

AMERICAN VANGUARD CORP
Form DEF 14A
May 05, 2009

SCHEDULE 14A INFORMATION

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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 Rule 14a-11(c) or Rule 14a-12

AMERICAN VANGUARD CORPORATION

(Name of Registrant as Specified In Its Charter)

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

(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)(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.

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

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 of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

AMERICAN VANGUARD CORPORATION

4695 MacArthur Court, Suite 1250

Newport Beach, California 92660

May 6, 2009

Dear Stockholder:

It is our pleasure to invite you to attend the 2009 Annual Meeting of Stockholders (the Annual Meeting) of American Vanguard Corporation (the Company). The Annual Meeting will be held in Newport Beach, California on Friday, June 5, 2009. In the following pages you will find the Secretary's Notice of the Meeting and the Proxy Statement which describe the matters to come before the Annual Meeting.

If you plan to attend the meeting, please note the admission procedures on the Notice of the Meeting.

Whether or not you plan to attend the Annual Meeting, please vote your shares in one of the following ways, either: (i) by marking, dating and signing the enclosed proxy card and returning it in the accompanying postage paid envelope as quickly as possible, or (ii) via the Internet, by following the instructions on your proxy card, or (iii) by calling the toll-free telephone number on your proxy card.

We are grateful for your continuing interest in American Vanguard Corporation. In person or by proxy, your vote is important. Thank you.

Sincerely,

AMERICAN VANGUARD CORPORATION

Eric G. Wintemute

President and Chief Executive Officer

AMERICAN VANGUARD CORPORATION

4695 MacArthur Blvd., Suite 1250

Newport Beach, CA 92660

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 5, 2009

To the Stockholders of American Vanguard Corporation:

The Annual Meeting of the Stockholders of American Vanguard Corporation, a Delaware corporation, will be held at the Fairmont Hotel, 4500 MacArthur Boulevard, Newport Beach, California, on Friday, June 5, 2009. The meeting will begin promptly at 11:00 a.m. local time. Matters to be voted on at the meeting are:

1. Elect eight directors until their successors are elected and qualified;
2. Ratify the appointment of BDO Seidman, LLP as independent auditors for the year ending December 31, 2009;
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. Stockholders of record at the close of business on May 1, 2009 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments thereof. A copy of the Company's Annual Report, including financial statements for the year ended December 31, 2008, is enclosed with this Notice. **Please note that in order to be admitted to the Annual Meeting a person must furnish either the enclosed admission ticket or other proof of his or her status as a shareholder at the site of such meeting. This proof may take the form of a proxy card if the person is a stockholder of record. If the shares are held through an intermediary, such as a bank or broker, or holder of record, a recent brokerage statement or letter from a bank or broker is an example of proof of ownership. You must also present valid photo identification.**

It is important that your shares be represented whether or not you plan to attend the Annual Meeting. You may vote your shares in any of the following ways, either: (i) by marking, dating and signing the enclosed proxy card and returning it in the accompanying postage paid envelope as quickly as possible, or (ii) via the Internet, by following the instructions on your proxy card, or (iii) by calling the toll-free telephone number on your proxy card. All shares represented by the enclosed proxy, if the proxy is properly executed and returned, will be voted as you direct. If you attend the meeting, you may withdraw your proxy at that time and vote your shares in person.

By Order of the Board of Directors

Timothy J. Donnelly

Secretary

Newport Beach, California

May 6, 2009

AMERICAN VANGUARD CORPORATION

4695 MacArthur Court

Newport Beach, CA 92660

PROXY STATEMENT

Annual Meeting of Stockholders to be held June 5, 2009

Proxy Solicitation by the Board of Directors

GENERAL

This statement is furnished in connection with the Annual Meeting of Stockholders of American Vanguard Corporation to be held at the Fairmont Hotel, 4500 MacArthur Boulevard, Newport Beach, California, at 11:00 a.m. local time on June 5, 2009. Stockholders of record at the close of business on May 1, 2009, will be entitled to vote at the meeting.

Proxies are being solicited by the Board of Directors of the Company (the "Board"). The Company will bear all costs of the solicitation. The Company does not intend to solicit proxies otherwise than by use of the mail, but certain officers and other employees of the Company or its subsidiaries, without additional compensation, may use their personal efforts, by telephone, telecommunication, or other similar means to obtain proxies. If the enclosed proxy is executed and returned (or otherwise voted by means of the Internet or telephone, as indicated on the proxy card), the shares represented by the proxy will be voted as specified therein. If a proxy is signed and returned without specifying choices, the shares will be voted FOR the election of each nominee for director as set forth in this Proxy Statement, FOR the proposal to ratify the appointment of BDO Seidman, LLP as independent auditors for 2009, and in the Board's discretion as to other matters that may properly come before the Annual Meeting.

Any stockholder has the power to revoke his or her proxy at any time prior to the voting thereof at the Annual Meeting by (i) filing with the Company's Secretary written revocation of his or her proxy, (ii) giving a duly executed proxy bearing a later date, or (iii) voting in person at the Annual Meeting. Attendance by a stockholder at the Annual Meeting will not in itself revoke his or her proxy. This Proxy Statement is being mailed to stockholders on or about May 6, 2009.

SECURITIES ENTITLED TO VOTE

The Board has fixed the close of business on May 1, 2009, as the record date for the purpose of determining the stockholders entitled to notice of and to vote at the Annual Meeting. The Company has only two authorized classes of shares, Preferred Stock and Common Stock, each with a par value of \$0.10 per share. There are 400,000 shares of Preferred Stock authorized, none of which have been issued. There are 40,000,000 shares of Common Stock authorized, of which 27,046,262 are outstanding as of May 1, 2009. Each stockholder will be entitled to one vote, in person or by proxy, for each share standing in his or her name on the Company's books as of the record date.

QUORUM

In order for business to be conducted, a quorum must be represented at the Annual Meeting. A quorum is a majority of the shares entitled to vote at the Annual Meeting. Shares represented by proxies in which authority to vote for any matter is considered "withheld", proxies which are marked "abstain" or proxies as to which there is a "broker non-vote" will be counted as shares present for purposes of determining the presence of a quorum. Broker non-votes occur when nominees (such as brokers holding shares on behalf of beneficial owners) do not receive voting instructions from the beneficial owners and do not have discretionary authority to vote.

VOTE REQUIRED

The eight directors to be elected by the holders of Common Stock shall be the eight candidates receiving the highest number of votes cast by holders of Common Stock. Cumulative voting is not permitted. Only votes cast for a nominee will be counted. Abstentions or directions to withhold votes will result in those nominees receiving fewer votes, but will not count as a vote against the nominees.

Approval of the proposal to ratify the appointment of BDO Seidman, LLP as independent auditors will require the affirmative vote of a majority of the votes cast at the meeting. Abstentions and broker non-votes will not be treated as votes cast at the meeting and, therefore, will have no effect on such proposal. Approval of any other matter which may properly come before the meeting will require the affirmative vote of the majority of the votes cast at the meeting, except for any other proposals which may properly come before the meeting for which a different or greater vote is required by law.

PROPOSAL 1 ELECTION OF DIRECTORS

The Board is elected annually. The Certificate of Incorporation and Bylaws, as each have been previously amended and restated, of the Company currently provide that the number of directors of the Board shall not be more than nine nor less than three. The Board has determined by resolution that it shall consist of eight members. Eight directors are to be elected at the Annual Meeting and will hold office from the time of the election until the next Annual Meeting and until their respective successors are duly elected and qualified, or until their earlier resignation or removal.

The following sets forth the names and certain information with respect to the persons nominated for election as directors, all of whom have had the same principal occupation for more than the past five years, except as otherwise noted. All such nominees have consented to serve, and all nominees are now directors, and all but one (as noted below) were elected by the stockholders at the 2008 annual meeting of stockholders.

NOMINEES FOR ELECTION AS DIRECTORS

Herbert A. Kraft has served as Co-Chairman of the Board since July 1994. Mr. Kraft served as Chairman of the Board and Chief Executive Officer from 1969 to July 1994. Age 85.

Glenn A. Wintemute has served as Co-Chairman of the Board since July 1994. Mr. Wintemute served as President of the Company and all operating subsidiaries from 1984 to July 1994 and was elected a director in 1971. He served as President of Amvac Chemical Corporation (AMVAC) from 1963 to July 1994. He is also the father of Eric G. Wintemute, the Company's President and Chief Executive Officer. Age 84.

Eric G. Wintemute has served as a director since June 1994. Mr. Wintemute has also served as President and Chief Executive Officer since July 1994. He was appointed Executive Vice President and Chief Operating Officer of the Company in January 1994. He is the son of Glenn A. Wintemute, the Company's Co-Chairman. Age 53.

Lawrence S. Clark has served as a director since 2006. Mr. Clark is the Chief Operating Officer and Chief Financial Officer for Legendary Pictures, a motion picture production company that develops, co-produces and co-finances major motion pictures in partnership with Warner Bros. and has served in that capacity since 2004. From 2003 - 2004 he provided financial and corporate development consulting services to media and entertainment clients. From 2000 to 2003, Mr. Clark was the Chief Financial Officer of Creative Artists Agency, a leading entertainment talent, literary and marketing agency. From 1997 to 2000, he served as Senior Vice President, Corporate Development for Sony Pictures Entertainment. Mr. Clark was Director International for The Carlyle Group, a private equity firm, from 1995 to 1997. In 1992, he co-founded Global Film Equity Corp., which provided strategic, business advisory and capital raising services to media companies. From 1989 to 1992, Mr. Clark was Vice President, Corporate Finance at Salomon Brothers, Inc. Prior to that, he was a Corporate Finance Associate at Goldman Sachs & Co. from 1987 to 1989. Age 50.

John L. Killmer was appointed a director in December 2008. Mr. Killmer was responsible for Global Marketing, Product and Supply Chain Management for Arysta LifeSciences Corporation (Arysta), the world's largest privately held crop protection and life science company from November 2004 through June 2008. At Arysta, Mr. Killmer had global responsibility for marketing and product management and, in addition, was responsible for global supply chain management. From 1980 to November 2004 he served in various capacities with Monsanto Company (Monsanto) including three years as President of Monsanto Greater China from 2001 to 2003. Age 59.

John B. Miles has served as a director since March 1999. Mr. Miles was a Partner with the law firm McDermott Will & Emery and held the position of Partner from 1987 to 2007. He currently serves as employee counsel to that firm. Prior to 1987, Mr. Miles was a partner with Kadison Pfaelzer Woodward Quinn & Rossi. Mr. Miles has previously served on boards of directors for public and private corporations. Age 65.

Carl R. Soderlind has served as a director since June 2000. Mr. Soderlind served as Chairman and Chief Executive Officer of Golden Bear Oil Specialties, a producer of niche specialty oil and chemical products used in a variety of industrial applications from 1997 to 2001. From 1961 to 1996 he served in various capacities of Witco Corporation, with his most recent position being Senior Executive Vice President and member of the Management Committee. Age 75.

Irving J. Thau Irving J. Thau has served as a director since September 2003. From 1962 to 1995, he held various positions with Ernst & Young LLP, where his primary responsibilities were directing and providing accounting, auditing, and business advisory services to publicly held and privately owned organizations. He was admitted to partnership in 1974, and most recently served as Ernst & Young's West Region Director of Financial Advisory Services. In 1995, Mr. Thau founded Thau and Associates, Inc., a financial consulting company of which he currently serves as President. Mr. Thau is also a director of American Home Mortgage Investment Corp. Age 69.

REQUIRED VOTE AND RECOMMENDATION

The eight directors to be elected by the holders of Common Stock shall be the eight candidates receiving the highest number of votes cast by holders of Common Stock.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE NOMINEES IDENTIFIED ABOVE.

CORPORATE GOVERNANCE OF THE COMPANY

Strong corporate governance is an integral part of the Company's core values, supporting the Company's sustainable growth mission. The Company is committed to having sound corporate governance principles and practices. Please visit the Company's website at www.american-vanguard.com for the Company's current Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter, Finance Committee Charter, the Code of Ethics and Conduct and the Employee Complaint Procedures for Accounting and Auditing Matters, and Corporate Governance Guidelines, which are all available in print to any stockholder upon request.

THE INDEPENDENCE OF DIRECTORS

It is the expectation and practice of the Board that, in their roles as members of the Board, all members will exercise their independent judgment diligently and in good faith and in the best interests of the Company and its stockholders as a whole, notwithstanding any member's other activities or affiliations.

The Board currently consists of eight members. The Board has determined that Messrs. Lawrence S. Clark, Herbert A. Kraft, John L. Killmer, John B. Miles, Carl R. Soderlind and Irving J. Thau, who constitute a majority of the Board, are independent in accordance with the applicable rules and listing standards currently prescribed by the New York Stock Exchange for general service on the Board. The Board's determination concerning independence was based on information provided by the Company's directors and discussions among the Company's directors. The Board will re-examine the independence of each of its members at least once per year and more frequently during the year if there is any change in a member's material relationship with the Company that would interfere with the member's exercise of independent judgment.

MEETINGS OF THE BOARD

The Board met six times during the year ended December 31, 2008. All directors attended at least 75% of the aggregate of the number of meetings of the board and the total number of meetings held by all committees of the board for which they served.

The non-management directors of the Company meet at regularly scheduled executive sessions without any member of the Company's management present. The individual who presides at these executive sessions is currently Herbert A. Kraft. Interested parties who wish to communicate with the presiding director or with non-management directors may do so by email to directors@amvac-chemical.com.

The Board does not mandate that its members attend the Annual Meeting of Stockholders. All directors did attend the 2008 Annual Meeting of Stockholders.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee is currently composed of Messrs. Irving J. Thau (Chairperson), Lawrence S. Clark and Carl R. Soderlind, who are all non-employee directors and are financially literate. The Board has determined that all members of the Audit Committee are independent directors under the applicable rules and regulations currently prescribed by the Securities Exchange Commission (SEC) and the applicable rules and listing standards currently prescribed by the New York Stock Exchange, and that each of Irving J. Thau and Lawrence S. Clark are audit committee financial experts within the meaning of applicable SEC rules and regulations. The Audit Committee held eight meetings during the year ended December 31, 2008.

The responsibilities of the Audit Committee are set forth in the current Audit Committee Charter, which is available on the Company's website (www.american-vanguard.com), and include:

Employs the independent auditors, subject to stockholder ratification, to audit the Company's consolidated financial statements.

Pre-approves all services performed by the independent auditors.

Provides oversight on the external reporting process and the adequacy of the Company's internal controls.

Reviews the scope of the audit activities of the independent auditors and appraises audit efforts.

Reviews services provided by the independent auditors and other disclosed relationships as they bear on the independence of the independent auditors.

Establishes procedures for the receipt, retention and resolution of complaints, if any, regarding accounting, internal controls or auditing matters.

Please also see the Audit Committee Report contained in this Proxy Statement.

Compensation Committee

The Compensation Committee is currently composed of Messrs. Carl R. Soderlind (Chairperson), Lawrence S. Clark and John B. Miles. The Board has determined that all members of the Compensation Committee are independent directors under the applicable rules and listing standards currently prescribed by the New York Stock Exchange. The Board has also determined that at least two members of the Compensation Committee, who will administer the Company's compensation plan(s), are non-employee directors under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act) and are outside directors under Section 162(m) of the Internal Revenue Code of 1986. The Compensation Committee held four meetings during the year ended December 31, 2008.

The responsibilities of the Compensation Committee are set forth in the current Compensation Committee Charter, which is available on the Company's website (www.american-vanguard.com), and include:

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

Establishes executive compensation policy consistent with corporate objectives and stockholder interest.

Oversees process for evaluating CEO performance against Board-approved goals and objectives and recommends to the Board compensation for the CEO.

Administers grants under the Company's compensation plan(s).

Please also see the Compensation Committee Report contained in this Proxy Statement.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is composed of Messrs. John B. Miles (Chairperson), Carl R. Soderlind and Irving J. Thau. The Board has determined that all members of the Nominating and Corporate Governance Committee are independent directors under the applicable rules and listing standards currently prescribed by the New York Stock Exchange. The Nominating and Corporate Governance Committee held four meetings during the year ended December 31, 2008.

The responsibilities of the Nominating and Corporate Governance Committee are set forth in the current Nominating and Corporate Governance Committee Charter, which is available on the Company's website (www.american-vanguard.com), and include:

Recommends to the Board nominees for election to the Board of Directors.

Reviews principles, policies and procedures affecting directors and the Board's operation and effectiveness.

Oversees evaluation of the Board and its effectiveness.

Finance Committee

The Finance Committee is composed of Messrs. Herbert A. Kraft (Chairperson), John L. Killmer, Irving J. Thau and Glenn A. Wintemute. The Finance Committee held two meetings during the year ended December 31, 2008.

The responsibilities of the Finance Committee are set forth in the current Finance Committee Charter, which is available on the Company's website (www.american-vanguard.com) involves working with senior management of the Company to evaluate, investigate and recommend changes to the Board of Directors in the area of corporate finance including, among other things:

The incurrence or refinancing of indebtedness,

The issuance or amendment of the Company's equity securities,

Merger and acquisition and restructuring activity, and

Short- and long-term financing plans.

REPORT OF THE AUDIT COMMITTEE

The responsibilities of the Audit Committee, which are set forth in the Audit Committee Charter, include providing oversight to the Company's financial reporting process through periodic meetings with the Company's independent registered public accounting firm and management to review accounting, auditing, internal controls and financial reporting matters. The management of the Company is responsible for the preparation and integrity of the financial reporting information and related systems of internal controls. The Audit Committee, in carrying out its role, relies on the Company's senior management, including senior financial management, and its independent auditors.

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

We have reviewed and discussed with senior management the Company's audited financial statements included in the Company's Annual Report on Form 10-K for filing with the SEC. Management has confirmed to

us that such financial statements (i) have been prepared with integrity and objectivity and are the responsibility of management and (ii) have been prepared in conformity with generally accepted accounting principles.

We have discussed with BDO Seidman, LLP, the Company's independent registered public accounting firm, the matters required to be discussed by SAS 61 (Communications with Audit Committee). SAS 61 requires our independent auditors to provide us with additional information regarding the scope and results of their audit of the Company's financial statements, including with respect to (i) their responsibility under generally accepted auditing standards, (ii) significant accounting policies, (iii) management judgments and estimates, (iv) any significant audit adjustments, (v) any disagreements with management, and (vi) any difficulties encountered in performing the audit.

We have received from BDO Seidman, LLP, a letter providing the disclosures required by Independence Standards Board Standard No. 1. (Independence Discussions with Audit Committees) with respect to any relationships between BDO Seidman, LLP and the Company that in their professional judgment may reasonably be thought to bear on independence. BDO Seidman, LLP has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent of the Company within the meaning of the federal securities laws.

Based on the review and discussions described above with respect to the Company's audited financial statements, we have recommended to the Board that such financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.

As specified in the Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. That is the responsibility of management and the Company's independent auditors. In addition, it is not the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors, or to assure compliance with laws and regulations and the Company's Code of Conduct and Ethics. In giving our recommendation to the Board, we have relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles, and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

AUDIT COMMITTEE

Irving J. Thau, Chair

Carl R. Soderlind

Lawrence S. Clark

March 6, 2009

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

To the knowledge of the Company, the ownership of the Company's outstanding Common Stock as of May 1, 2009, by persons who are beneficial owners of 5% or more of the outstanding Common Stock is set forth below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(*)	Percent of Class
Herbert A. Kraft 4695 MacArthur Court Newport Beach, CA 92660	3,298,769(1)	12.2%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202(*)	3,233,132	12.0%
St. Denis J. Villere & Company 210 Baronne Street New Orleans, LA 70112(*)	2,806,606	10.4%
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	2,160,825	8.0%
Eric G. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	1,484,934(3)	5.4%

(*) Based on information reported to the SEC by or on behalf of such beneficial owner.

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

To the knowledge of the Company, the ownership of the Company's outstanding Common Stock as of May 1, 2009, by persons who are directors and nominees for directors, the executive officers of the Company named in the Summary Compensation Table, and by all directors and officers as a group is set forth below. Unless otherwise indicated the Company believes that each of the persons set forth below has the sole power to vote and to dispose of the shares listed opposite his name.

Office (if any)	Name and Address Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Co-Chairman	Herbert A. Kraft 4695 MacArthur Court Newport Beach, CA 92660	3,298,769(1)	12.2%
Co-Chairman	Glenn A. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	1,313,304(2)	4.9%
Director, President & CEO	Eric G. Wintemute 4695 MacArthur Court Newport Beach, CA 92660	1,484,934(3)	5.4%
Director	Carl R. Soderlind 4695 MacArthur Court Newport Beach, CA 92660	99,004(9)	(13)
Director	John B. Miles 4695 MacArthur Court Newport Beach, CA 92660	95,770(10)	(13)
Director	Irving J. Thau 4695 MacArthur Court Newport Beach, CA 92660	27,422(11)	(13)
Director	Lawrence S. Clark 4695 MacArthur Court Newport Beach, CA 92660	14,880(12)	(13)
President (GEMCHEM)	Bob Gilbane 4695 MacArthur Court Newport Beach, CA 92660	314,005(5)	1.2%
Senior Vice President (AMVAC)	Glen D. Johnson 4695 MacArthur Court	126,981(6)	(13)

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

	Newport Beach, CA 92660		
Senior Vice President	Christopher K. Hildreth	194,492(7)	(13)
(AMVAC)	4695 MacArthur Court		
	Newport Beach, CA 92660		
Vice President	Doug Ashmore	77,401(4)	(13)
(AMVAC)	4695 MacArthur Court		
	Newport Beach, CA 92660		
Chief Financial Officer	David T. Johnson	7,803	(13)
	4695 MacArthur Court		
	Newport Beach, CA 92660		
Chief Administration Officer	James A Barry	193,714(8)	(13)
	4695 MacArthur Court		
	Newport Beach, CA 92660		
Directors and Officers as a Group(18)		7,529,523	26.8%

- (1) Mr. Kraft owns all of his shares with his spouse in a family trust where he and his spouse are co-trustees, except as to 13,834 shares held in an Individual Retirement Account. This figure includes 9,680 shares of

- Common Stock Mr. Kraft is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
- (2) Mr. Glenn Wintemute owns all of his shares with his spouse in a family trust where he and his spouse are co-trustees. This figure includes 9,680 shares of Common Stock Mr. Glenn Wintemute is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (3) This figure includes 450,000 shares of Common Stock Mr. Eric Wintemute is entitled to acquire pursuant to stock options exercisable within sixty days of this Report. Mr. Wintemute shares voting and investment power with his spouse with respect to certain shares, including 69,668 shares of Common Stock owned by Mr. Wintemute's minor child for whom Mr. Wintemute and his spouse are trustees or custodians and for which he disclaims beneficial ownership.
 - (4) This figure includes 60,000 shares of Common Stock Mr. Ashmore is entitled to acquire pursuant to stock options exercisable within sixty days of the Report.
 - (5) This figure includes 24,467 shares of Common Stock Mr. Gilbane is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (6) This figure includes 60,187 shares of Common Stock Mr. G. D. Johnson is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (7) This figure includes 180,000 shares of Common Stock Mr. Hildreth is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (8) This figure includes 112,000 shares of Common Stock Mr. Barry is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (9) This figure includes 9,680 shares of Common Stock Mr. Soderlind is entitled to acquire pursuant to stock options exercisable within sixty days of this Report. Certain shares are held in a family trust where Mr. Soderlind and his spouse are co-trustees.
 - (10) This figure includes 9,680 shares of Common Stock Mr. Miles is entitled to acquire pursuant to stock options exercisable within sixty days of this Report. Certain shares are held in a family trust where Mr. Miles and his spouse are co-trustees and certain shares are held by Mr. Miles or his spouse in individual retirement accounts.
 - (11) This figure includes 9,680 shares of Common Stock Mr. Thau is entitled to acquire pursuant to stock options exercisable within sixty days of this Report.
 - (12) This figure includes 533 shares of Common Stock owned by Mr. Clark's minor children for whom Mr. Clark and his spouse are trustees or custodians and for which he disclaims beneficial ownership.
 - (13) Under 1% of class.

SECTION 16(a) REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's executive officers, directors, and persons who own more than ten percent of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC.

Based solely on the Company's review of the copies of such forms received by the Company, or representations obtained from certain reporting persons, except as described below, the Company believes that during the year ended December 31, 2008, all Section 16(a) filing requirements applicable to its executive officers, directors, and greater than ten percent beneficial stockholders were complied with.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objectives

The Company's compensation program has several objectives. First, we believe that our compensation should attract and retain top-quality executives. Many of our executives have transferred to the Company from our competitors, which are typically much larger organizations. In addition, we realize that our key executives could readily find work in the industry. We must, therefore, be mindful that we do not fall below the standard observed by other public companies of a similar size in paying executives. In June 2008, the Compensation Committee commissioned its compensation consultant, ECG Advisors, to review compensation of the top 10 most highly paid executives at the Company, including benchmarking against public companies having annual revenues of between \$225 million and \$400 million. According to that study, the Company's executive salaries were, on average, 4 percent above the 50th percentile, executive bonuses were approximately 4 percent above the 50th percentile, and total annual compensation (including salaries, incentive bonus, and equity awards) were approximately 3 percent below the market.

Second, we believe in paying for performance. Performance, however, is not limited to company-wide objectives or personal goals. In fact, accordingly, we hold our executives as a group accountable for both company-wide performance (typically in terms of net sales and net earnings) and individual performance, which varies by position. In 2008 we revisited the issue of individual performance standards and established revised annual standards for all managers within the Company. We are mindful of the fact that an executive may have an off-year, while the Company has an excellent year, and vice versa. We take these factors into account in determining compensation, particularly incentive-based compensation.

Third, we believe that compensation decisions should be made with the benefit of as much current information as possible. Compensation decisions that are rigorously tied to formulas can fail to take into account unforeseen matters beyond an employee's control, may lead to undesirable results, and can fail to reward positive conduct. Indeed, it is very difficult to catalog in advance all of the factors that should be taken into account in making compensation decisions. While we do set company-wide goals and individual performance goals for our executives, when applying those criteria, we do take into account real market conditions, compensation trends, peer practices, and other factors in making compensation decisions. Thus, for example, if the entire industry is down due to unusual weather conditions, and our company has performed well compared to our peers, we will take that into account in setting compensation.

Fourth, we compensate, in part, so that our executives have a long-term interest in the Company's success. This is especially so in the case of equity awards. Through restricted stock awards that vest entirely after three years, for example, we give the optionee motivation to plan for the longer-term, rather than to seek solely to maximize short-term returns at the expense of long-term returns. Equity awards also serve to align our executives' interests with those of our stockholders.

Elements of Compensation

Our named executive officers receive a base salary and certain benefits (including paid vacation, subsidized health and dental insurance, subsidized life insurance, and an automobile allowance). In addition, they participate in an annual incentive compensation plan and, from time to time, receive awards of equity, typically in the form of stock options. Further, they may choose to participate in voluntary benefit programs, such as a 401(k) Plan and an Employee Stock Purchase Plan (ESPP).

Base salary base salary provides the executive with a reasonable standard of living and permits the Company to put certain other elements of compensation at risk. Further, it would be virtually impossible to attract or retain qualified executives without this element of compensation. It forms the bulk of the executive's compensation. This is the portion of compensation that does not vary with annual changes in company-wide performance or stock market fluctuations. The executive can count on his or her salary and can plan around it. In 2008, base salary accounted for more than half of total compensation among named executive officers.

Benefits because health and dental insurance subsidies are also universally paid to executives in virtually all industries, including our industry, the Company must provide these subsidies in order to remain competitive. In addition, these subsidies are a good investment by the employer, as they serve to help keep the executives healthy or, when injury or sickness strikes, to bring them back to productive service. These coverages also help the executive to limit family medical expenses that, if not otherwise insured, might cause the executive severe financial hardship. Life insurance subsidies serve as a mechanism by which the Company can give something of value back to the executive's family or other beneficiaries in the case of death. We believe that when our executives join the Company, they are not alone in making a commitment to us; their families are making a commitment as well. Finally, the automobile allowance serves to help the executive to offset the increasingly high cost of operating a motor vehicle. It is also a common perquisite, which the Company offers in order to remain competitive. The size of the allowance is consistent with ensuring that the executive will have reliable transportation to and from work.

Voluntary benefits our 401(k) Plan is a tool that serves to encourage the executive to plan for retirement now. The Company matching contribution (dollar for dollar up to five percent (5%) of base salary) has a strong effect both in recruitment and retention. Similarly, the American Vanguard Corporation Employee Stock Purchase Plan serves as a means for retaining executives. It gives our executives (and other employees) the opportunity to acquire equity at a discount, which right is not available to outsiders. It also provides a means for acquiring stock at a discounted price through relatively minimal payroll deductions over a period of time. Further, the ESPP is a mechanism by which the executive can put some skin in the game by investing in the Company. Equity ownership helps to align the executive's interests with that of our stockholders and serves to foster a long-term perspective in the executive. In addition, equity can serve as a surrogate for a pension plan with executives. Equity awards and voluntary participation in the 401(k) plan are the only two forms of long-term compensation offered to executives by the Company.

Our policy for allocating between long-term (equity) and current compensation depends largely on the perceived value of the equity. For example, to the extent that the Company's stock price has appreciated continuously over multiple quarters and industry prospects look promising, we would tend to place a greater value on an award of equity. Conversely, if the stock price has exhibited volatility or lost value over time, then we might place a lesser value on equity awards, particularly if industry conditions are fair to poor. In the former case, we would place a greater emphasis on equity awards, while, in the latter case, we would place a greater emphasis on current compensation.

The Compensation Committee, working with its compensation consultant, regularly visits the question of whether, when and how to award equity. In making its recommendation, the Committee considers the length of time since the last equity award, the total shareholder return over the past several years, the impact upon earnings, the consequent dilution to stockholders, and other criteria relating to long term performance of the company. The Committee's recommendations are also guided by the research of its compensation consultant, including benchmarking of similarly situated companies as to the prevalence of equity awards and total compensation among senior executives. In addition, the Committee maintains a relatively continuous discourse with the Chief Executive Officer on both the performance and the expectations of senior management. Through this process, the Committee selects grant dates and recommends awards that are perceived to be of value, that are consistent with those made by our peers, that have a reasonable financial impact on the Company, that are not unreasonably dilutive, and that are warranted by the Company's and executives' performance. The Committee is mindful of avoiding grants while in possession of material non-public information and, with respect to option grants in particular, pursuant to the Company's 1994 Stock Incentive Plan, sets the strike price of the grant to be the closing price of the Company's common stock as of the date of the award. The Company is currently reviewing potential equity ownership guidelines for all of its executives.

We do take into account the accounting and tax treatments for the Company of all forms of compensation. For example, in order to maximize the Company's ability to deduct the executive compensation under the Internal Revenue Code of 1986, as amended, (IRC) Section 162(m), we have typically limited the number of

Incentive Stock Option awards given to an individual in a given year to those having a fair market value of under \$100,000. Further, under the terms of change of control severance agreements, benefits paid thereunder will be reduced to the extent that they would constitute a nondeductible excess parachute payment under IRC Section 280G or nondeductible employee remuneration under Section 162(m). We follow all applicable accounting rules and tax laws in respect of all forms of compensation; for example, we expense options and stock awards. Because the timing of this expense depends upon the vesting of these equity awards, we set vesting schedules to optimize deferring costs into the future. In making equity awards, we do consider the tax impact upon the recipient.

Compensation Policies and Benchmarking

The Compensation Committee retains considerable discretion to structure and adjust compensation with respect to both individuals and executives as a group. We do not follow a formulaic approach toward setting compensation. While formulaic approaches do tend to lead to greater certainty in results, they can also have unintended consequences. It is very difficult to capture in a formula all of the factors that should be taken into account when setting or adjusting compensation. We believe that, in making compensation decisions, it is important to consider not only corporate performance, but also individual performance and further, that corporate performance should be considered in the context of the industry. Thus, for example, if company performance was behind plan in a down market, but the executive team performed well, rather than make no incentive awards, the Compensation Committee might adjust the incentive pool downward and make reduced awards to executives. Conversely, if company performance was ahead of plan in a solid market, but certain executives were not contributing, then the Committee might reduce awards to those certain individuals. The Compensation Committee has used discretion to make lower bonus awards to executives who have, in that committee's estimation, underperformed, and has made higher bonus awards to executives who have exceeded individual performance expectations.

The Chief Executive Officer and Chief Operating Officer define performance goals for their direct reports (which include all of the other named executive officers) and, working with the Board and the management team, define financial performance goals for the Company. These goals serve as the foundation upon which the Compensation Committee can build a compensation scheme in keeping with other information, including studies performed by the Committee's compensation consultant as well as its own research and experience. Throughout the year, the Committee maintains an open dialogue with the CEO with respect to compensation philosophy, changing business conditions, and executive performance. Further, annually, the CEO provides the Committee with recommendations for defining the incentive pool and allocating that pool among employees generally. The CEO serves as a source of information for the Committee, and, in making its own decisions, the Committee does give consideration to the CEO's recommendations. However, the Committee makes independent decisions with respect to compensation and freely draws upon all sources that it deems necessary for guidance in making those decisions.

In making awards of performance-based compensation, the Compensation Committee considers historical trends for awards both in the aggregate and as per each executive under evaluation. Individual award trends tend to put an executive's current performance in context. Thus, for example, if an executive has shown a pattern of increasingly smaller bonus awards versus his peers, the Committee will tend to question his long term suitability. Historical trends relating to the overall bonus pool enable the Committee to define the pool with some consistency given past financial performance.

The Company considers several factors with respect to evaluating its performance. First, we consider top and bottom line performance, specifically in terms of net sales and earnings per share. Specifically, we observe whether we have grown net sales and net earnings with respect to the prior year, the past several years, and the budget contained within the Company's financial plan. Second, we look at the relative performance of each of our product lines and compare that performance to each product line budget. Third, we consider the relative performance of our company, particularly net sales and net earnings, with that of our peer companies. Fourth, we analyze whether we have met our strategic goals.

With respect to individual performance, without discussing more specific factors that are competition sensitive, we consider the following general factors in making compensation decisions. We believe that the factors listed below as well as undisclosed, competition-sensitive factors are reasonable and attainable by our executives. Further, to the extent that any of these factors relate to the Company's financial plan, we do not disclose such plan publicly; it is an internal document generated to give subject executives an incentive to achieve a desired level of financial performance. As such, our financial plan includes both objective and subjective measures. Disclosure of our financial plan would potentially give our competitors an unfair view into our business. We believe that it is reasonably possible for the Company to achieve the Company's financial plan and, consequently, reasonably possible for President and Chief Executive Officer and the Chief Operating Officer meet performance factors relating to the achievement of that plan.

President and Chief Executive Officer

Achieving financial results that equal or exceed the Company's financial plan.

Attracting and maintaining excellent relationships with desirable investors.

The setting and achievement of strategic goals, including anticipation of, and response to, industry trends.

Building and retaining a sound management team.

Executive Vice President and Chief Operating Officer

Improving external relationships and sales with US-based distribution.

Establishing clearer internal objectives and accountability across all areas of responsibility.

Creating an internal sales and marketing structure with greater functionality and effectiveness in light of the consolidation and centralization of distribution.

Chief Financial Officer

Maintaining sound internal financial controls and accounting systems that result in timely and reliable financial disclosures.

Attracting and retaining sources of capital necessary to permit the Company to operate and to grow through acquisition.

Providing the CEO and Board with long and short-term budgets, including strategic capital planning.

Keeping the Board apprised of current and recent financial performance in detail sufficient to permit the Board to carry out its duties toward our stockholders.

Senior Vice President and Director of Business Development

Edgar Filing: AMERICAN VANGUARD CORP - Form DEF 14A

Finding and acquiring new product lines that are accretive to the Company's financial performance consistent with the Company's financial plan.

Developing business opportunities through research and development, licensing, or other means.

Achieving growth of existing product lines through expansion of permitted uses, improvement of product performance, and packaging and delivery systems.

Senior Vice President and Director of Sales

Achieving net sales that equal or exceed those set forth in the Company's financial plan.

Interacting with distribution's head offices to continually improve our business relationships.

Successfully launching new product lines.