

SIMMONS FIRST NATIONAL CORP
Form DEF 14A
March 11, 2005

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

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Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
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- o Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

SIMMONS FIRST NATIONAL CORPORATION
(Name of Registrant as Specified in Its Charter)

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

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

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1) Amount previously paid:

2) Form, Schedule or Registration No.:

3) Filing Party:

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SIMMONS FIRST NATIONAL CORPORATION

March 11, 2005

Dear Shareholder:

It is our pleasure to enclose the 2004 annual report, which profiles the growth and earnings performance of your company.

Our annual shareholders meeting will be held on the evening of Tuesday, April 12, 2005 at the Pine Bluff Convention Center. As is our custom, you and your spouse, or guest, are cordially invited to join us for dinner, which will be served at 6:30 p.m. The business meeting will follow at approximately 7:30 p.m.

This year, you will find your dinner reservation card located inside the annual report. Please fill this out and return at your earliest convenience.

We thank you again for your support, and we look forward to seeing you April 12.

Sincerely,

/s/ J. Thomas May

J. Thomas May
Chairman, President and Chief Executive Officer

JTM/sm

**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS OF SIMMONS FIRST NATIONAL CORPORATION:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of Simmons First National Corporation will be held at the Banquet Hall of the Pine Bluff Convention Center, Pine Bluff, Arkansas, at 7:15 P.M., on Tuesday, April 12, 2005 for the following purposes:

1. To fix at 7 the number of directors to be elected at the meeting;
2. To elect 7 persons as directors to serve until the next annual shareholders meeting and until their successors have been duly elected and qualified; and
3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on February 4, 2005, will be entitled to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS:

/s/ John L. Rush

John L. Rush, Secretary
Pine Bluff, Arkansas
March 11, 2005

ANNUAL MEETING OF SHAREHOLDERS

SIMMONS FIRST NATIONAL CORPORATION

P. O. Box 7009

Pine Bluff, Arkansas 71611

PROXY STATEMENT

Meeting to be held on April 12, 2005

Proxy and Proxy Statement furnished on or about March 11, 2005

The enclosed proxy is solicited on behalf of the Board of Directors of Simmons First National Corporation (the Company) for use at the annual meeting of the shareholders of the Company to be held on Tuesday, April 12, 2005, at 7:15 p.m., at the Banquet Hall of the Pine Bluff Convention Center, Pine Bluff, Arkansas, or at any adjournment or adjournments thereof. When such proxy is properly executed and returned, the shares represented by it will be voted at the meeting in accordance with any directions noted thereon, or if no direction is indicated, will be voted in favor of the proposals set forth in the notice.

REVOCABILITY OF PROXY

Any shareholder giving a proxy has the power to revoke it at any time before it is voted.

COSTS AND METHOD OF SOLICITATION

The costs of soliciting proxies will be borne by the Company. In addition to the use of the mails, solicitation may be made by employees of the Company by telephone, telegraph and personal interview. These persons will receive no compensation other than their regular salaries, but they will be reimbursed by the Company for their actual expenses incurred in such solicitations.

OUTSTANDING SECURITIES AND VOTING RIGHTS

At the meeting, holders of the \$0.01 par value Class A common stock (the Common Stock) of the Company, the only class of stock of the Company outstanding, will be entitled to one vote, in person or by proxy, for each share of the Common Stock owned of record, as of the close of business on February 4, 2005. On that date, the Company had outstanding 14,372,008 shares of the Common Stock; 2,033,874 of such shares were held by Simmons First Trust Company (SFTC), in a fiduciary capacity, of which 150,789 shares will not be voted at the meeting. Hence, 14,221,219 shares will be deemed outstanding and entitled to vote at the meeting.

All actions requiring a vote of the shareholders must be taken at a meeting in which a quorum is present in person or by proxy. A quorum consists of a majority of the outstanding shares entitled to vote upon a matter. With respect to each proposal subject to a shareholder vote, other than the election of directors, approval requires that the votes cast for the proposal exceed the votes cast against it. The election of directors will be approved, if each director nominee receives a plurality of the votes cast. All proxies submitted will be tabulated by SFTC.

With respect to the election of directors, a shareholder may withhold authority to vote for all nominees by checking the box withhold authority for all nominees on the enclosed proxy or may withhold authority to vote for any nominee or nominees by checking the box withhold authority for certain nominees and lining through the name of such nominee or nominees for whom the authority to vote is withheld as it appears on the enclosed proxy. The enclosed proxy also provides a method for shareholders to abstain from voting on each other matter presented. By abstaining, shares will not be voted either for or against the subject proposals, but will be counted for quorum purposes. While there may be instances in which a shareholder may wish to abstain from voting on any particular matter, the Board of Directors encourages all shareholders to vote their shares in their best judgment and to participate in the voting process to the fullest extent possible.

An abstention or a broker non-vote, (i.e., when a shareholder does not grant his or her broker authority to vote his or her shares on non-routine matters) will have no effect on any item to be voted upon by the shareholders.

In the event a shareholder executes the proxy but does not mark the ballot to vote (or abstain) on any one or more of the proposals, the proxy solicited hereby confers discretionary authority to the named proxies to vote in their sole discretion

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with respect to such proposals. Further, if any matter, other than the matters shown on the proxy, is properly presented at the meeting which may be acted upon without special notice under Arkansas law, the proxy solicited hereby

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confers discretionary authority to the named proxies to vote in their sole discretion with respect to such matters, as well as other matters incident to the conduct of the meeting. On the date of the mailing of this Proxy Statement, the Board of Directors has no knowledge of any such other matter which will come before the meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth all persons known to management who own, beneficially or of record, more than 5% of the outstanding Common Stock, the number of shares owned by the named Executive Officers in the Summary Compensation Table and by all Directors and Executive Officers as a group.

Name and Address of Beneficial Owner	Shares Owned Beneficially [a]	Percent of Class
Simmons First National Corporation		
Employee Stock Ownership Trust [b] 501 Main Street Pine Bluff, AR 71601	1,249,753	8.70%
Barry L. Crow [c]	75,156	*
Robert A. Fehlman [d]	20,192	*
J. Thomas May [e]	328,812	2.29%
Tommie Jones [f]	22,301	*
All directors and officers as a group (11 persons)	614,231	4.27%

* The shares beneficially owned represent less than 1% of the outstanding common shares.

[a] Under the applicable rules, beneficial ownership of a security means, directly or indirectly, through any contract, relationship, arrangement, undertaking or otherwise, having or sharing voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Unless otherwise indicated, each beneficial owner named has sole voting and investment power with respect to the shares identified.

[b] The Simmons First National Corporation Employee Stock Ownership Plan (ESOP) purchases, holds and disposes of shares of the Company s stock. The Nominating, Compensation and Corporate Governance Committee and the Chief Executive Officer pursuant to delegation of authority from the Committee directs the trustees of the ESOP trust concerning when, how many and upon what terms to purchase or dispose of such shares, other than by distribution under the ESOP. Shares held by the ESOP may be voted only in accordance with the written instructions of the plan participants, who are all employees or former employees of the Company and its subsidiaries.

[c] Mr. Crow owned of record 20,292 shares; 25,474 shares were held in his fully vested account in the ESOP; 4,368 shares were held in his IRA account; 2,476 were held jointly with his wife; 2,546 shares were held in a trust created by his wife; 600 shares were held in his wife s IRA and 19,400 shares were deemed held through exercisable incentive stock options.

[d] Mr. Fehlman owned of record 1,836 shares; 3,356 shares were held in his fully vested account in the ESOP and 15,000 shares were deemed held through exercisable incentive stock options.

[e] Mr. May owned of record 115,419 shares; 18,506 shares were held in his IRA account; 972 shares were owned by his wife; 465 shares were owned by his stepchildren; 15,450 shares were held in his fully vested account in the ESOP; and 178,000 shares were deemed held through exercisable stock options.

[f] Ms. Jones owned of record 3,755 shares; 36 shares were owned jointly with her spouse; 6,430 shares were held in her fully vested account in the ESOP and 12,080 shares were deemed held through exercisable incentive stock options.

ELECTION OF DIRECTORS

The Board of Directors of the Company recommends that the number of directors to be elected at the meeting be fixed at seven (7) and that the persons named below be elected as such directors, to serve until the next annual meeting of the shareholders and until their successors are duly elected and qualified. Each of the persons named below is presently serving as a

director of the Company for a term which ends on April 12, 2005, or such other date upon which a successor

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is duly elected and qualified. The Board has determined that each of the nominees for director, except J. Thomas May, satisfy the requirements to be an independent director as set forth in listing standards of NASDAQ.

The proxies hereby solicited will be voted for the election of the nominees shown below, unless otherwise designated in the proxy. If at the time of the meeting any of the nominees should be unable or unwilling to serve, the discretionary authority granted in the proxy will be exercised to vote for the election of a substitute or substitutes. Management has no reason to believe that any substitute nominee or nominees will be required.

The table below sets forth the name, age, principal occupation or employment during the last five years, prior service as a director of the Company, the number of shares and percentage of the outstanding Common Stock beneficially owned, with respect to each director and nominee proposed, as reported by each nominee:

<u>Name</u>	<u>Age</u>	<u>Principal Occupation [a]</u>	<u>Director Since</u>	<u>Shares Owned [b]</u>	<u>Percent of Class</u>
William E. Clark	61	Chairman and Chief Executive Officer, CDI Contractors, LLC (Construction); President, Bragg's Electric Construction Company	2001	1,600 [c]	*
Steven A. Cosse	57	Executive Vice President and General Counsel, Murphy Oil Corporation	2004	832 [d]	*
Lara F. Hutt, III	69	President, Hutt Building Material Company, Inc.	1995 [e]	74,508 [f]	*
George A. Makris, Jr.	48	President, M. K. Distributors, Inc. (Beverage Distributor)	1997	22,150 [g]	*
J. Thomas May	58	Chairman, President and Chief Executive Officer of the Company; Chairman and Chief Executive Officer of Simmons First National Bank	1987	328,812 [h]	2.29%
Harry L. Ryburn	69	Orthodontist	1976	2,583 [i]	*
Henry F. Trotter, Jr.	67	President, Trotter Ford, Inc. and President, Trotter Auto, Inc.	1995 [j]	41,954 [k]	*

* The shares beneficially owned represent less than 1% of the outstanding common shares.

[a] All persons have been engaged in the occupation listed for at least five years.

[b] Beneficial ownership of a security means, directly or indirectly, through any contract, relationship, arrangement, undertaking or otherwise, having or sharing voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose or to direct the disposition of such security. Unless otherwise indicated, each beneficial owner named has sole voting and investment power with respect to the shares identified.

[c] Mr. Clark is the general partner in a family limited partnership which owns 1,600 shares which are attributable to him.

[d] Mr. Cosse owns 832 shares jointly with his spouse.

[e] Prior to his election in 1995, Mr. Hutt had served as a director from 1976 through 1992.

[f] Mr. Hutt owned of record 60,708 shares; and 13,800 shares were owned by his wife.

[g] Mr. Makris owned of record 7,200 shares; 2,000 shares were held in his IRA; 8,650 shares were held as custodian for his minor children; 2,300 shares were held in his wife's IRA; 2,000 shares are held in the M-K Distributors Profit Sharing Trust of which Mr. Makris is a trustee with shared dispositive and voting power.

[h] Mr. May owned of record 115,419 shares; 18,506 shares were held in his IRA account; 972 shares were owned by his wife; 465 shares were owned by his stepchildren; 15,450 shares were held in his fully vested account in the ESOP; and 178,000 shares were deemed held through exercisable stock options.

[i] Dr. Ryburn and his wife are general partners in a family limited partnership which owns 123,624 shares pursuant to which 2,472 shares held by the partnership are attributable to Dr. Ryburn and 111 shares are held by Greenback Investment Club which are attributable to Dr. Ryburn.

[j] Prior to his election in 1995, Mr. Trotter had served as a director from 1973 through 1992.

[k] Mr. Trotter owned of record 28,664 shares and 13,290 shares were owned by Bluff City Leasing, Inc., of which Mr. Trotter is President.

Committees and Related Matters

During 2004, the Board of Directors of the Company maintained and utilized the following committees: Executive Committee, Audit & Security Committee, and Nominating, Compensation and Corporate Governance Committee.

During 2004, the Audit & Security Committee was composed of David R. Perdue, Lara F. Hutt, III, George A. Makris, Jr. and William E. Clark. This committee provides assistance to the Board in fulfilling its responsibilities concerning accounting and reporting practices, by regularly reviewing the adequacy of the internal and external auditors, the disclosure of the financial affairs of the Company and its subsidiaries, the control systems of management and internal accounting controls. During 2004, this Committee met 11 times.

The Nominating, Compensation and Corporate Governance Committee composed of Harry L. Ryburn (Chairman), William E. Clark, George A. Makris, Jr., Henry F. Trotter, Jr., W. E. Ayres (Advisory Director) and Jerry Watkins (Advisory Director). During 2004, the Nominating, Compensation and Corporate Governance Committee met 5 times.

The Company encourages all board members to attend the annual meeting. Historically, the directors of the Company and its subsidiaries are introduced and acknowledged at the annual meeting. All of the directors attended the Company's 2004 annual meeting.

The Board of Directors of the Company met 7 times during 2004, including regular and special meetings. No director attended fewer than 75% of the aggregate of all meetings of the Board of Directors and of all committees on which such director served.

Certain Transactions

From time to time, Simmons First National Bank, Simmons First Bank of Russellville, Simmons First Bank of South Arkansas, Simmons First Bank of Jonesboro, Simmons First Bank of Searcy, Simmons First Bank of Northwest Arkansas, Simmons First Bank of El Dorado, N.A. and Simmons First Bank of Hot Springs, banking subsidiaries of the Company, have made loans and other extensions of credit to directors, officers, employees and members of their immediate families, and from time to time directors, officers and employees and members of their immediate families have placed deposits with these banks. These loans, extensions of credit and deposits were made in the ordinary course of business on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavorable features.

Director Compensation

The Directors receive a monthly retainer of \$700 plus \$750 for each meeting of the Board attended. In addition, each Director who serves as a committee chairman receives \$300 for each committee meeting attended and other Directors receive \$200 for each committee meeting attended.

Each Director is provided coverage under the Company's group term life insurance program. Directors up to age 65 receive a death benefit of \$50,000 and directors over 65 but less than 70 years of age receive a death benefit of \$25,000. The policy doubles the death benefit in the case of accidental death. In addition, each Director is reimbursed for out of pocket expenses, including travel.

Communication with Directors

Shareholders may communicate directly with the Board of Directors of the Company by sending correspondence to the address shown below. If the shareholder desires to communicate with a specific director, the correspondence should be addressed to such director. Any such correspondence addressed to the Board of Directors will be forwarded to the Chairman of the Board for review. The receipt of the correspondence and the nature of its content will be reported at the next Board meeting and appropriate action, if any, will be taken. Correspondence addressed to a specific director will be delivered to such director promptly after receipt by the Company. Each such director shall review the correspondence received and, if appropriate, report the receipt of the correspondence and the nature of its content to the Board of Directors at its next meeting, so that the appropriate action, if any, may be taken.

Correspondence should be addressed to:

Simmons First National Corporation
Board of Directors
Attention: (Chairman or Specific Director)
P. O. Box 7009
Pine Bluff, Arkansas 71611

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

During 2004, the Nominating, Compensation and Corporate Governance Committee (NCCGC) was composed of Harry L. Ryburn (Chairman), William E. Clark, George A. Makris, Jr., Henry F. Trotter, Jr., W. E. Ayres (Advisory Director) and Jerry Watkins (Advisory Director), all of whom are independent in accordance with the NASDAQ listing standards. The primary function of the NCCGC regarding nominations is to identify and recommend individuals to be presented for election or re-election as Directors.

Director Nominations and Qualifications

The Board of Directors has not adopted a charter for the NCCGC, but has adopted by resolution certain corporate governance principles and procedures regarding nominations and criteria for proposing or recommending proposed nominees for election and re-election to the Board of Directors. The Board of Directors is responsible for recommending nominees for directors to the shareholders for election at the annual meeting. The Board has delegated the identification and evaluation of proposed nominees to the NCCGC, a committee of independent directors. The identification and evaluation of potential directors is a continuing responsibility of the committee. The committee has not in the past retained any third party to assist it in identifying candidates. A proposed director may be recommended to the Board at any time, however, a proposed nominee for director to be elected at the annual meeting must be presented to the Board of Directors for consideration not later than December 31 of the year immediately preceding such annual meeting.

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The NCCGC has not set any minimum qualifications for a proposed nominee to be eligible for recommendation to be elected as a director. The corporate governance principles provide that the NCCGC shall consider the following criteria in evaluating proposed nominees for director:

Location of residence and business interests	Type of business interests
Age	Knowledge of financial services
Community involvement	High leadership profile
Ability to fit with the Company's corporate culture	Equity ownership in the Company

There is no specified order or weighting of the foregoing criteria. The NCCGC has been encouraged to seek geographic diversity of residence of the future nominees so that no more than 50% of the Directors are residents of Pine Bluff, Arkansas.

Nominations from Shareholders

The NCCGC will consider nominees for the Board of Directors recommended by shareholders with respect to elections to be held at an annual meeting. In order for the NCCGC to consider recommending a shareholder proposed nominee for election at the annual meeting, the shareholder proposing the nomination must provide notice of the intention to nominate a director in sufficient time for the consideration and action by the NCCGC. While no specific deadline has been set for notice of such nominations, notice provided to the NCCGC by a shareholder on or before the deadline for submission of shareholder proposals for the next annual meeting (November 11, 2005 for the 2006 meeting) should provide adequate time for consideration and action by the NCCGC prior to the December 31 deadline for reporting proposed nominations to the Board of Directors. Proposed nominations submitted after such date will be considered by the NCCGC, but no assurance can be made that such consideration will be completed and committee action taken by the NCCGC in time for inclusion of the proposed director in the proxy solicitation for the next annual meeting.

The notice of a shareholder's intention to nominate a director must include:

information regarding the shareholder making the nomination, including name, address, and number of shares of SFNC that are beneficially owned by the shareholder;

a representation that the shareholder is entitled to vote at the meeting at which directors will be elected, and that the shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

the name and address of the person or persons being nominated and such other information regarding each nominated person that would be required in a proxy statement filed pursuant to the SEC's proxy rules if the person had been nominated for election by the Board of Directors;

a description of any arrangements or understandings between the shareholder and such nominee and any other persons (including their names), pursuant to which the nomination is made; and

the consent of each such nominee to serve as a director if elected.

The Chairman of the Board, other directors and executive officers may also recommend director nominees to the NCCGC. The committee will evaluate nominees recommended by shareholders against the same criteria, described above, used to evaluate other nominees.

EXECUTIVE COMPENSATION

The tables below set forth the compensation for 2002, 2003 and 2004 of the Chief Executive Officer and the three highest paid executive officers of the Company whose salary exceeded \$100,000 during 2004.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation		
		Salary(\$)	Bonus(\$)[a]	Other Annual Compensation[b] (\$)	Restricted Stock Awards (\$)	Securities Underlying Options/ SARs (#)	All Other Compensation[c] (\$)
J. Thomas May, Chief Executive Officer	2004	\$ 393,098	\$ 133,326	\$ 21,000	\$ 0	0	\$ 95,982
	2003	\$ 353,730	\$ 64,750	\$ 11,400	\$ 0	0	\$ 81,665
	2002	\$ 327,654	\$ 73,956	\$ 9,700	\$ 0	0	\$ 79,336
Barry L. Crow, Chief Operating Officer	2004	\$ 164,600	\$ 35,974	\$ 0	\$ 0	3,000	\$ 14,676
	2003	\$ 147,295	\$ 32,375	\$ 0	\$ 0	0	\$ 13,453
	2002	\$ 142,314	\$ 38,035	\$ 0	\$ 0	0	\$ 11,953
Robert A. Fehlman, Chief Financial Officer	2004	\$ 130,228	\$ 26,507	\$ 0	\$ 0	3,000	\$ 11,721
	2003	\$ 112,372	\$ 24,062	\$ 0	\$ 0	0	\$ 9,578
	2002	\$ 100,297	\$ 26,413	\$ 0	\$ 0	0	\$ 7,812
Tommie Jones, Senior Vice President & H. R. Director	2004	\$ 108,693	\$ 23,669	\$ 0	\$ 0	2,000	\$ 10,090
	2003	\$ 105,017	\$ 21,000	\$ 0	\$ 0	0	\$ 9,092
	2002	\$ 92,505	\$ 22,187	\$ 0	\$ 0	0	\$ 7,641

[a] Generally, these amounts for 2003 and 2004 were earned pursuant to the Executive Incentive Program, which is described in the Compensation Committee Report on Executive Compensation. For years prior to 2003, these amounts were earned pursuant to the Simmons First National Corporation Incentive Compensation Program. Additionally, Mr. May received a cash bonus in the amount of \$49,068 for the annual costs of a custom designed life insurance program.

[b] Fees paid to Directors for attendance at Board meetings of the Company and its subsidiaries.