

CAL MAINE FOODS INC

Form DEF 14A

September 06, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(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 (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

Cal-Maine Foods, 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:

(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:

OMB APPROVAL

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(1) Amount Previously Paid:

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**CAL-MAINE FOODS, INC.
NOTICE OF ANNUAL MEETING
OCTOBER 11, 2007**

TO THE SHAREHOLDERS:

The Annual Meeting of the shareholders of Cal-Maine Foods, Inc. will be held at the corporate offices of Cal-Maine Foods, Inc. at 3320 Woodrow Wilson Drive, Jackson, Mississippi 39209, at 11:30 a.m. (Local Time), on Thursday, October 11, 2007, to consider and vote on:

1. The election of seven directors to serve on the Board of Directors of Cal-Maine Foods, Inc. for the ensuing year.
2. Such other matters as may properly come before the Annual Meeting or any adjournments thereof.

August 23, 2007 has been fixed as the record date for determination of shareholders entitled to vote at the Annual Meeting and to receive notice thereof.

The directors sincerely desire your presence at the meeting. However, so that we may be sure your vote will be included, please sign, date and return the enclosed proxy card promptly. A self-addressed, postage-paid return envelope is enclosed for your convenience.

FOR THE BOARD OF
DIRECTORS

TIMOTHY A. DAWSON
SECRETARY

DATED: September 6, 2007

SHAREHOLDERS ARE URGED TO VOTE BY DATING, SIGNING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE TO WHICH NO POSTAGE NEED BE AFFIXED IF MAILED IN THE UNITED STATES

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**CAL-MAINE FOODS, INC.
3320 Woodrow Wilson Drive
Jackson, Mississippi 39209**

**PROXY STATEMENT FOR ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD OCTOBER 11, 2007**

The information set forth in this proxy statement is furnished in connection with the Annual Meeting of Shareholders of Cal-Maine Foods, Inc. (the Company) to be held on October 11, 2007, at 11:30 a.m., local time, at our headquarters, 3320 Woodrow Wilson Drive, Jackson, Mississippi. A copy of our Annual Report to Shareholders for the fiscal year ended June 2, 2007, accompanies this proxy statement. Our telephone number is 601-948-6813. The terms we, us and our used in this proxy statement mean the Company.

Additional copies of the Annual Report (not including exhibits), Notice, Proxy Statement and Proxy card will be furnished without charge to any Shareholder upon written request to: Cal-Maine Foods, Inc., ATTN: Timothy A. Dawson, Secretary, Post Office Box 2960, Jackson, Mississippi 39207. Exhibits to the Annual Report may be furnished to Shareholders upon the payment of an amount equal to the reasonable expenses incurred in furnishing such exhibits. A list of the shareholders of record on the record date will be available for inspection at the above address for ten days preceding the date of the Annual Meeting.

Our Board of Directors is soliciting the enclosed proxy. The proxy may be revoked by a shareholder at any time before it is voted by filing with our Secretary a written revocation or a duly executed proxy bearing a later date. The proxy also may be revoked by a shareholder attending the meeting, withdrawing the proxy, and voting in person. All expenses incurred in connection with the solicitation of proxies will be paid by us. In addition to the solicitations of proxies by mail, our directors, officers, and regular employees may solicit proxies in person or by telephone. We will, upon request, reimburse banks, brokerage houses and other institutions, and fiduciaries for their expenses in forwarding proxy material to their principals. No proxies will be solicited via the Internet or web site posting.

This proxy statement, the enclosed form of proxy and the other accompanying materials are first being mailed to shareholders on or about September 6, 2007. Shareholders of record at the close of business on August 23, 2007, are eligible to vote at the Annual Meeting. As of the record date, 21,203,491 shares of our common stock were outstanding, and 2,400,000 shares of our Class A common stock were outstanding. Each share of common stock is entitled to one vote on each matter to be considered at the Annual Meeting. Each share of Class A common stock is entitled to ten votes on each such matter. Both the shares of common stock and the shares of Class A common stock have the right of cumulative voting in the election of directors. Cumulative voting means that each shareholder will be entitled to cast as many votes as he or she has the right to cast (before cumulating votes), multiplied by the number of directors to be elected. All such votes may be cast for a single nominee or may be distributed among the nominees to be voted for as the shareholder sees fit. To exercise cumulative voting rights by proxy, a shareholder must clearly designate the number of votes to be cast for any given nominee.

Shares represented by a properly executed and returned proxy card will be voted at the Annual Meeting in accordance with the instructions indicated thereon. If no instructions are indicated, the person or persons named in the proxy will vote:

n **for** election of the seven nominees to serve as directors of the Company; and

n **in** their discretion with respect to such other business as may come before the Annual Meeting.

The election of directors requires a plurality of the votes cast. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

In accordance with our bylaws and Delaware law, the Board will appoint two inspectors of election. The inspectors will take charge of and will count the votes and ballots cast at the Annual Meeting and will make a written report on their determination. We encourage you to read this entire document carefully.

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The following table sets forth information as to the beneficial ownership of our common stock as of August 1, 2007, by:

each person known by us to beneficially own more than five percent of the class outstanding, and

each director, each nominee to serve as a director of the Company, each executive officer named in the Summary Compensation Table (see Compensation of Executive Officers and Directors) and by all directors and officers as a group.

Name of Beneficial Owner(2)	Common Stock and Class A Common Stock		Percent of Class		Percent of Total Voting Power (3)
	Number of Shares(1)		Common	Class A	
Fred R. Adams, Jr. (4)(5)	7,639,206	2,162,500	36.0	90.1	64.6
Cal-Maine Foods, Inc. Employee Stock Ownership Plan	1,714,413		8.1		3.8
Richard K. Looper (6)	81,548		*		*
Adolphus B. Baker (7)	407,100	237,500	1.9	9.9	6.2
R. Faser Triplett, M. D.	35,000		*		*
Letitia C. Hughes	10,800		*		*
James E. Poole	100		*		*
Timothy A. Dawson (8)	180		*		*
Joe M. Wyatt	41,941		*		*
Charles F. Collins (9)	66,157		*		*
All directors and executive officers as a group (nine persons) (10)	8,282,032	2,400,000	39.1	100	71.5

* Less than 1%

(1) The information as to beneficial ownership is based on information known to us or statements

furnished to us
by the beneficial
owners. As used
in this table,

beneficial
ownership
means the sole
or shared power
to vote or to
direct the voting
of a security, or
the sole or
shared
investment
power with
respect to a
security (i.e. the
power to
dispose of or to
direct the
disposition of a
security). For
purposes of this
table, a person
is deemed as of
any date to have
beneficial
ownership of
any security that
such person has
the right to
acquire within
60 days after
such date, such
as under our
Stock Option
Plans.

- (2) The address of
each person,
except James E.
Poole, R. Faser
Triplett, M.D.
and Letitia C.
Hughes is
Cal-Maine
Foods, Inc.,
3320 Woodrow
Wilson Drive
(Post Office
Box 2960),

Jackson,
Mississippi
39207.
Mr. Poole s
address is P. O.
Box 5167,
Jackson,
Mississippi
39096; Dr.
Triplett s address
is 210 Winged
Foot Circle,
Jackson,
Mississippi
39211;
Ms. Hughes
address is P.O.
Box 291,
Jackson,
Mississippi
39205.

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- (3) Percent of total voting power is based on the total votes to which the Common Stock (one vote per share) and Class A Common Stock (ten votes per share) are entitled.
- (4) The number of shares shown in the table includes 877,749 shares of Common Stock owned by Mr. Adams spouse separately and as to which Mr. Adams disclaims beneficial ownership, and 5,521,591 shares of common stock. Additionally 500,000 shares of Class A Common stock and 800,000 shares of common stock are held in family trusts, to which Mr. Adams disclaims beneficial ownership.
- (5) Includes 439,866 shares

accumulated
under the
Cal-Maine
Foods, Inc.
Employee Stock
Ownership Plan
(ESOP).

(6) Includes 9,890
shares
accumulated
under the ESOP
and 2,794
owned by
Mr. Looper's
spouse as to
which he
disclaims
beneficial
ownership.

(7) Includes
138,344 shares
owned by
Mr. Baker's
spouse
separately and
as custodian for
their children as
to which
Mr. Baker
disclaims any
beneficial
ownership and
58,108 shares
accumulated
under the ESOP.

(8) Includes 180
shares
accumulated
under the ESOP.

(9) Includes 1,126
accumulated
under the ESOP.

(10) Includes shares
as to which
Messrs Adams,
Looper and

Baker disclaim
any beneficial
ownership. See
Notes (4),
(6) and
(7) above.

The shares of common stock accumulated in the ESOP, as indicated in Notes (5) through (8) above, also are included in the 1,714,413 shares shown in the table as owned by the ESOP.

ELECTION OF DIRECTORS

Our bylaws provide that the number of directors shall be fixed by resolution of the Board of Directors and that the number may not be less than three nor more than fifteen. Pursuant to the bylaws, the Board of Directors has fixed the number of directors at seven. Unless otherwise specified, proxies will be voted **FOR** the election of the seven nominees named below to serve until the next annual meeting of shareholders and until their successors are elected and qualified. If, at the time of the meeting, any of the nominees named below is unable or declines to serve as director (which is not anticipated), the proxies will be voted for the election of such other person or persons as the Board of Directors may designate in their discretion. The directors recommend a vote **FOR** the seven nominees listed below. All nominees presently serve as directors of the Company.

Table of Contents**Nominees for Directors**

The table below sets forth certain information regarding the nominees for election to the Board of Directors:

Name	Age	Tenure and Business Experience
Fred R. Adams, Jr. (1) (3) Chairman of the Board of Directors, Chief Executive Officer and Director	75	Fred R. Adams, Jr. has served as the Chief Executive Officer and director of the Company since its formation in 1969 and as the Chairman of its Board of Directors since 1982. He is a director and past chairman of National Egg Company, United Egg Producers, Mississippi Poultry Association, U.S. Egg Marketers, Inc., and Egg Clearinghouse, Inc. Mr. Adams is the father-in-law of Mr. Baker.
Richard K. Looper Vice Chairman of the Board of Directors and Director	80	Richard K. Looper served as President and Chief Operating Officer of the Company from 1983 to January 1997. Previously, he had served as Executive Vice President of the Company since 1982 and was originally employed by the Company in 1974. Mr. Looper is a past chairman of the American Egg Board and U.S. Egg Marketers, Inc. He has served as a director of the Company since 1982. Mr. Looper is also Chairman of American Egg Products, LLC.
Adolphus B. Baker (1) President, Chief Operating Officer and Director	50	Adolphus B. Baker was elected President and Chief Operating Officer in January 1997. He was serving as Vice President and Director of Marketing of the Company when elected President. Previously, he had served as Assistant to the President since 1987 and has been employed by the Company since 1986. He has been a director of the Company since 1991. Mr. Baker is Chairman of United Egg Producers and is past chairman of American Egg Board, Mississippi Poultry Association and Egg Clearinghouse, Inc. Mr. Baker is a director of Trustmark Corporation, Jackson, Mississippi. Mr. Baker is Mr. Adams' son-in-law.
James E. Poole (2)(3)	58	Mr. Poole is a Certified Public Accountant and a principal with Grantham & Poole of Jackson, Mississippi. He has been a director of the Company since October 18, 2004.
R. Faser Triplett, M.D. (2)(3)	74	R. Faser Triplett, M.D. has served as a director of the Company since September 1996. Dr. Triplett is a retired physician and a Clinical Assistant Professor at the University of Mississippi School of Medicine. He is the majority owner of Avanti Travel, Inc.
Letitia C. Hughes (2)	55	Letitia C. Hughes was elected as a director of the Company in July of 2001. Since 1974 Ms. Hughes has been associated with Trustmark National Bank, Jackson, Mississippi, in managerial positions. She is presently serving as Senior Vice-President, Manager, Private Banking. Mr. Baker is a director of Trustmark Corporation, the parent of Trustmark National Bank.

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Name	Age	Tenure and Business Experience
Timothy A. Dawson (1)	53	Mr. Dawson joined the Company on August 1, 2005 and was elected Vice President and Chief Financial Officer effective as of that date. He has served as a director since October 13, 2005. He is Secretary and Treasurer of the Company. Mr. Dawson served as Senior Vice President and Chief Financial Officer of Mississippi Chemical Corporation from 1999 until the sale of that company to Terra Industries in December 2004.
(1) Member of the Executive Committee		
(2) Member of the Audit Committee		
(3) Member of the Compensation Committee		

The Company's executive officers serve at the pleasure of the Board. None of the officers or directors have been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanor). None of the executive officers or directors have been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to federal or state securities laws, or a finding of any violation of federal or state securities laws.

Board and Committee Meetings

The Board of Directors of the Company held four regular and no special meetings in the fiscal year ended June 2, 2007. The Executive Committee of the Board presently consists of Messrs. Adams, Baker and Dawson. The Board also has a Compensation Committee consisting of Messrs. Adams, Poole and Triplett, and an Audit Committee consisting of Mr. Poole, Dr. Triplett and Ms. Hughes. The Board does not have a nominating committee. This function is performed by the Executive Committee.

The Executive Committee may exercise all of the powers of the full Board of Directors, except for certain major actions, such as the adoption of an agreement of merger or consolidation, the recommendation to stockholders of the disposition of substantially all of the Company's assets or a dissolution of the Company, and the declaration of a dividend or authorization of an issuance of stock. The Executive Committee acts on matters, within the scope of its authority, between meetings of the full Board. During the last fiscal year, no formal meetings of the Executive Committee were held, and the Committee, pursuant to Delaware law, took action by unanimous written consent on 17 occasions. The full Board of Directors did not act by written consent.

The Compensation Committee reviews and recommends to the Board of Directors the compensation and benefits of all officers of the Company, reviews general policy matters relating to compensation and benefits of employees of the Company, including the issuance of stock options to the Company's officers, employees and directors. The Compensation Committee met one time during fiscal 2007.

The Audit Committee, which is composed of three independent directors, meets with management and the Company's independent auditors to determine the adequacy of internal controls, to recommend auditors for the Company and other financial matters. The Audit Committee held four regular and three special meetings during fiscal 2007.

Each member of our Board of Directors attended 75 percent or more of the total meetings of the Board and all committees of the Board on which he or she served during fiscal 2007.

While the Board of Directors does not have a specific policy as to directors' attendance at the Annual Meeting of Shareholders, such attendance is encouraged. All Directors attended the meeting of shareholders held on October 5, 2006.

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The independent directors of the Company met in executive session without any representatives of management being present on one occasion during fiscal 2007.

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. A copy of the Charter of the Audit Committee was attached as Appendix A to our Proxy Statement for fiscal year 2005.

Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Committee reviewed with Moore, Stephens Frost, independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Committee under generally accepted auditing standards. In addition, the Committee has discussed with the independent auditors the auditors' independence from management and the Company including the matters in the written disclosures required by the Independence Standards Board and considered the compatibility of nonaudit services with the auditors' independence.

The Committee discussed with our internal and independent auditors the overall scope and plans for their respective audits. The Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended June 2, 2007, for filing with the Securities and Exchange Commission.

All members of the Audit Committee are deemed by the Board of Directors to be financial experts.

James E. Poole, Audit Committee Member

Letitia C. Hughes, Audit Committee Chairperson

R. Faser Triplett, M.D., Audit Committee Member

Certain Corporate Governance Matters

The Securities and Exchange Commission approved amendments to the NASDAQ stock market qualitative listing standards to require that a majority of a listed company's directors be independent and that a compensation committee and nominating committee of the Board composed solely of independent directors be established. The new standards are not applicable to any company where more than 50 percent of the voting power is held by one individual or group.

Fred R. Adams, Jr., Chairman of the Board and Chief Executive Officer of the Company, owns capital stock of the Company entitling him to 64.6% of the total voting power. Accordingly, the Company is exempt from those NASDAQ listing standards. However, a NASDAQ listing standard requiring the independent directors of the board to have regularly scheduled meetings at which only independent directors are present is applicable to the Company. One such meeting was held during fiscal 2007.

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NASDAQ qualitative listing standards require companies to adopt a code of business conduct and ethics applicable to all directors, officers and employees complying with certain provisions in the Sarbanes-Oxley Act of 2002. The Board of Directors adopted a code on April 14, 2004. Our Code of Ethics is posted on our web site.

The listing standards also require that effective January 15, 2004, all related party transactions to which the Company's directors or officers are parties be reviewed for potential conflicts of interests on an ongoing basis by, and all such transactions be approved by, the Company's audit committee or another independent committee of the Board of Directors. During fiscal 2007, no related party transactions took place.

Additional NASDAQ listing standards approved by the Securities and Exchange Commission require that the Audit Committee (i) be composed solely of independent directors; (ii) be directly responsible for the appointment, compensation, retention and oversight of the independent auditor, which must report directly to the audit committee; (iii) establish procedures to receive, retain, and treat complaints regarding accounting, internal accounting controls and auditing matters, including procedures for employees' confidential, anonymous submissions of concerns regarding questionable accounting or auditing matters; (iv) have the authority to engage independent counsel and other advisors when the committee determines such outside advice is necessary; and (v) be adequately funded by the Company. Our Audit Committee is in compliance with these standards.

The Board of Directors does not have a separate standing nominating committee. The Executive Committee of the Board of Directors fulfills this function. Messrs. Adams, Dawson and Baker are the members of the Executive Committee. The Executive Committee does not have a charter that addresses the nominating function. As a controlled company, the independence requirements of NASDAQ Rule 4350(c) do not apply to the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than 10 percent of a registered class of our equity securities, such as the common stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Such persons are also required to furnish us with copies of all forms they file under this regulation. To our knowledge, based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, for the fiscal year ended June 2, 2007, all Section 16(a) reports applicable to its directors and executive officers were filed. During the fiscal year ended June 2, 2007, one officer, Mr. Baker, was late in reporting transactions required under Section 16(a) of the Securities Exchange Act of 1934.

Certain Transactions

The Company owns approximately 25.9% of Egghand's Best, Inc. (Egghand's Best), a specialty egg marketing firm. During the fiscal year ended June 2, 2007, the Company paid approximately \$8,133,950 to Egghand's Best for merchandising services. Adolphus B. Baker, President and director of the Company, is a director of Egghand's Best.

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COMPENSATION DISCUSSION AND ANALYSIS

We are the only publicly held company in the United States, insofar as we can determine, whose primary business is the commercial production, processing, and sale of shell eggs. While a few of our competitors are divisions of public companies, in each such case the shell egg division does not constitute the primary business of the company.

Accordingly, there is little, if any, public information available relative to the compensation paid by our competitors. It is our intent to compensate our employees at a level that will appropriately reward them for their performance, minimize the number of employees leaving our employment because of compensation issues, and enable us to attract needed talent as our business expands. Even though we have not lost many management level employees to our competitors, we believe our management is not the highest paid management group in the egg business. Our philosophy is to provide compensation to our management that falls in the upper middle range of industry compensation.

As more than 50 percent of our voting stock is owned by members of the Adams family, we are a controlled company as defined in Rule 4350(c)(5) of the NASDAQ Rules. As such, we are not required to have the compensation of our named executive officers determined by a majority of our independent directors or a Compensation Committee composed entirely of the independent directors. However our independent directors, who constitute two of the three members of the Compensation Committee, do play a significant role in determining the compensation of our named executive officers. We divide our executive officers into two categories for compensation purposes. The first are members of the Executive Committee of our Board of Directors which is composed of Messrs. Adams, Baker and Dawson. The compensation of the members of the Executive Committee is primarily determined by the Executive Committee which submits its recommendation to the Compensation Committee for approval. The compensation for other executives or officers, including named executive officers not members of the Executive Committee, is determined by the Compensation Committee.

Elements of Compensation

Our total compensation package which we provide to each of our named executive officers consists of a base salary, a cash bonus, equity compensation, automobiles, company paid insurance and dues. Additionally, the named executive officers participate in deferred compensation plans and are eligible for an enhanced health plan.

Bonus Plans

The named executive officers, with the exception of Messrs. Adams, Baker and Dawson who are members of the Executive Committee, are covered by our general bonus program. Under the general bonus program the named executive officers have the possibility of receiving a bonus equal to a maximum 50 percent of his base salary. Each year we establish performance objectives for each operating region. Half of a named executive officer's bonus is predicated on our profitability, and the remaining half is primarily determined by his region's performance evidenced by feed conversion rates, rate of lay of eggs, dozens of eggs marketed, and similar performance based criteria utilized by us in running our business.

For members of our Executive Committee the bonus program is essentially subjective, rather than utilizing objective criteria. The Executive Committee agrees on bonuses for its members which are then given as a recommendation to the Compensation Committee for final approval. Normally, the Compensation Committee accepts the Executive Committee's recommendation. The most significant item in determining the amount of Executive Committee's bonus is the profitability of our Company.

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Year to year variations in the level of compensation for our named executive officers result primarily from changes in bonuses and other compensation other than base salary such as stock options and stock appreciation rights. Their salaries remain relatively fixed with modest increases from time to time. A primary variable factor in the named executive officers' compensation is the value of the shares of our stock in relation to which the officer has options. On occasion during the recent past, the compensation of some of the named executive officers attributable to stock options and stock appreciation rights has exceeded their base salary and bonus.

The table which follows gives details as to the compensation of each of our named Executive Officers.

General Matters

None of our named executive officers has an employment contract.

Mr. Collins participates in a plan under which he earns the right to deferred compensation. We entered into an agreement with Mr. Collins on January 14, 1999, under which we will have agreed to pay him \$1,667.00 per month for a period following his 65th birthday. He earns the right to receive such payments on a month to month basis until he reaches age 65. He must be working for us at age 65 to receive these benefits.

Joe M. Wyatt participates in a plan under which he earns the right to deferred compensation. Pursuant to the agreement, Mr. Wyatt earned 10 years of compensation payments when he reached age 65. The incentive compensation payments are made monthly, beginning immediately after the officer's 65th birthday, unless the employee elects to defer receipt of such payments, which are \$20,000 per year for Mr. Wyatt who has elected to so defer. The agreement provides that once payments begin or have been earned, any remaining payments will continue to be made to Mr. Wyatt's estate after his death. Mr. Wyatt has earned 13 years compensation and will earn an additional year for each year worked hereafter until his retirement period. No other named executive officer was in any program in fiscal 2007 that would entitle him to deferred compensation.

In December 2006 our Board adopted a Deferred Compensation Plan under which all our officers are eligible to participate. The Plan will establish an account for each officer selected by the Board. Each year the Board may elect to make a contribution for each participant ranging from zero to whatever the Board determines. Each participant's account will earn interest equal to a fund selected by the Board to serve as an index. At the time of initial participation, each participant must elect how he wishes his account to be distributed to him. All contributions to each officer's account will vest when made. The Board will determine what contributions, if any, will normally be made during December of each year.

Mr. Adams does not participate in any stock option, stock appreciation, deferred compensation, or similar plans. The remainder of our named executive officers do participate in our 1993 and 2005 stock option plans, and in our 2005 Stock Appreciation Rights Plan that is settled in cash rather than shares of our common stock.

No named executive officer is entitled to receive any severance or change in control payment.

We do not have any pension plan but we do have an Employee Stock Ownership Plan (ESOP) to which we contribute an amount not less than 3 percent of the participant's base salary and bonus. All employees, including our named executive officers, are members of the ESOP. We also sponsor an elective 401(k) plan, but we make no contributions directly to the 401(k) plan on behalf of the participants. All of our named executive officers have elected to have 401(k) plans.

Each of our named executive officers participates in an enhanced health plan pursuant to which we reimburse the participating officer for any eligible health expense not covered by our primary health plan, up to \$10,000 per calendar year.

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We have recently implemented a plan under which officers who meet minimum tenure qualifications will be provided health coverage after their retirement. The coverage we provide will be secondary to their Medicare coverage. Each of our executive officers named in the table below, except Charles F. Collins, is provided one automobile for which we pay the operating and maintenance costs. In addition to an automobile, Mr. Adams is provided a pickup truck.

Summary Compensation Table

Name and Principal Position (a)	Fiscal Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) (f)	Plan Compensation (\$) (g)	Change in Pension Value and Nonqualified Non-Equity Deferred Incentive	All Other Compensation (\$) (i)	Total (\$) (j)
							Compensation Earnings (\$) (h)		
Fred R. Adams, Jr. CEO	2007	250,000	200,000	-0-	-0-	-0-	-0-	217,348	667,349
Adolphus B. Baker, COO	2007	206,446	135,000	-0-	-0-	-0-	-0-	37,740	379,186
Timothy A. Dawson, CFO	2007	157,230	60,000	-0-	-0-	-0-	-0-	14,028	231,258
Charles F. Collins, Controller	2007	102,769	18,000	-0-	-0-	-0-	-0-	196,509	317,278
Charles J. Hardin	2007	81,903	98,600	-0-	-0-	-0-	-0-	193,846	374,349

Mr. Adams' other compensation included life insurance premiums in the amount of \$201,507 on policies where members of his family are beneficiaries, country club dues of \$4,616, contributions to the ESOP for his account of \$6,714 and medical reimbursements in the amount of \$4,511.

Mr. Baker's other compensation includes country club dues of \$10,976, ESOP contributions of \$6,714 and medical reimbursements in the amount of \$12,382 (paid in fiscal 2007, but which reimbursed certain expenses from calendar 2006).

Mr. Dawson's other compensation includes \$6,500 for personal use of an automobile, country club dues of \$801, insurance premium of \$1,613, medical reimbursement of \$3,755 and ESOP contribution of \$1,359.

Mr. Collins' other compensation includes \$92,160 from exercise of stock option rights, \$92,160 from exercise of stock appreciation rights, \$1,209 of insurance premium, \$7,296 in medical reimbursement and \$3,684 in ESOP contribution.

Mr. Hardin's other compensation includes \$59,774 for exercise of SARs, \$124,146 gain on exercise of options, \$3,695 medical reimbursement, and ESOP contribution of \$5,555. Mr. Hardin was not, at the end of fiscal 2007, nor is he now, an executive officer of the Company. He is included in this table and in the table below as required by recently adopted disclosure requirements applied to highly compensated non-executive officers.

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Plan Based Awards

No named executive officer received any plan based compensation during fiscal 2007.

Outstanding Equity Awards At Fiscal Year-End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number	Equity Incentive Plan Awards: Number	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number Of Unearned Shares, Units or Other Rights That Have Not Vested (#)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Fred R. Adams, Jr., CEO	-0-	-0-	-0-	N/A	N/A	-0-	-0-	-0-	-0-