

SOURCE CAPITAL INC /DE/
Form N-PX
August 20, 2004

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

OMB APPROVAL
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FORM N-PX

**ANNUAL REPORT OF PROXY VOTING RECORD OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number **811-1731**

Source Capital, Inc.

(Exact name of registrant as specified in charter)

11400 W. Olympic Blvd., Ste. 1200, Los Angeles, CA

(Address of principal executive offices)

90064

(Zip code)

J. Richard Atwood, Treasurer

Source Capital, Inc.

11400 W. Olympic Blvd., Ste. 1200, Los Angeles, CA 90064

(Name and address of agent for service)

Registrant's telephone number, including area code: **310-473-0225**

Date of fiscal year end: **12/31/04**

Date of reporting period: **6/30/04**

Item 1. Proxy Voting Record.

Disclose the following information for each matter relating to a portfolio security considered at any shareholder meeting held during the period covered by the report and with respect to which the registrant was entitled to vote:

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- (a) The name of the issuer of the portfolio security;
 - (b) The exchange ticker symbol of the portfolio security;
 - (c) The Council on Uniform Securities Identification Procedures (CUSIP) number for the portfolio security;
 - (d) The shareholder meeting date;
 - (e) A brief identification of the matter voted on;
 - (f) Whether the matter was proposed by the issuer or by a security holder;
 - (g) Whether the registrant cast its vote on the matter;
 - (h) How the registrant cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding election of directors);
and
 - (i) Whether the registrant cast its vote for or against management.
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Source Capital, Inc. Proxy Voting

| Issuer | Ticker | CUSIP | Mtg Date | Matter | Issr or Shdr Proposal | Voted Y/N | How Voted | For or Against Mgmt |
|------------------------------------|--------|-----------|-----------|---|-----------------------|-----------|-----------|---------------------|
| Black Box Corporation | BBOX | 091826107 | 8/12/2003 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of an amendment to the 1992 company stock option plan to increase the number of shares authorized under the plan | Issuer | Y | For | For |
| | | | | 3. Approval of an amendment to the 1992 director stock option plan to increase the number of shares authorized under the plan | Issuer | Y | For | For |
| | | | | 4. Ratification of the appointment of Ernst & Young LLP as the independent public accountants of the company for the fiscal year ending for 3/31/2004 | Issuer | Y | For | For |
| Clayton Homes, Inc. | CMH | 184190106 | 7/16/2003 | 1. Proposal to adopt the agreement and plan of merger, dated as of April 1, 2003, by and among Berkshire Hathaway Inc., B Merger Sub Inc. and Clayton Homes, Inc., as the merger agreement may be amended from time to time | Issuer | Y | Against | Against |
| Kemet Corporation | KEM | 488360108 | 7/23/2003 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of the appointment of KPMG LLP as independent public accountants for the fiscal year ending March 31, 2004 | Issuer | Y | For | For |
| Tidewater Inc. | TDW | 886423102 | 7/31/2003 | 1. Election of Directors | Issuer | Y | For | For |
| Scansource, Inc. | SCSC | 806037107 | 12/4/2003 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of the company's directors equity compensation plan | Issuer | Y | For | For |
| | | | | 3. Ratification of the appointment of Ernst & Young LLP as independent auditors for the company for the fiscal year ending June 30, 2004 | Issuer | Y | For | For |
| Health Management Associates, Inc. | HMA | 421933102 | 2/17/2004 | 1. Election of Directors | Issuer | Y | For | For |
| IDEX Corporation | IEX | 45167R104 | 3/23/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of Deloitte & Touche LLP as auditors of the company | Issuer | Y | For | For |
| Landauer, Inc. | LDR | 51476K103 | 2/4/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | | Issuer | Y | For | For |

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2. Approval of
PricewaterhouseCoopers LLP as
auditors

| | | | | | | | | |
|---|------|-----------|-----------|--------------------------|--------|---|-----|-----|
| Advanced Fibre Communications, Inc. | AFCI | 00754A105 | 5/20/2004 | 1. Election of Directors | Issuer | Y | For | For |
|---|------|-----------|-----------|--------------------------|--------|---|-----|-----|

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|------------------------------|------|-----------|-----------|--|-------------|---|---------|---------|
| | | | | 2. Ratification of the appointment of KPMG LLP as independent auditors of the corporation for 2004 | Issuer | Y | For | For |
| Tidewater Inc. | TDW | 886423102 | 7/15/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of the selection of Deloitte & Touche LLP as independent auditors | Issuer | Y | For | For |
| | | | | 3. Proposal regarding the declassification of the board of directors and the annual election of all directors | Shareholder | Y | For | Against |
| Cal Dive International, Inc. | CDIS | 127914109 | 5/11/2004 | 1. Election of Directors | Issuer | Y | For | For |
| Renal Care Group, Inc. | RCI | 759930100 | 6/9/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approve the Renal Care Group, Inc. 2004 stock and incentive compensation plan | Issuer | Y | For | For |
| | | | | 3. Approve an amendment to the Renal Care Group, Inc. 1996 stock option plan for outside directors to allow the grant of options to directors who are medical directors and the chairman or vice chairman of the board of directors, if such director is not also an employee of the company | Issuer | Y | For | For |
| | | | | 4. Approve an amendment to the Renal Care Group, Inc. certificate of incorporation to increase the number of authorized shares of its \$0.01 par value common stock from 90,000,000 shares to 150,000,000 shares | Issuer | Y | For | For |
| O Reilly Automotive, Inc. | ORLY | 686091109 | 5/4/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of appointment of Ernst & Young LLP as independent auditors | Issuer | Y | For | For |
| | | | | 3A. Ratification of new class I director (term to expire in 2006): John Murphy | Issuer | Y | For | For |
| | | | | 3B. Ratification of new class I director (term to expire in 2006): Ronald Rashkow | Issuer | Y | For | For |
| HON Industries Inc. | HNI | 438092108 | 5/4/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Change the corporation's name to HNI Corporation by amending section 1.01 of the corporation's articles of incorporation | Issuer | Y | Against | Against |
| | | | | 3. Update anti-takeover provisions of the corporation's articles of incorporation to be more consistent with current Iowa law | Issuer | Y | For | For |

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|-----------------------------------|------|-----------|-----------|---|-------------|---|---------|-----|
| Manpower Inc. | MAN | 56418H100 | 4/27/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of the appointment of PricewaterhouseCoopers LLP as Manpower's independent auditors for the fiscal year ending December 31, 2004 | Issuer | Y | For | For |
| Lincare Holdings, Inc. | LNCR | 532791100 | 5/17/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of the company's 2004 stock plan | Issuer | Y | For | For |
| National Commerce Financial Corp. | NCF | 63545P104 | 4/28/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of the audit committee's appointment of KPMG LLP, independent certified public accountants, as auditors of the company for the year ending December 31, 2004 | Issuer | Y | For | For |
| Engelhard Corporation | EC | 292845104 | 5/6/2004 | 1. Election of Directors | Issuer | Y | For | For |
| Zebra Technologies Corporation | ZBRA | 989207105 | 6/3/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Amend the certificate of incorporation | Issuer | Y | For | For |
| | | | | 3. Ratify KPMG LLP as independent auditors | Issuer | Y | For | For |
| | | | | 4. Proposal regarding the charter of the nominating committee | Shareholder | Y | Against | For |
| Triquint Semiconductor, Inc. | TQNT | 89674K103 | 5/14/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approve an amendment to the Triquint Semiconductor, Inc. 1996 stock incentive program to increase the aggregate number of shares of common stock that may be issued thereunder by 5,000,000 shares | Issuer | Y | For | For |
| | | | | 3. Ratify the audit committee's appointment of KPMG LLP as Triquint's independent auditors for the fiscal year ending December 31, 2004 | Issuer | Y | For | For |
| Ocular Sciences, Inc. | OCLR | 675744106 | 5/21/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Amend the company's 1997 equity incentive plan | Issuer | Y | For | For |
| | | | | 3. Ratify the selection of KPMG LLP as independent auditors of the company for the year ending December 31, 2004 | Issuer | Y | For | For |
| Office Depot, Inc. | ODP | 676220106 | 5/14/2004 | 1. Election of Directors | Issuer | Y | For | For |

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| | | | | 2. Amendment of the company's long-term equity incentive plan to increase the number of shares authorized for issuance under the plan by 15,000,000 shares | Issuer | Y | For | For |
| | | | | 3. Ratification of appointment of Deloitte & Touche LLP as the company's independent public accountants | Issuer | Y | For | For |
| Graco Inc. | GGG | 384109104 | 4/23/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of appointment of Deloitte & Touche LLP as independent auditors | Issuer | Y | For | For |
| Cognex Corporation | CGNX | 192422103 | 4/22/2004 | 1. Election of Directors | Issuer | Y | For | For |
| Crane Co. | CR | 224399105 | 4/26/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of Deloitte & Touche LLP as independent auditors for the company for 2004 | Issuer | Y | For | For |
| | | | | 3. Approval of the 2004 stock incentive plan | Issuer | Y | For | For |
| | | | | 4. Approval of the corporate EVA incentive compensation plan | Issuer | Y | For | For |
| | | | | 5. Proposal regarding MacBride Principles | Shareholder | Y | Against | For |
| Carmax, Inc. | KMX | 143130102 | 6/29/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of an amendment to the Carmax, Inc. 2002 employee stock purchase plan | Issuer | Y | For | For |
| Sandisk Corporation | SNDK | 80004C101 | 5/20/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratify the appointment of Ernst & Young LLP as independent accountants of the company for the fiscal year ending January 2, 2005 | Issuer | Y | For | For |
| Carnival Corporation | CCL | 143658300 | 4/22/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Appoint PricewaterhouseCoopers LLP as independent auditors for Carnival plc and to ratify the selection of PricewaterhouseCoopers LLP as independent certified public accountants for Carnival Corporation | Issuer | Y | For | For |
| | | | | 3. Authorize the audit committee of Carnival plc to agree the remuneration of the independent auditors | Issuer | Y | For | For |
| | | | | 4. Receive the accounts and reports for Carnival plc for the financial period ended November 30, 2003 | Issuer | Y | For | For |
| | | | | 5. Approve the directors remuneration report of Carnival plc | Issuer | Y | For | For |

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|-----------------------------------|-----|-----------|-----------|--|--------|---|-----|-----|
| | | | | 6. Approve limits on the authority to allot shares by Carnival plc | Issuer | Y | For | For |
| | | | | 7. Approve the disapplication of pre-emption rights for Carnival plc shares | Issuer | Y | For | For |
| North Fork Bancorporation, Inc. | NFB | 659424105 | 4/27/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Ratification of the selection of KPMG LLP as the company's independent auditor for the fiscal year ending December 31, 2004 | Issuer | Y | For | For |
| New Plan Excel Realty Trust, Inc. | | 648053106 | 5/12/2004 | 1. Election of Directors | Issuer | Y | For | For |
| Noble Corporation | NE | G65422100 | 4/22/2004 | 1. Election of Directors | Issuer | Y | For | For |
| | | | | 2. Approval of the appointment of independent auditors for 2004 | Issuer | Y | For | For |
| Brown & Brown, Inc. | BRO | 115236101 | 4/22/2004 | 1. Election of Directors | Issuer | Y | For | For |

SIGNATURES

Pursuant to the requirements of the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant)

Source Capital, Inc.

By (Signature and Title)*

/s/ J. Richard Atwood, Treasurer

Date

8/20/04

* Print the name and title of each signing officer under his or her signature.