

OIL DRI CORPORATION OF AMERICA
Form DEF 14A
October 31, 2005

**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 x
Filed by a party other than the registrant o

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 Rule 14a-12

OIL-DRI CORPORATION OF AMERICA

(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):

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 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(3) Filing Party:

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October 31, 2005

Dear Stockholder:

You are cordially invited to attend Oil-Dri Corporation of America's Annual Meeting of Stockholders, which will be held at 9:00 a.m., local time, on December 6, 2005, at The Standard Club, 320 South Plymouth Court, Chicago, Illinois.

The matters expected to be acted on in the meeting are described in the attached Proxy Statement. The slate of eight persons recommended for election as directors includes a new nominee, Paul E. Suckow. Mr. Suckow has over twenty-five years of experience in the investment management industry and currently is an adjunct professor at Villanova University. His biography and the biographies of the other nominees appear in the Proxy Statement. In addition, you are being asked to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending July 31, 2006. Included with the Proxy Statement is a copy of the Company's Annual Report on Form 10-K for fiscal year 2005. We encourage you to read the Form 10-K. It includes information on the Company's operations, markets, products and services, as well as the Company's audited financial statements.

Immediately following adjournment of the annual meeting, we will review the results of the past year and look at some of the potential opportunities for the Company which lie ahead.

We look forward to seeing you at the annual meeting. Whether or not you plan to attend, you can be sure your shares are represented at the meeting by promptly voting and submitting your proxy card in the enclosed envelope provided for this purpose.

Sincerely,

DANIEL S. JAFFEE
President and Chief Executive Officer

OIL-DRI CORPORATION OF AMERICA

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on December 6, 2005**

To the Stockholders of
Oil-Dri Corporation of America:

Notice is hereby given that the 2005 Annual Meeting of Stockholders of Oil-Dri Corporation of America, a Delaware corporation (the Company), will be held at The Standard Club, located at 320 South Plymouth Court, Chicago, Illinois, on December 6, 2005, at 9:00 a.m., local time, for the purpose of considering and voting on:

1. The election of eight directors;
2. Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending July 31, 2006; and
3. Such other business as may properly come before this meeting and any adjournments thereof.

The stock transfer books of the Company will remain open. The Board of Directors has determined that only holders of record of outstanding shares of Common Stock and Class B Stock at the close of business on October 21, 2005, are entitled to notice of, and to vote at, the annual meeting and any adjournments thereof. All stockholders, whether or not they now expect to be present at the meeting, are requested to date, sign and return the enclosed proxy, which requires no postage if mailed in the United States.

Your attention is directed to the following pages for further information relating to the meeting.

By Order of the Board of Directors,

CHARLES P. BRISSMAN
Secretary

Chicago, Illinois
October 31, 2005

OIL-DRI CORPORATION OF AMERICA

**410 North Michigan Avenue
Suite 400
Chicago, Illinois 60611-4213**

PROXY STATEMENT

GENERAL

This Proxy Statement and the accompanying proxy are first being mailed on or about October 31, 2005, to all holders of record of outstanding shares of the Company's Common Stock and Class B Stock at the close of business on October 21, 2005. Proxies are being solicited on behalf of the Board of Directors for use at the 2005 Annual Meeting of Stockholders, notice of which accompanies this Proxy Statement, and at any adjournments thereof. Any stockholder giving a proxy has the power to revoke it at any time prior to the exercise thereof by executing a subsequent proxy, by notifying the Secretary of the Company of such revocation in writing (such notification to be directed to him at the Company's offices at 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213), or by attending the annual meeting and voting in person. **If no contrary instruction is indicated in the proxy, each proxy will be voted FOR the election of the eight nominees named below to the Board of Directors and FOR the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditor.**

The Company will pay the costs of this solicitation of proxies for the annual meeting. In addition to solicitation of proxies by mail, certain officers, directors and regular employees of the Company, none of whom will receive additional compensation therefor, may solicit proxies in person or by telephone, electronic mail or facsimile. The Company may reimburse brokers and others who are record holders of Common Stock and Class B Stock for their reasonable expenses incurred in obtaining voting instructions from the beneficial owners of such stock.

Voting

The record date for the determination of stockholders entitled to vote at the meeting or any adjournments thereof is the close of business on October 21, 2005. Holders as of the record date of outstanding shares of Common Stock and Class B Stock are entitled to vote at the meeting and any adjournments thereof. Holders of Common Stock are entitled to one vote per share and holders of Class B Stock to ten votes per share (on a non-cumulative basis for each director to be elected when voting for the election of directors) and vote together without regard to class (except that any amendment to the Company's Certificate of Incorporation changing the number of authorized shares or adversely affecting the rights of Common Stock or Class B Stock requires the separate approval of the class so affected as well as the approval of both classes voting together). Holders of Class B Stock are entitled to convert any and all of such stock into Common Stock on a share-for-share basis at any time and are subject to mandatory conversion under certain circumstances. As of the record date, 4,018,110 shares of Common Stock and 1,457,842 shares of Class B Stock were outstanding.

Election of Directors

The election of directors requires a plurality of votes cast. Accordingly, only proxies and ballots marked for all nominees listed (including executed proxies not marked with respect to election of directors, which will be voted for all listed nominees), or voting for some, but not all nominees, by specifying that votes be withheld for one or more designated nominees, are counted to determine the total number of votes cast for the various nominees, with the eight nominees receiving the largest number of votes being elected. Abstentions and broker non-votes have no effect on the outcome of the election of directors.

Ratification of Selection of Independent Auditor

The affirmative vote of the majority of the votes present in person or represented by proxy is necessary for the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditor. Thus an abstention will effectively be treated as a vote against the ratification while a broker non-vote will have no effect on the outcome.

Principal Stockholders

The following table sets forth information, as of September 30, 2005, except as noted below, regarding beneficial ownership of the Company's Common Stock and Class B Stock by each person or group known to the Company to hold more than five percent of either class. See Security Ownership of Management for information on beneficial ownership of the Company's Common Stock and Class B Stock by the Company's executive officers and directors as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)			
	Number of Shares of Common Stock and Class B Stock	Percentage of Outstanding Stock of Class	Percentage of Aggregate Voting Power of Common Stock and Class B Stock	
Richard M. Jaffee(6)(9)(16) 410 N. Michigan Ave. Chicago, IL 60611	Common Stock: Class B Stock:	326,901(2) (3) (5)	22.42%	17.59%
Daniel S. Jaffee(6) 410 N. Michigan Ave. Chicago, IL 60611	Common Stock: Class B Stock:	182,090(4) (5)	11.38%	9.10%
Karen Jaffee Cofsky(9) 410 N. Michigan Ave. Chicago, IL 60611	Common Stock: Class B Stock:	469(7) 102,979(8) (5)	.01% 6.73%	5.33%
Jaffee Investment Partnership, L.P.(16) 410 N. Michigan Ave. Chicago, IL 60611	Common Stock: Class B Stock:	1,000,000(3)	68.59%	53.80%
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	Common Stock: Class B Stock:	726,700(10)	18.13%	3.62%
T. Rowe Price Assoc., Inc. 100 East Pratt Baltimore, MD 21202	Common Stock: Class B Stock:	488,400(11)	12.18%	2.62%
Tweedy, Brown Co. LLC 350 Park Avenue New York, NY 10022	Common Stock: Class B Stock:	280,697(12)	7.00%	1.51%
Dimensional Fund Advisors, Inc. 1299 Ocean Ave. Santa Monica, CA 90401	Common Stock: Class B Stock:	251,850(13)	6.28%	1.35%
Gabelli Asset Management, Inc. One Corporate Center Rye, NY 10580	Common Stock: Class B Stock:	528,000(14)	13.17%	2.84%
Advisory Research, Inc. 180 North Setson St., Ste. 5500 Chicago, IL 60601	Common Stock: Class B Stock:	204,460(13)	5.10%	1.10%
Loeb Partners Corporation. 61 Broadway New York, NY 10006	Common Stock: Class B Stock:	204,117(15)	5.09%	1.10%

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- (1) Beneficial ownership is defined in applicable Securities and Exchange Commission (SEC) rules as sole or shared power to vote or to direct the disposition of a security. All beneficial ownership is with sole voting power and sole investment power except as described in the notes below.
 - (2) Consists of 232,351 shares held in a revocable trust of which Richard M. Jaffee is the grantor and, during his lifetime, the trustee and sole beneficiary and 94,450 shares held in a revocable trust of which Richard M. Jaffee's spouse is the grantor and, during her lifetime, the trustee and sole beneficiary, and 100 shares held in joint tenancy with his spouse.
 - (3) The Jaffee Investment Partnership, L.P. is managed by its general partners, generally acting by a majority vote. Two of the general partners, Richard M. Jaffee and Shirley H. Jaffee, each have eight votes. Each of the remaining four general partners, Daniel S. Jaffee, Karen Jaffee Cofsky, Susan Jaffee Hardin and Nancy E. Jaffee, all children of Richard M. and Shirley H. Jaffee, have one vote. Richard M. Jaffee, as the managing general partner, might be deemed to have, but disclaims, beneficial ownership of the Partnership's shares, which are not reflected in his share ownership shown in the table.
 - (4) Includes 366 shares of Class B Stock held by Daniel S. Jaffee as trustee of the Richard M. Jaffee 1993 Annuity Trust, 381 shares of Class B Stock held by Daniel S. Jaffee as trustee of the Shirley H. Jaffee 1993 Annuity Trust, 2 shares of Class B Stock owned by Daniel S. Jaffee's spouse, and 4,500 shares of Class B Stock owned by Daniel S. Jaffee as trustee for his children. Also includes 138,125 and 4,250 shares of Class B Stock, which Daniel S. Jaffee and his spouse, respectively, have the right to acquire within 60 days of September 30, 2005, pursuant to stock options.
 - (5) Does not include shares beneficially owned by the Jaffee Investment Partnership, L.P.
 - (6) Daniel S. Jaffee is Richard M. Jaffee's son.
 - (7) Consists of 59 shares of Common Stock owned by Karen Jaffee Cofsky and 410 shares of Common Stock owned by Mrs. Cofsky's spouse. Mr. Cofsky has voted his shares consistently with Mrs. Cofsky's voting.
 - (8) Consists of 22,366 shares of Class B Stock owned by Karen Jaffee Cofsky, 7,500 shares of Class B Stock owned by Mrs. Cofsky as trustee for her children, 301 shares of Class B Stock held in joint tenancy with her spouse, and 10,062 and 62,750 shares of Class B Stock which Mrs. Cofsky and her spouse, respectively, have the right to acquire within 60 days of September 30, 2005, pursuant to stock options. Mr. Cofsky has voted his shares consistently with Mrs. Cofsky's voting.
 - (9) Karen Jaffee Cofsky is Richard M. Jaffee's daughter and the spouse of Thomas F. Cofsky, an executive officer of the Company.
 - (10) Heartland Advisors, Inc. held shared dispositive power over 726,700 shares of Common Stock and shared voting power over 673,300 shares of Common Stock. Information is as provided by the holder in its Schedule 13G filed with the Securities and Exchange Commission as of December 31, 2004, which also names an affiliated individual who may be deemed to have beneficial ownership of some or all of these shares.
 - (11) T. Rowe Price Associates, Inc. (Price Associates), held sole dispositive power over 488,400 shares of Common Stock and sole voting power over 486,600 shares of Common Stock. These securities are owned by various individuals and institutional investors, including T. Rowe Price Small Cap Value Fund, for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, as amended, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. Information is as provided by the holder in its Schedule 13G filed with the Securities and Exchange Commission as of December 31, 2004.
 - (12) Tweedy, Brown Co. LLC held sole dispositive power over 280,697 shares of Common Stock and sole voting power over 280,257 shares of Common Stock. Information is as provided by the holder in its Schedule 13G filed with the Securities and Exchange Commission as of December 31, 2004.
 - (13) Information is as provided by the holder in its Schedule 13G filed with the Securities and Exchange Commission as of December 31, 2004.

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- (14) Information is as provided by the holder in its Schedule 13D filed with the Securities and Exchange Commission as of November 18, 2004.
- (15) Loeb Partners Corporation held sole dispositive and voting power over 199,263 shares of Common Stock and shared dispositive and voting power over 4,854 shares of Common Stock. Information is as provided by the holder in its Schedule 13D filed with the Securities and Exchange Commission as of March 15, 2005.
- (16) By virtue of their direct and indirect ownership of shares of the Company's stock, Richard M. Jaffee and the Jaffee Investment Partnership, L.P. may be deemed to be control persons of the Company under the federal securities laws.

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Security Ownership of Management

The following table shows the number of shares of Common Stock and Class B Stock of the Company beneficially owned as of September 30, 2005, by the directors (including the nominee for election as director), by the executive officers named in the Summary Compensation Table (Named Officers) and by the directors and executive officers as a group.

Name of Beneficial Owner(1)	Number of Shares of Common Stock(2)	Number of Shares of Class B Stock(2)
Richard M. Jaffee (13)	(3)	(3)
Daniel S. Jaffee	(3)	(3)
Thomas F. Cofsky (13)	(4)	(4)
J. Steven Cole	32,240(5)(7)	
Arnold W. Donald	25,000(7)	
Ronald B. Gordon	38,200(7)	
Joseph C. Miller	16,100(6)	
Allan H. Selig	29,000(7)	
Paul E. Suckow		
Wade R. Bradley	6	
Charles P. Brissman	27,548(8)	
Andrew N. Peterson	(9)	
All Executive Officers and Directors as a group (15 in group)	210,446(10)(14)	611,970(11)(12)(15)

- (1) Beneficial ownership is defined in applicable SEC rules as sole or shared power to vote or to direct the disposition of a security. All beneficial ownership is with sole voting power and sole investment power except as described in the notes below.
- (2) Except for Richard M. Jaffee, Daniel S. Jaffee and Thomas F. Cofsky, none of the directors, the nominee for election as director, or executive officers, including the Named Officers, own any shares of Class B stock. The number of shares of Common Stock owned beneficially by each of the directors and Named Officers constitutes less than 1.0% of the number of outstanding shares of Common Stock and represents shares having less than 1.0% of the aggregate voting power of the Common Stock and Class B Stock.
- (3) For information regarding the shares beneficially owned by Richard M. Jaffee and Daniel S. Jaffee, see the table under the heading Principal Stockholders and the notes thereto.
- (4) For information regarding the shares beneficially owned by Thomas F. Cofsky, see the ownership of Mr. Cofsky's spouse, Karen Jaffee Cofsky, in the table under the heading Principal Stockholders and the notes thereto.
- (5) Includes 967 shares of Common Stock owned by Mr. Cole's spouse.
- (6) Shares of Common Stock held by Mr. Miller as trustee for the benefit of his spouse.
- (7) Includes 25,000 shares of Common Stock which this director has the right to acquire within 60 days of September 30, 2005, pursuant to stock options.
- (8) Includes 17,500 shares of Common Stock which Mr. Brissman has the right to acquire within 60 days of September 30, 2005, pursuant to stock options.
- (9) Andrew N. Peterson joined the company on October 8, 2004.
- (10) Includes 154,375 shares of Common Stock which constitute all such shares that the executive officers and directors of the Company have the right to acquire within 60 days of September 30, 2005, pursuant to stock options (including the shares of Common Stock which may be acquired as described in the notes above and in the notes under the heading Principal Stockholders). Also includes 5,000 shares of restricted stock which become entirely non-forfeitable on March 15, 2008.

- (11) Includes 215,187 shares of Class B Stock which constitute all such shares that the executive officers and directors of the Company have the right to acquire within 60 days of September 30, 2005, pursuant to stock options (including the shares of Class B Stock which may be acquired as described in the notes under the heading "Principal Stockholders").
- (12) Does not include shares beneficially owned by the Jaffee Investment Partnership, L.P. For information regarding the shares held by the partnership, see the table under the heading "Principal Stockholders" and the notes thereto.
- (13) Thomas F. Cofsky is Richard M. Jaffee's son-in-law.
- (14) The number of shares of Common Stock owned beneficially by the executive officers and directors as a group represents approximately 5.05% of the number of outstanding shares of Common Stock and approximately 1.01% of the aggregate voting power of the Common Stock and Class B Stock.
- (15) The number of shares of Class B Stock owned beneficially by the executive officers and directors as a group represents approximately 36.58% of the number of outstanding shares of Class B Stock and approximately 29.29% of the aggregate voting power of the Common Stock and Class B Stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Under SEC rules, the Company's directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock or Class B Stock are required to file reports of their ownership and changes in that ownership with the SEC. Based solely on its review of copies of these reports and representations of the reporting persons, the Company believes that during the fiscal year ended July 31, 2005, all such SEC filing requirements were satisfied.

Corporate Governance Matters

Board Committee Membership and Meetings

The members of the Board of Directors as of the date of this Proxy Statement, and the Committees of the Board on which they serve, are indicated below.

Name	Audit	Compensation	Executive
J. Steven Cole	X*	X	
Arnold W. Donald	X		
Ronald B. Gordon		X	
Daniel S. Jaffee			X
Richard M. Jaffee			X*
Joseph C. Miller			
Allan H. Selig	X	X*	X
Number of Meetings FY 05	4	2	