

MEDIA GENERAL INC
Form DEF 14A
April 07, 2003

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 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 §240.14a-12

Media General, 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):

- 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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Notice of 2003
Annual Meeting
and
Proxy Statement

Friday, May 23, 2003

11:00 a.m.

Richmond Newspapers Production Facility

8460 Times-Dispatch Boulevard

Mechanicsville, Virginia

April 7, 2003

Dear Stockholder:

You are cordially invited to attend Media General's 2003 Annual Meeting on Friday, May 23, 2003.

Our Annual Meeting will be held at the Richmond Newspapers Production Facility, 8460 Times-Dispatch Boulevard (a right turn off U.S. 301, just north of its intersection with I-295), Mechanicsville, Virginia.

Bob Hatcher and John Medlin will retire from our Board of Directors at this year's Annual Meeting. Bob has been a Director since 1991, and John has served since 1994. They each have made significant, thoughtful contributions to the Company. We shall miss their wise counsel very much. At the same time, we are pleased that C. Boyden Gray has agreed to stand for election to the Board.

We hope you will attend this year's Annual Meeting to thank Messrs. Hatcher and Medlin for their service and to meet Boyden Gray.

Whether or not you plan to be present at the Annual Meeting, we value your vote. Most stockholders have a choice of voting over the Internet, by telephone, or by using a traditional proxy card. Please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. However you choose to vote, please do so at your earliest convenience.

I look forward to seeing you on May 23.

Yours sincerely,

J. Stewart Bryan III

Publishing Broadcast Interactive Media

NOTICE OF 2003 ANNUAL MEETING OF STOCKHOLDERS

To the Class A and Class B Common Stockholders

of Media General, Inc.

Please take notice that the 2003 Annual Meeting of Stockholders of Media General, Inc., will be held at the **Richmond Newspapers Production Facility, 8460 Times-Dispatch Boulevard (a right turn off U.S. 301, just north of its intersection with I-295), Mechanicsville, Virginia, on Friday, May 23, 2003, at 11:00 a.m.** for the following purposes:

1. To elect a Board of Directors for the ensuing year; and
2. To act upon such other matters as properly may come before the meeting.

Holders of the Company's Class A and Class B Common Stock of record at the close of business on March 28, 2003, are entitled to notice of and to vote at the meeting.

Your attention is directed to the accompanying Proxy Statement.

By Order of the Board of Directors

GEORGE L. MAHONEY, *Secretary*

Richmond, Virginia

April 7, 2003

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Stockholders are requested to vote by the Internet, by telephone or by completing and returning the accompanying proxy card in the envelope provided, whether or not they expect to attend the meeting in person. Internet and telephone voting facilities will close at 11:00 a.m. E.S.T. on May 22, 2003. A proxy may be revoked at any time before it is voted.

PROXY STATEMENT

2003 Annual Meeting of Stockholders

SOLICITATION OF PROXIES

This statement is furnished in connection with the solicitation of proxies by the Board of Directors of Media General, Inc. (the Company), to be used at the 2003 Annual Meeting of Stockholders to be held at the **Richmond Newspapers Production Facility, 8460 Times-Dispatch Boulevard (a right turn off U.S. 301, just north of its intersection with I-295), Mechanicsville, Virginia, on Friday, May 23, 2003, at 11:00 a.m.** All shares entitled to vote and represented by properly completed proxies received prior to the meeting and not revoked will be voted at the meeting in accordance with instructions. Internet and telephone voting facilities will close at 11:00 a.m. E.S.T. on May 22, 2003. A proxy may be revoked by a Stockholder at any time before it is voted.

The Annual Report to the Stockholders of the Company, including financial statements for the fiscal year ended December 29, 2002, and this Proxy Statement and accompanying proxy card, are being mailed to Stockholders on or about April 7, 2003.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company had outstanding 22,816,054 shares of Class A Common Stock (Class A Stock) and 555,992 shares of Class B Common Stock (Class B Stock) as of March 28, 2003. Only holders of record at the close of business on such date will be entitled to vote, and each share of Class A or Class B Stock will be entitled to one vote on each matter as to which such class is entitled to vote.

The following table shows the stock ownership as of the most recent practicable date of all persons known by the Company to have been the beneficial owners of more than 5% of the outstanding shares of any class of the Company's securities and the stock ownership of the directors and officers of the Company as a group. All such information is based on information furnished by or on behalf of the persons listed, who have sole voting power and sole dispositive power as to all shares of Class A and Class B Stock listed unless noted to the contrary.

Name and Address of Beneficial Holder	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
J. Stewart Bryan III	Class A	1,258,870(1)	5.5%
333 East Franklin Street Richmond, VA 23219	Class B	461,468(1)	83.0%
Jane Bryan Brockenbrough c/o Bryan Brothers	Class B	55,580(2)	10.0%

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1802 Bayberry Court, Suite 302
Richmond, VA 23226

Mario J. Gabelli	Class A	7,196,447(3)	31.5%
One Corporate Center Rye, NY 10580			

Fidelity Investments Institutional Operations Company, Inc.	Class A	1,878,881(4)	8.2%
82 Devonshire Street Boston, MA 02109			

All directors and executive officers as a group	Class A	1,776,985(5)	7.8%
	Class B	461,468	83.0%

- (1) The shares listed for J. Stewart Bryan III include 4,800 shares of Class A Stock held by a private foundation controlled by Mr. Bryan, 46,825 shares of Class A Stock held (as of February 28, 2003) for his benefit by the MG Advantage 401(k) Plan (the 401(k) Plan), 119,700 shares of Class A Stock registered in his name under the Media General, Inc., Restricted Stock Plan, 215,300 shares of Class A Stock subject to currently exercisable options, 535,200 shares of Class A Stock held by trusts of which Mr. Bryan serves as a fiduciary and shares in the control of the voting and disposition of the shares, and 373,000 shares of Class B Stock held by the D. Tennant Bryan Media Trust, of which Mr. Bryan serves as sole trustee. Mr. Bryan and the Media Trust constitute a group for certain purposes.
- (2) Jane Bryan Brockenbrough additionally has sole voting and dispositive power as to 6,000 shares of Class A Stock.
- (3) According to a Schedule 13D, amended as of November 4, 2002, the shares listed include shares held by Mr. Gabelli or entities under his direct or indirect control, including 4,742,647 shares held by GAMCO Investors, Inc. (GAMCO), and 2,453,800 shares held by Gabelli Funds, LLC (Gabelli Funds). In the aggregate, such shares are attributable to Mr. Gabelli and to Gabelli Group Capital Partners, Inc., and to Gabelli Asset Management, Inc., parent companies of GAMCO and Gabelli Funds. Mr. Gabelli and such entities, in the aggregate, have sole dispositive power for all shares except 187,450 shares for which there is no voting power. The Schedule 13D states that if the aggregate voting power of the Gabelli entities should exceed 25% of their voting interest in the Company, the 2,453,800 shares held by Gabelli Funds will be voted by a proxy voting committee for each of the approximately 20 funds advised by Gabelli Funds. Another Gabelli-controlled entity holds 380 shares of Class B Stock.
- (4) Fidelity Investments serves as trustee of the 401(k) Plan, and the 1,878,881 Class A shares held as of February 28, 2003, are held in that capacity. The 401(k) Plan provides that shares held for the 401(k) Plan are to be voted by the trustee in the same proportion as instructions received from participants. Subject to certain restrictions, participants have the right to direct the disposition of shares of Class A Stock held for their benefit by the 401(k) Plan.
- (5) Includes an aggregate of 426,535 Class A shares subject to currently exercisable stock options.

ELECTION OF DIRECTORS

The Articles of Incorporation of the Company provide for the holders of the Class A Stock voting separately and as a class to elect 30% of the Board of Directors (or the nearest whole number if such percentage is not a whole number) and for the holders of the Class B Stock to elect the balance. Accordingly, of the nine directors to be elected, three will be Class A Directors to be elected by the Class A Stockholders, and six will be Class B Directors to be elected by the Class B Stockholders. The By-laws of the Company, consistent with applicable Virginia law, provide that in the election of each class of Directors, those receiving the greatest number of votes of each class of Stockholders entitled to vote for such Directors shall be elected. Abstentions and non-votes by brokers, banks and other nominee holders of record shall not be counted for or against any nominee. The Directors elected will serve until the next Annual Meeting of Stockholders. All of the nominees listed below except Mr. Gray presently are members of the Board; Mr. Williams previously has served as a Class B Director. Unless authority is withheld, the proxies will be voted for the election as Directors of the persons named below, or, if for any reason any of such persons are unavailable, for such substitutes as management may propose. The Company has no reason to believe that any of the nominees will be unavailable. The following material is based on information submitted by the person named. Unless noted to the contrary, each Director has sole voting power and sole dispositive power as to all shares listed as owned beneficially by him or her.

Name	Age	Director Since	Number and Percentage* of Shares Beneficially Owned March 28, 2003			
			Class A(1)	%	Class B	%
<i>Class A Directors</i>						
Charles A. Davis	54	1989	16,891			
C. Boyden Gray	60					
Walter E. Williams	67	2001	2,731			
<i>Class B Directors</i>						
O. Reid Ashe, Jr.	54	2002	57,774(2)			
J. Stewart Bryan III	64	1974	1,258,870(3)	5.5%	461,468	83.0%
Marshall N. Morton	57	1997	155,220(4)			
Thompson L. Rankin	62	2001	6,014			
Wyndham Robertson	65	1996	10,422			
Henry L. Valentine, II	75	1991	36,882(5)			

*Percentages of stock ownership less than one percent are not shown.

- (1) Includes shares, if any, held in the 401(k) Plan as of February 28, 2003. Also includes deferred Class A Stock units credited, as of December 31, 2002, to non-employee Directors accounts pursuant to the Media General, Inc., Directors Deferred Compensation Plan, as follows: Mr. Davis 12,310 units; Mr. Williams 2,731 units; Mr. Rankin 4,814 units; Miss Robertson 9,122 units; Mr. Valentine 11,501 units. For further information as to deferred Class A Stock units, see page 5.
- (2) For further information as to stock held by Mr. Ashe, see Stock Ownership of Executive Officers.
- (3) For further information as to stock held by Mr. Bryan, see Voting Securities and Principal Holders Thereof.
- (4) For further information as to stock held by Mr. Morton, see Stock Ownership of Executive Officers.
- (5) Of the shares of Class A Stock listed, Mr. Valentine shares voting and dispositive power as a co-trustee as to 17,000 shares. The shares listed do not include 3,000 shares of Class A Stock held by Mr. Valentine's wife, as to which Mr. Valentine disclaims any voting or dispositive power.

Directors

CHARLES A. DAVIS, is Vice Chairman of Marsh & McLennan Companies, Inc., and is President and Chief Executive Officer of Marsh & McLennan Capital, Inc. He previously was a limited partner in The Goldman Sachs Group, L.P., and was a partner for more than five years in the investment banking firm of Goldman, Sachs & Co. Mr. Davis also serves as a director of Merchants Bancshares, Inc., and Progressive Corporation.

C. BOYDEN GRAY is a partner in the Washington, D.C. law firm of Wilmer, Cutler and Pickering and has served in that position for more than five years. He additionally was Counsel to President George H.W. Bush from 1989 to 1993.

WALTER E. WILLIAMS has served on the faculty of George Mason University, Fairfax, Virginia, since 1980 and was the chairman of the Economics Department from 1995 to 2001. He also is an author, columnist and frequent television and radio commentator.

O. REID ASHE, JR. is President and Chief Operating Officer of the Company and assumed those responsibilities in July 2001. He previously served as the President and Publisher of The Tampa Tribune from 1997 to 2001, and he was the President and Associate Publisher of The Tampa Tribune from 1996 to 1997.

J. STEWART BRYAN III is Chairman of the Board and Chief Executive Officer of the Company and has served in those capacities since July 1990. He was President of the Company from July 1990 to July 2001. Prior to July 1990, he had served as Vice Chairman of the Board and Executive Vice President of the Company since 1985, and as Chief Operating Officer of the Company since 1989. He additionally has been Publisher of the Richmond Times-Dispatch for more than five years.

MARSHALL N. MORTON was elected Vice Chairman of the Board in 2001 and is the Company's Chief Financial Officer, a position he has held for more than five years. He was the Company's Senior Vice President from 1989 to 2001.

THOMPSON L. RANKIN retired in 1997 as President and Chief Executive Officer of Lykes Bros. Inc., having served in that position for more than five years. He also is the former Chairman of the Board and Chief Executive Officer of Lykes Energy, Inc., and served in that position for more than five years. He previously served on the Board of Directors of the Company from 1985 to 1994. Mr. Rankin also serves as a director of TECO Energy, Inc.

WYNDHAM ROBERTSON retired in March 1996 as Vice President for Communications at the University of North Carolina, having served in that position for more than five years. She previously was an Assistant Managing Editor for Fortune magazine and worked with that organization for 24 years.

HENRY L. VALENTINE, II is Chairman of Davenport & Company LLC, a Richmond, Virginia, investment banking firm, and has served in that position for more than five years.

Board and Committee Meetings

The full Board of Directors held five regular meetings during 2002.

The standing committees of the Board of Directors are the Executive Committee, the Audit Committee and the Compensation Committee. The Board has not formed a nominating committee.

The Executive Committee presently consists of Messrs. Ashe, Bryan, Hatcher, Morton and Valentine. The Executive Committee is empowered, with certain limitations, to exercise all of the powers of the Board of Directors when the full Board is not in session. The Executive Committee met six times during 2002.

The Audit Committee presently consists of Miss Robertson and Messrs. Davis, Rankin and Valentine. This committee oversees the audit function of the Company, both with regard to internal auditors and independent auditors, which are recommended to the Board by this committee. In this capacity, the committee meets with internal and independent auditors, retains the Company's outside auditors and reviews all annual Securities and Exchange Commission (the SEC) filings made by the Company. The Audit Committee met twice during 2002. Each member of the Audit Committee is independent, as that term is defined by the applicable listing standards of the New York Stock Exchange.

The Compensation Committee presently consists of Messrs. Hatcher, Medlin and Williams. This committee has general responsibility for employee compensation, makes recommendations to the Board concerning officer and director compensation and oversees the operation of the compensation related benefit plans. The Compensation Committee met twice during 2002.

Pursuant to the Media General, Inc., Directors' Deferred Compensation Plan, each Director who has not at any time served as an employee of the Company (an Outside Director) receives 50% of his or her annual compensation, which annual compensation was \$75,000 in 2002, in deferred Class A Stock units and may elect to receive the other 50% of annual compensation in cash or deferred stock units. All Outside Directors but two elected to receive all available 2002 compensation in deferred stock units.

STOCK OWNERSHIP OF EXECUTIVE OFFICERS

The following table lists the beneficial ownership of the Company's Class A and Class B Stock by the executive officers named in the Summary Compensation Table as of March 28, 2003.

Name	Number and Percentage* of Shares			
	Beneficially Owned March 28, 2003			
	Class A(1)	%	Class B	%
J. Stewart Bryan III	1,258,870(2)	5.5%	461,468(2)	83.0%
Marshall N. Morton	155,220(3)			
H. Graham Woodlief, Jr.	72,064(4)			
O. Reid Ashe, Jr.	57,774(5)			
James A. Zimmerman	70,629(6)			

*Percentages of stock ownership less than one percent are not shown.

- (1) Includes shares held in the 401(k) Plan as of February 28, 2003.
- (2) For further information as to stock held by Mr. Bryan, see Voting Securities and Principal Holders Thereof.
- (3) Shares listed for Mr. Morton include 77,167 shares subject to currently exercisable options and 55,000 shares registered in his name under the Restricted Stock Plan.
- (4) Shares listed for Mr. Woodlief include 38,500 shares subject to currently exercisable options and 28,000 shares registered in his name under the Restricted Stock Plan.
- (5) Shares listed for Mr. Ashe include 20,567 shares subject to currently exercisable options and 33,700 shares registered in his name under the Restricted Stock Plan. Mr. Ashe is co-trustee, along with his wife, of 2,840 shares held in a revocable trust.
- (6) Shares listed for Mr. Zimmerman include 39,700 shares subject to currently exercisable options and 22,000 shares registered in his name under the Restricted Stock Plan.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth annual and long-term compensation for the last three years for the Company's Chief Executive Officer and the four other most highly compensated executive officers.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		All Other Compensation \$(3)
		Salary (\$)	Bonus (\$)	Other Annual Compensation \$(1)	Awards		
					Restricted Stock \$(2)	Options (#)	
J. Stewart Bryan III, Chairman, President and Chief Executive Officer	2002	\$ 875,000	\$ 558,683	\$321,068		48,500	\$408,377
	2001	875,000		343,939	\$2,575,000	38,100	431,156
	2000	830,000	346,894	7,547		29,900	49,189
Marshall N. Morton, Vice Chairman and Chief Financial Officer	2002	525,000	274,263	56,229		17,900	90,509
	2001	525,000		57,343	803,400	11,400	106,387
	2000	485,000	165,848			8,700	24,588
O. Reid Ashe, Jr.,* President and Chief	2002	425,000	222,022	44,649		12,500	72,632
	2001	375,562					