassalluzzo have the shared power to vote or dispose or to direct the vote or the disposal of 1,966,741 Shares. Idoya Partners has the sole power to vote or direct the vote

and dispose or to direct the disposition of 976,917 Shares.

- (3) Based on a Schedule 13G filed February 14, 2008, Wellington Management Company, LLP reported shared power to vote over 644,600 Shares listed and shared voting power to dispose over 1,179,400 Shares listed.
- (4) Based on a Schedule 13G filed January 14, 2008 NorthPointe Capital, LLC reported sole power over 880,783 Shares listed and sole dispositive power over 947,308 Shares listed.
- (5) Based on a Schedule 13G filed February 5, 2008 Barclays Global Investors, N.A. reported sole voting power over 336,729 Shares listed and sole dispositive power over 403,855 Shares listed. Barclays Global Fund Advisors reported sole voting power over 357,135 and dispositive power over 497,899 Shares listed. Barclays Global Investors, LTD reported sole dispositive power over 17,288 Shares listed. Barclays Global Investors Japan Trust and Banking Company Limited, Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited, and Barclays Global Investors (Deutschland) AG reported no sole or dispositive power over listed Shares.

ELECTION OF DIRECTORS

The Company's bylaws provide for seven directors. The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the director candidates described below. It is intended that the persons named in the accompanying proxy will vote only for the seven nominees for director named on the following pages, except to the extent authority to so vote is withheld with respect to one or more nominees. Each director will be elected to serve until the next annual meeting of shareholders or until a successor is elected and qualified. Directors will be elected by a plurality of the votes cast.

Although the Board does not expect that any of the nominees named will be unavailable for election, in the event of a vacancy in the slate of nominees occasioned by death or any other unexpected occurrence, it is intended that Shares represented by proxies in the accompanying form will be voted for the election of a substitute nominee selected by the Nominating and Corporate Governance Committee.

During the most recent fiscal year, the Board of Directors held four regularly scheduled meetings and took a number of actions by written consent. Each director attended all meetings of the Board of Directors and all meetings of each committee on which he served, except Mr. Hummers who did not attend one audit committee meeting and Mr. Whitaker, who was appointed to the Board of Directors to fill a vacancy on May 19, 2008. The Board typically schedules a meeting in conjunction with the Company's annual meeting of shareholders and expects that all directors will attend the annual meeting absent a schedule conflict or other valid reason. All of our directors attended the Company's 2007 Annual Meeting, except Mr. Whitaker, who was not appointed to the Board of Directors until May 19, 2008.

The Board of Directors maintains an Audit Committee on which Messrs. Way (Chairman), Bramlett, and Mr. Whitaker serve effective May 19, 2008. Prior to May 19, 2008, when the Board made committee reassignments, Messrs. Way (Chairman), Bramlett and Hummers served on this committee. The Audit Committee reviews the results and scope of each audit, the service provided by the Company's independent registered public accounting firm and all related-party transactions. The Board has determined, in accordance with NASDAQ independence requirements, that each member of the Audit Committee is an independent director. In addition, the Board has determined that each member of the Audit Committee meets the heightened standards of independence for audit committee members under the Securities Exchange Act of 1934. The Audit Committee met four times during fiscal 2008 and once in fiscal 2009 prior to the filing of this Proxy. This included quarterly conference call meetings with management and the Company's independent auditors to review interim financial information prior to its public release. Additional information regarding the Audit Committee is set forth below under "Appointment of Independent Registered Public Accountants."

The Company's Audit Committee, consistent with its established practice, reviews and considers any "related person" transactions, within the meaning of Item 404(a) of Regulation S-K under the Securities Act of 1933, as well as any matters regarding the Company's outside directors, that the Committee believes may present a conflict of interest or potentially impair the independence of one of the Company's outside directors. The Committee typically conducts this review in conjunction with the preparation of materials for the Company's annual meeting of shareholders, or on any such other occasion when such transactions are brought to the attention of the Committee, and applies its own judgment, in conjunction with SEC disclosure and NASDAQ independence rules, in assessing such transactions and determining the impact of such transactions on the independence of an outside director.

The Board also maintains a Compensation and Stock Option Committee on which Messrs. Bramlett (Chairman), Hummers and Way serve effective May 19, 2008. Prior to May 19, 2008, Messrs. Gilreath (Chairman), Bramlett, Hummers and Way served on this committee. This Committee establishes and reviews the compensation criteria and policies of the Company, reviews the performance of selected officers of the Company and recommends appropriate compensation levels to the Board of Directors. Additionally, this Committee administers the Company's 1992, 1994, 2002 and 2005 Stock Option Plans. The Board has determined, in accordance with NASDAQ independence requirements, that each member of the Compensation and Stock Option Committee is an independent director. The Compensation and Stock Option Committee met twice during the most recent fiscal year and twice in fiscal 2009 prior to the filing of this proxy. Additional information regarding the Compensation and Stock Option Committee is set forth below under "Executive Compensation - Compensation Discussion and Analysis."

The Board also maintains a Nominating and Corporate Governance Committee on which Messrs. Gilreath (Chairman), Hummers and Whitaker serve effective May 19, 2008. Prior to May 19, 2008, Messrs. Bramlett (Chairman), Gilreath, Hummers and Way served. This committee makes recommendations to the Board regarding nominations for director and senior executive candidates, makes recommendations regarding membership of Board Committees and reviews issues with respect to the structure of Board meetings. This Committee meets at the discretion of the Board or at the call of any two directors. The Board has determined, in accordance with NASDAQ independence requirements, that each member of the Nominating and Corporate Governance Committee is an independent director. This Committee met twice in fiscal 2008. Additional information regarding the Nominating and Corporate Governance Committee is set forth below under "Corporate Governance Matters - Director Nominations."

Below is a list of nominees for election to the Board of Directors. Each nominee's name, age, current principal occupation (which has continued for at least five years unless otherwise indicated) and the name and principal business of the organization in which that occupation is carried on, the year each incumbent was first elected to the Board, all positions and offices presently held with the Company, and directorships in other public companies are set forth below. Except for Mr. Whitaker, each of the nominees served on the Board of Directors during the Company's last fiscal year. None of the following nominees or current directors is related (as first cousin or closer) by blood, marriage, or adoption to any other nominee, director, or person who may be deemed to be an executive officer of the Company.

The Board unanimously recommends a vote FOR the election of these nominees for Director.

A. ALEXANDER McLEAN, III (57), Chairman of the Board of Directors and Chief Executive Officer, World Acceptance Corporation. Mr. McLean has served as Chairman of the Board since August 2007 and as chief executive officer since March 2006, as executive vice president from August 1996 to March 2006, as senior vice president from 1992 to August 1996, as vice president from 1989 to 1992, and as chief financial officer from June 1989 until March 2006. Mr. McLean has served as a director of the Company since June 1989.

JAMES R. GILREATH (66), Attorney, The Gilreath Law Firm, P. A., Greenville, South Carolina, a law firm. Mr. Gilreath has practiced law in Greenville, South Carolina since 1968 and in addition to his law degree also has a LLM in taxation. Mr. Gilreath has served as a director of the Company since April 1989.

WILLIAM S. HUMMERS, III (62), Retired. Mr. Hummers served as Vice Chairman and Executive Vice President of The South Financial Group, Inc., formerly Carolina First Corporation, from 1988 until December 2006. Mr. Hummers currently serves as a director of The South Financial Group, Inc. Mr. Hummers has served as a director of the Company since April 1989.

CHARLES D. WAY (55), Retired. From 1989 until 2006, Mr. Way served as chief executive officer of Ryan's Restaurant Group, Inc., and as its chairman from 1992 until 2006. From 1988 to 2004, Mr. Way served as President of Ryan's Family Steak House, Inc. From 1986 until 1988, Mr. Way served as executive vice president, treasurer and secretary of Ryan's Family Steak House, Inc. Mr. Way has served as a director of the Company since September 1991.

KEN R. BRAMLETT, JR. (48), Senior Vice President and General Counsel, COMSYS IT Partners, Inc. a public IT Services Company (NASDAQ: CITP) from January 1, 2006 to present. From 2005 to 2006, Mr. Bramlett was a partner of Kennedy Covington Lobdell & Hickman, LLP, a Charlotte, North Carolina law firm. From 1996 to 2004, Mr. Bramlett served as Senior Vice President and General Counsel of Venturi Partners, Inc., (formerly known as Personnel Group of America, Inc.), Charlotte, North Carolina, an information technology and personnel staffing services company. Mr. Bramlett also served as chief financial officer of Venturi from October 1999 to January 2001, and as a director of that company from August 1997 to January 2001. Prior to October 1996, Mr. Bramlett was an attorney with Robinson, Bradshaw & Hinson, P.A., a Charlotte, North Carolina, law firm, for 12 years. Mr. Bramlett also serves as a director of Raptor Networks Technology, Inc. Mr. Bramlett has served as a director of the Company since October 1993.

MARK C. ROLAND (51), President and Chief Operating Officer, World Acceptance Corporation. Mr. Roland has served as president since March 2006 and chief operating officer since April 2005. Mr. Roland served as executive vice president from April 2002 to March 2006, and senior vice president from January 1996 to April 2002. Mr. Roland served as senior vice president - operations support of Fleet Finance in Atlanta, Georgia from January 1993 to January 1996. Mr. Roland has served as a director of the Company since August 2007.

DARRELL E. WHITAKER (50), President and Chief Operating Officer of IMI Resort Holdings, Inc. a sales and marketing company of luxury real estate. Before joining IMI in January of 2004, Mr. Whitaker served as the Chief Operating Officer and VP of Finance and Corporate Secretary of The Cliffs Communities, Inc., a developer of high end resort communities. He joined the Cliffs Communities, Inc. in July 1998 as Chief Financial Officer, a position he held until becoming COO in August 2001. In addition, he has held executive management positions with leading corporations such as Ryan's Family Steak House, Inc. from the hospitality industry, Baby Superstores, Inc. from the retail industry and Food Lion, Inc. from the supermarket industry. Mr. Whitaker has served as a director of the Company since May 2008.

The following table sets forth the sole (unless otherwise indicated) beneficial ownership, as defined by Rule 13d-3 promulgated under the Securities Exchange Act of 1934, of Shares as of June 27, 2008, for each director, nominee, or executive officer identified in the Summary Compensation Table and all directors and executive officers as a group.

OWNERSHIP OF COMMON STOCK OF MANAGEMENT AS OF JUNE 27, 2008

Name of Individual or Number in Group	Shares Beneficially Owned	
	Amount ⁽¹⁾	Percent of Class
A. Alexander McLean, III		