

IHOP CORP
Form DEF 14A
April 19, 2005

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

SCHEDULE 14A

(Rule 14a-101)

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
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IHOP CORP

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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IHOP CORP.

April 19, 2005

Dear Fellow IHOP Shareholders:

Please join us at our annual meeting of shareholders on May 24, 2005, where we will ask you to vote on the election of three Class II directors and one Class I director, the ratification and approval of the IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors, the ratification and approval of the amendment of the IHOP Corp. 2001 Stock Incentive Plan and the ratification of the selection of our independent registered public accounting firm, Ernst & Young, LLP.

In addition to the formal items of business at our Annual Meeting, we will review the major Company developments over the past year and share with you our plans for the future. You will have an opportunity to ask questions and express your views to the senior management of IHOP Corp. Members of the Board of Directors and representatives of Ernst & Young LLP, are expected to be present.

Whether or not you are able to attend the Annual Meeting in person, it is important that your shares be represented. You can vote your shares using the Internet or a toll-free telephone number, or by completing and returning the enclosed proxy card by mail. Instructions on each of these voting methods are outlined in the enclosed Proxy Statement. Please vote as soon as possible. The enclosed Proxy Statement is being first sent or given to shareholders on or about April 19, 2005.

We look forward to seeing you on May 24th.

Sincerely yours,
Larry Alan Kay
Chairman of the Board

Julia A. Stewart
President and Chief Executive Officer

450 N. Brand Boulevard 7th Floor Glendale, CA 91203-2306

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 24, 2005**

To the Shareholders of IHOP Corp.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the Meeting or the Annual Meeting) of IHOP Corp., a Delaware corporation (the Company), will be held at the Company s Offices located at 450 N. Brand Boulevard, Glendale, California, on Tuesday, May 24, 2005, at 10:00 a.m., Pacific Daylight Time, for the following purposes:

- (1) To elect three Class II directors and one Class I director;
- (2) To approve the adoption of the IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors for the purpose of Section 303A(8) of the New York Stock Exchange Rules;
- (3) To approve the amendment of the IHOP Corp. 2001 Stock Incentive Plan for the purposes of Section 162(m) and Section 422 of the Internal Revenue Code of 1986, as amended, and Section 303A(8) of the New York Stock Exchange Rules;
- (4) To ratify the appointment of Ernst & Young LLP, as the Company s independent registered public accounting firm for the year ending December 31, 2005; and
- (5) To transact such other business as may properly come before the Meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 25, 2005, the record date for the Meeting, are entitled to notice of and to vote at the Meeting and any adjournment thereof. A list of such shareholders will be available for examination at the principal executive offices of the Company located at 450 N. Brand Boulevard, Glendale, California 91203, at least ten days prior to the Meeting.

To assure that your interests will be represented, whether or not you plan to attend the Meeting, please complete, sign and date the accompanying proxy card and promptly return it in the pre-addressed envelope provided, which requires no postage if mailed in the United States. All shareholders are cordially invited to attend the Meeting in person. If you attend the Meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

By Order of the Board of Directors,
Mark D. Weisberger
Secretary
April 19, 2005
Glendale, California

Table of Contents

<u>Voting on Matters before the Annual Meeting</u>	1
<u>Where To Find More Information On IHOP Corp.</u>	3
<u>Principal Holders of Common Stock</u>	4
<u>Stock Ownership of Management and Directors</u>	5
<u>Compliance with Section 16(a) of the Securities Exchange Act</u>	6
<u>Proposal 1. Election of Two Class I Directors and One Class III Director</u>	7
<u>Board of Directors and Corporate Governance</u>	8
<u>Board Committees and their Functions</u>	11
<u>Director s Compensation</u>	12
<u>Executive Officers of the Company</u>	13
<u>Nominating and Corporate Governance Committee</u>	15
<u>Compensation of Executive Officers</u>	16
<u>Report of the Compensation Committee</u>	18
<u>Compensation Committee Interlocks and Insider Participation</u>	20
<u>Report of the Audit Committee</u>	20
Audit and Related Fees	22
<u>Company Stock Performance Graph</u>	23
<u>Proposal 2. Ratification and Approval of the IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors</u>	24
<u>Proposal 3. Ratification and Approval of the Amendment of the IHOP Corp. 2001 Stock Incentive Plan</u>	28
<u>Proposal 4. Ratification of Selection of Independent Public Accountants</u>	33
<u>Proposals of Shareholders</u>	33
<u>Other Business</u>	34

Voting on Matters before the Annual Meeting

Q: What am I voting on?

A: There are four items that shareholders are asked to vote on at the 2005 Annual Meeting:

Proposal 1: Election of three Class II directors and one Class I director.

Proposal 2: The approval of the adoption of the IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors for the purpose of Section 303A(8) of the New York Stock Exchange Rules.

Proposal 3: The approval of the amendment of the IHOP Corp. 2001 Stock Incentive Plan for the purposes of Section 162(m) and Section 422 of the Internal Revenue Code of 1986, as amended, and Section 303A(8) of the New York Stock Exchange Rules.

Proposal 4: The ratification of the appointment of Ernst & Young LLP, as the Company's independent public accountants for the year ending December 31, 2005.

Q: Who is entitled to vote?

A: Only shareholders of record at the close of business on March 25, 2005 (the Record Date), will be entitled to receive notice of, and to vote at, the Meeting. As of the Record Date, there were outstanding 19,995,262 shares of Common Stock, par value \$.01 per share (the Common Stock), of the Company. Each shareholder of record is entitled to one vote for each share of Common Stock held by such holder and may vote such shares either in person or by proxy. The presence in person or by proxy of 9,997,632 shares of common stock will constitute a quorum at the Meeting.

Q: How do I cast my vote?

A: If you hold your shares as a registered shareholder, you can vote in person at the Annual Meeting or you can vote by mail, telephone or on the Internet.

If your stock is held through a broker or bank you will receive voting instructions from your bank or broker describing how to vote your stock. The availability of telephone or Internet voting will depend upon the bank's or broker's voting processes.

Whichever method you use, each valid proxy received in time will be voted at the Annual Meeting by the persons named on the proxy card in accordance with your instructions. To ensure that your proxy is voted, it should be received by the close of business on May 20, 2005.

If you submit a proxy card without giving instructions, your shares will be voted as recommended by the Board of Directors.

Mellon Investor Services has been engaged as the independent inspector of election to tabulate shareholder votes at the Meeting.

Q: How does the Board of Directors recommend voting?

A: The Board of Directors recommends voting:

- **FOR** each nominee to the Board of Directors;
- **FOR** the approval of the adoption of the IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors; and
- **FOR** the approval of the amendment of the IHOP Corp. 2001 Stock Incentive Plan.

The Audit Committee of the Board of Directors recommends voting:

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- **FOR** ratification of Ernst & Young, LLP as the Company's independent registered public accounting firm.

Q: How will my stock be voted on other business brought up at the Annual Meeting?

A: By submitting your proxy card, you authorize the persons named on the proxy card to use their discretion in voting on any other matter brought before the Annual Meeting. The Company does not know of any other business to be considered at the Annual Meeting.

1

Q: Can I change my vote or revoke my proxy?

A: Yes. You can change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by executing a later-voted proxy by telephone, mail or the Internet or by voting by ballot at the Meeting.

Q: Will abstentions or broker non-votes affect the voting results?

A: Assuming a quorum is present, directors shall be elected by a plurality of the votes cast in the election of directors. Other matters submitted for shareholder approval shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote at the Meeting. Abstentions and broker non-votes will be counted and will have the same effect as no votes.

Q: What is the date of distribution of this Proxy Statement and the proxies solicited hereby?

A: We are sending this Proxy Statement and the proxies to our shareholders beginning on or about April 19, 2005.

Q: What are the costs of this proxy solicitation?

A: The Board of Directors of the Company is soliciting your proxy for use at the Annual Meeting, and at any adjournment thereof. The Company will bear the cost of this proxy solicitation, including the reimbursement to banks and brokers for reasonable expenses of sending out proxy materials to the beneficial owners of our common stock. In addition, officers of the Company may solicit proxies in person or by mail, telephone, e-mail or fax.

Where to Find More Information on IHOP Corp.

Documents Filed with the Securities and Exchange Commission (SEC)

- This Proxy Statement is accompanied by the Company's 2004 Annual Report, which includes the Company's consolidated financial statements for the year ended December 31, 2004.
- You can obtain any of the documents that we file with the SEC (including an additional copy of our 2004 Annual Report on Form 10-K) by contacting us or the SEC (see below for information on contacting the SEC). To obtain documents from us, please direct requests in writing or by telephone to:

IHOP Corp.

450 N. Brand Boulevard

Glendale, California 91203-2306

Phone: (818) 240-6055

Attention: Corporate Secretary

- We will send you the requested documents without charge, excluding exhibits.
- If you would like to request documents from us, including any documents we may subsequently file with the SEC prior to the Meeting, please do so by May 1, 2004, so that you will receive them before the Meeting.

Additional Information

There are a number of other sources for additional information on IHOP Corp.

- The Securities and Exchange Commission. We file reports, proxy statements and other information with the SEC, much of which can be accessed through the SEC's Web site (<http://www.sec.gov>) or can be reviewed and copied at the SEC's Public Reference Room at 450 Fifth Street N.W., Washington, D.C. 20549. Please call 1-800-732-0330 for further information on the Public Reference Room.
- The New York Stock Exchange. Reports and other information on the Company can be reviewed at the office of the New York Stock Exchange at 20 Broad Street, New York, NY 10005.
- The IHOP Corp. Web site. Our Web site at <http://www.ihop.com> provides ongoing information about the Company and its performance along with copies of the charters of our board committees, and our corporate governance guidelines and ethics policies. Please note that information contained on our Web site does not constitute part of this Proxy Statement.

IMPORTANT NOTE:

You should rely only on the information contained in this Proxy Statement to vote on the proposals at the Annual Meeting. We have not authorized anyone to provide you with information that is different from what is contained in this Proxy Statement. This Proxy Statement is dated April 19, 2005. You should not assume that the information contained in this Proxy Statement is accurate as of any date other than such date, and the mailing of this Proxy Statement to shareholders shall not create any implication to the contrary.

Principal Holders of Common Stock

The following table sets forth the only persons who, to the knowledge of management, owned beneficially on February 28, 2005, more than 5% of the outstanding shares of the Company's Common Stock.

Name and Address	Shares Owned	Percent of Class
Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, and O. Mason Hawkins Southeastern Asset Management, Inc. 6075 Poplar Avenue, Suite 900 Memphis, TN 38119	3,905,300	(1) 19.5 %
MSD Capital, L.P. MSD SBI, L.P.(2) 645 Fifth Avenue, 21st Floor New York, New York 10022	2,100,100	(2) 10.5 %
Neuberger Berman, Inc. Neuberger Berman, LLC Neuberger Berman Management, Inc. Neuberger Berman Genesis Fund(3) 605 Third Avenue New York, New York 10158	1,661,792	(3) 8.3 %
Chilton Investment Company, Inc. 1266 East Main Street 7 th Floor Stamford, CT 06902	2,010,532	(4) 10.1 %
Transamerica Investment Management, LLC 1150 S. Olive Street Los Angeles, CA 90015	2,349,818	(5) 11.8 %

(1) In Amendment No. 2 to Schedule 13G, dated February 7, 2005, jointly filed by Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund and Mr. O. Mason Hawkins, such persons report that, at December 31, 2004, Southeastern Asset Management, Inc. possessed sole power to vote or to direct the vote with respect to 809,200 of these shares, no power to vote or direct the vote for 118,000 of these shares, shared power to vote or to direct the vote with respect to 2,978,100 of these shares, sole power to dispose or direct the disposition of 972,200 of these shares and shared power to dispose or direct the disposition of 2,978,100 of these shares. Longleaf Partners Small-Cap Fund possessed shared power to vote or to direct the vote and shared power to dispose or to direct the disposition of 2,978,100 of these shares. Mr. Hawkins possessed no power to vote or to direct the vote and no power to dispose or to direct the disposition of any of these shares.

(2) In Amendment No. 1 to Schedule 13G dated February 17, 2004, MSD Capital, L.P. and MSD SBI, L.P. jointly reported that as of December 31, 2003 they possessed shared power to vote or direct the vote and shared power to dispose or direct the disposition of these shares.

(3) In Amendment No. 2 to Schedule 13G dated February 13, 2004, Neuberger Berman, Inc., Neuberger Berman, LLC, Neuberger Berman Management, Inc. and Neuberger Berman Genesis Fund jointly reported that as of December 31, 2003, Neuberger Berman, Inc. and Neuberger Berman, LLC possessed sole power to vote or to direct the vote with respect to 32,500 of these

shares, shared power to vote or direct the vote with respect to 1,183,000 of these shares, and shared power to dispose or to direct the disposition of 1,661,792 of these shares. Neuberger Berman Genesis Fund possessed shared power to vote or direct the vote and shared power to dispose or to direct the disposition of 1,143,400 of these shares.

(4) In its Schedule 13G dated March 10, 2005, Chilton Investment Company, Inc. reported that at February 28, 2005, it possessed sole power to vote or to direct the vote and sole power to dispose or to direct the disposition of all of these shares.

(5) In Amendment No. 2 to Schedule 13G dated July 8, 2004, Transamerica Investment Management, LLC reported that it possessed shared power to vote or direct the vote and shared power to dispose or direct the disposition of all of these shares.

Stock Ownership of Management and Directors

The following table shows the beneficial ownership, reported to the Company as of February 28, 2005, including shares as to which a right to acquire ownership exists (by the exercise of stock options) within the meaning of Rule 13-d3(d)(1) under the Securities Exchange Act of 1934, as amended, of each director, each nominee for election as director, the chief executive officer and the four other most highly compensated executive officers of the company during 2004 and all directors and executive officers of the Company, as a group.

Name and Address(1)	Shares Owned(2)(3)(4)	Percent of Class
H. Frederick Christie	44,334	*
Richard J. Dahl	5,500	*
Frank Edelstein	21,000	*
Michael S. Gordon	68,334	*
Larry Alan Kay	35,978	*
Caroline W. Nahas	29,334	*
Gilbert T. Ray	0	*
Patrick W. Rose	37,434	*
Julia A. Stewart	197,015	1.0 %
Thomas G. Conforti	59,393	*
Richard C. Celio	31,667	*
Robin L. Elledge	8,542	*
Mark D. Weisberger	36,885	*
All directors and executive officers as a group (15 persons)	580,473	2.8 %

* Represents less than 1% of the outstanding Common Stock

(1) The address for each of the directors and named executive officers is:

IHOP Corp.

450 N. Brand Boulevard

Glendale, California 91203-2306