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CONSTELLATION BRANDS INC

Form DEF 14A

June 26, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant ☒ [X]

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))

☒ [X] Definitive Proxy Statement

☐ [] Definitive Additional Materials

☐ [] Soliciting Material Pursuant to Section 240.14a-12

CONSTELLATION BRANDS, 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):

☒ [X] 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:

(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

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number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: _____

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

(3) Filing Party: _____

(4) Date Filed: _____

[CONSTELLATION LOGO]

Annual Meeting of Stockholders

June 20, 2002

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Constellation Brands, Inc. at ONE HSBC PLAZA, 100 Chestnut Street, Rochester, New York, on Tuesday, July 23, 2002 at 11:00 a.m. (local time).

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describe in detail the matters expected to be acted upon at the meeting. Also contained in this package is the Company's 2002 Annual Report to Stockholders, which consists of the Company's 2002 glossy report and its Form 10-K for the fiscal year ended February 28, 2002 that sets forth important business and financial information concerning the Company.

We hope you are able to attend this year's Annual Meeting.

Very truly yours,

/s/ Richard Sands

RICHARD SANDS
Chairman of the Board, President
and Chief Executive Officer

Please note that HSBC Plaza is a new venue and is located at the corner of Court Street and Chestnut Street in downtown Rochester, New York. Limited parking is available at HSBC's underground parking garage off of Broad Street. Additional parking is available, among other locations, at the Midtown Parking Garage with entrances on Clinton Street, Broad Street and Court Street.

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CONSTELLATION BRANDS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JULY 23, 2002

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CONSTELLATION BRANDS, INC. (the "Company") will be held at One HSBC Plaza, 100 Chestnut Street, Rochester, New York, on Tuesday, July 23, 2002 at 11:00 a.m. (local time) for the following purposes more fully described in the accompanying Proxy Statement:

1. To elect directors of the Company (Proposal No. 1).
2. To amend and restate the Company's existing Restated Certificate of Incorporation (Proposal No. 2) to:
 - (a) increase the number of authorized shares of the Company's Class A Common Stock from 120,000,000 shares to 275,000,000 shares, and
 - (b) increase the number of authorized shares of the Company's Class B Common Stock from 20,000,000 shares to 30,000,000 shares.
3. To re-approve the Company's Long-Term Stock Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 3).
4. To re-approve the Company's Annual Management Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 4).
5. To consider and act upon a proposal to ratify the selection of KPMG LLP, Certified Public Accountants, as the Company's independent public accountants for the fiscal year ending February 28, 2003 (Proposal No. 5).
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on May 31, 2002 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

A Proxy Statement and proxy are enclosed.

WE HOPE YOU WILL ATTEND THIS MEETING IN PERSON, BUT IF YOU CANNOT, PLEASE SIGN AND DATE THE ENCLOSED PROXY. RETURN THE PROXY IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David S. Sorce

DAVID S. SORCE, Secretary

Fairport, New York

June 20, 2002

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CONSTELLATION BRANDS, INC.
300 WillowBrook Office Park
Fairport, New York 14450

PROXY STATEMENT

2002 ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is being furnished to the stockholders of CONSTELLATION BRANDS, INC. (the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company. The proxies are for use at the 2002 Annual Meeting of Stockholders of the Company and at any adjournment thereof (the "Meeting"). The Meeting will be held on Tuesday, July 23, 2002 at 11:00 a.m. (local time) at One HSBC Plaza, 100 Chestnut Street, Rochester, New York.

The shares represented by your proxy, if the proxy is properly executed and returned, and not revoked, will be voted at the Meeting as therein specified. You may revoke your proxy at any time before the proxy is exercised by delivering to the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. You may also revoke your proxy by attending the Meeting and voting in person.

The shares represented by your proxy will be voted FOR the election of the director nominees named herein (Proposal No. 1), unless you specifically withhold authority to vote for one or more of the director nominees. Further, unless you indicate otherwise, the shares represented by your proxy will be voted FOR the proposal to amend and restate the Company's existing Restated Certificate of Incorporation, which would include a vote FOR the approval to increase the number of authorized shares of the Company's Class A Common Stock from 120,000,000 shares to 275,000,000 shares and a vote FOR the approval to increase the number of authorized shares of the Company's Class B Common Stock from 20,000,000 shares to 30,000,000 shares (collectively, Proposal No. 2); FOR the proposal to re-approve the Company's Long-Term Stock Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 3); FOR the proposal to re-approve the Company's Annual Management Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 4); and FOR the ratification of the selection of KPMG LLP as the Company's independent public accountants for the fiscal year ending February 28, 2003 (Proposal No. 5).

The enclosed proxy has been designed so that it can be used by stockholders owning any combination of the Company's outstanding capital stock. The outstanding capital stock of the Company consists of Class A Common Stock, par value \$.01 per share (the "Class A Stock"), and Class B Common Stock, par value \$.01 per share (the "Class B Stock"). ALL SHARE, OPTION AND SIMILAR INFORMATION INCLUDED IN THIS PROXY STATEMENT REFLECTS THE EFFECT OF THE COMPANY'S TWO-FOR-ONE STOCK SPLITS THAT WERE DISTRIBUTED IN THE FORM OF STOCK DIVIDENDS ON MAY 14, 2001 AND MAY 13, 2002 TO STOCKHOLDERS OF RECORD ON APRIL 30, 2001 AND APRIL 30, 2002, RESPECTIVELY.

This Proxy Statement and the accompanying proxy are being first mailed to

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stockholders on or about June 26, 2002.

The cost of soliciting proxies will be borne by the Company. In addition to the solicitation by use of the mails, directors, officers or regular employees of the Company, without extra compensation, may solicit proxies in person or by telephone or facsimile. The Company has requested persons holding stock for others in their names or in the names of nominees to forward these materials to the

beneficial owners of such shares. If requested, the Company will reimburse such persons for their reasonable expenses in forwarding these materials.

VOTING SECURITIES

The total outstanding capital stock of the Company, as of May 31, 2002, consisted of 77,115,176 shares of Class A Stock and 12,099,090 shares of Class B Stock. Each share of Class B Stock is convertible into one share of Class A Stock at any time at the option of the holder.

Only holders of record of Class A Stock and Class B Stock on the books of the Company at the close of business on May 31, 2002, the record date for eligibility to vote at the Meeting, are entitled to notice of and to vote at the Meeting and at any adjournment thereof. Except as otherwise required by Delaware law, the holders of the Class A Stock and the holders of the Class B Stock vote together as a single class on all matters other than the election of directors. Each holder of Class A Stock is entitled to one (1) vote for each share of Class A Stock registered in such holder's name, and each holder of Class B Stock is entitled to ten (10) votes for each share of Class B Stock registered in such holder's name. Therefore, holders of Class A Stock are entitled to cast a total of 77,115,176 votes and holders of Class B Stock are entitled to cast a total of 120,990,900 votes at the Meeting.

The holders of a majority of the outstanding aggregate voting power of the Class A Stock and the Class B Stock present at the Meeting, in person or by proxy, will constitute a quorum. Shares represented by proxies marked as abstentions will be counted toward determining the presence of a quorum. Proxies relating to shares held in "street name" by brokers or other nominees which may be voted with respect to some, but not all, matters without instruction from the beneficial owner ("broker non-votes") are counted as shares present for determining a quorum.

Under Delaware law and the Company's Restated Certificate of Incorporation and By-laws, directors are elected by a plurality of the votes cast (the highest number of votes cast) by the holders of the shares entitled to vote and actually voting, in person or by proxy. Pursuant to the Company's Restated Certificate of Incorporation, the holders of the Class A Stock, voting as a separate class, are entitled to elect one-fourth of the number of directors to be elected at the Meeting (rounded up to the next number if the total number of directors to be elected is not evenly divisible by four). The holders of the Class B Stock, voting as a separate class, are entitled to elect the remaining number of directors to be elected at the Meeting. Since the Board of Directors nominated seven directors, the holders of Class A Stock will be entitled to elect two directors and the holders of Class B Stock will be entitled to elect five directors. Because the directors are elected by a plurality of the votes cast in each election, votes that are withheld will not be counted and, therefore, will not affect the outcome of the elections.

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The adoption of the proposal to amend and restate the Company's existing Restated Certificate of Incorporation (Proposal No. 2) requires two separate votes: one vote to approve the increase in the number of authorized shares of the Company's Class A Stock from 120,000,000 shares to 275,000,000 shares and another vote to approve the increase in the number of authorized shares of the Company's Class B Stock from 20,000,000 shares to 30,000,000 shares. Each approval requires the affirmative vote of the holders of a majority of all outstanding shares of Class A Stock and Class B Stock entitled to vote thereon, voting together as a single class, provided that the holders of Class A Stock will have one (1) vote per share and the holders of Class B Stock will have ten (10) votes per share. Abstentions and broker non-votes, if applicable, will therefore have the effect of negative votes. The increases in the number of authorized shares of Class A Stock and Class B Stock are interdependent, and the Company's existing Restated Certificate of Incorporation will not be amended and restated unless the requisite vote for both approvals is obtained.

The adoption of the proposal to re-approve the Company's Long-Term Stock Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 3) requires the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the Meeting. With respect to this proposal, holders of Class A Stock and Class B Stock are

entitled to vote as a single class at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Therefore, abstentions will have the effect of negative votes. However, because broker non-votes are not considered entitled to vote, they will not affect the outcome of the vote.

The adoption of the proposal to re-approve the Company's Annual Management Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code (Proposal No. 4) requires the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the Meeting. With respect to this proposal, holders of Class A Stock and Class B Stock are entitled to vote as a single class at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Therefore, abstentions will have the effect of negative votes. However, because broker non-votes are not considered entitled to vote, they will not affect the outcome of the vote.

The ratification of the selection of KPMG LLP as the Company's independent public accountants for the fiscal year ending February 28, 2003 (Proposal No. 5) requires the affirmative vote of a majority of the votes entitled to be cast by stockholders present in person or represented by proxy at the Meeting. With respect to this proposal, holders of Class A Stock and Class B Stock are entitled to vote as a single class at the Meeting, with holders of Class A Stock having one (1) vote per share and holders of Class B Stock having ten (10) votes per share. Therefore, abstentions will have the effect of negative votes. However, because broker non-votes are not considered entitled to vote, they will not affect the outcome of the vote.

BENEFICIAL OWNERSHIP

As of May 31, 2002, the following tables and notes set forth (i) the persons known to the Company to beneficially own more than 5% of the Class A Stock or Class B Stock, (ii) the number of shares beneficially owned by them, and (iii) the percent of such class so owned, rounded to the nearest one-tenth of one percent. This information is based on information furnished to the Company by or on behalf of each person concerned. Unless otherwise noted, the

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percentages of ownership were calculated on the basis of 77,115,176 shares of Class A Stock and 12,099,090 shares of Class B Stock outstanding as of the close of business on May 31, 2002.

CLASS A STOCK

AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1)			
NAME AND ADDRESS OF BENEFICIAL OWNER	SOLE POWER TO VOTE OR DISPOSE	SHARED POWER TO VOTE OR DISPOSE	TOTAL
Robert Sands 300 WillowBrook Office Park Fairport, NY 14450	968,092 (2)	294,712 (2)	1,262,804
Richard Sands 300 WillowBrook Office Park Fairport, NY 14450	949,031 (4)	294,712 (4)	1,243,743
CWC Partnership-I 300 WillowBrook Office Park Fairport, NY 14450	-	236,188 (5)	236,188
Trust for the benefit of Andrew Stern, M.D. under the will of Laurie Sands 300 WillowBrook Office Park Fairport, NY 14450	-	236,188 (6)	236,188
Stockholders Group Pursuant to Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (7)	-	2,211,835 (7)	2,211,835

CLASS B STOCK

NAME AND ADDRESS OF BENEFICIAL OWNER	SOLE POWER TO VOTE OR DISPOSE	SHARED POWER TO VOTE OR DISPOSE	TOTAL
Richard Sands 300 WillowBrook Office Park			

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Fairport, NY 14450	2,954,116	5,430,072 (4)	8,384,188
Robert Sands 300 WillowBrook Office Park Fairport, NY 14450	2,951,296	5,430,072 (2)	8,381,368
Trust for the benefit of Andrew Stern, M.D. under the will of Laurie Sands 300 WillowBrook Office Park Fairport, NY 14450	-	3,331,356 (6)	3,331,356
CWC Partnership-I 300 WillowBrook Office Park Fairport, NY 14450	-	3,049,540 (5)	3,049,540
Trust for the benefit of the Grandchildren of Marvin and Marilyn Sands 300 WillowBrook Office Park Fairport, NY 14450	-	2,025,000 (8)	2,025,000
Stockholders Group Pursuant to Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (7)	-	11,335,484 (7)	11,335,484
