

GP STRATEGIES CORP  
Form DEF 14A  
November 01, 2011  
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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  X

Filed by a Party other than the Registrant  O

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

GP Strategies Corporation  
(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:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- 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:

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**GP STRATEGIES CORPORATION**

**6095 Marshalee Drive**

**Elkridge, Maryland 21075**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

*to be held December 14, 2011*

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To our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting ) of GP Strategies Corporation (the Company ) will be held at the Intercontinental Harbor Court Hotel, 550 Light Street, Baltimore, Maryland, on the 14th day of December 2011, at 10:30 a.m., local time, for the following purposes:

1. To elect eight persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified.
2. To vote upon a proposal to ratify the appointment of KPMG LLP ( KPMG ) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2011.
3. To hold an advisory vote to approve the compensation of our named executive officers as disclosed in the attached Proxy Statement.
4. To hold an advisory vote regarding the frequency of future shareholder advisory votes on the compensation of our named executive officers.
5. To approve an Agreement and Plan of Merger providing for the merger of the Company with and into its wholly-owned subsidiary, General Physics Corporation ( General Physics ) to eliminate the current holding company structure.

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6. To approve the GP Strategies Corporation 2011 Stock Incentive Plan (the 2011 Stock Incentive Plan ).
7. Any other matters properly brought before the meeting or any adjournments or postponements thereof.

The foregoing items of business are described more fully in our Proxy Statement.

Only stockholders of record as of the close of business on October 21, 2011 are entitled to receive notice of and to vote at the Annual Meeting. A quorum of the stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock representing a majority of the number of votes entitled to be cast as of the record date. A list of such stockholders shall be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of ten days prior to the meeting, at the offices of the Company at 6095 Marshalee Drive, Suite 300, Elkridge, Maryland.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. As an alternative to voting in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing a completed proxy card. For detailed information regarding voting instructions, please refer to the section entitled Voting via the Internet, by Telephone or by Mail on page 2 of the Proxy Statement. You may revoke a previously delivered proxy at any time prior to the Annual Meeting. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so automatically by voting in person at the Annual Meeting.

By Order of the Board of Directors

Kenneth L. Crawford, *Secretary*

Elkridge, Maryland  
November 1, 2011

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**INTERNET AVAILABILITY OF PROXY MATERIALS**

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. We believe this will make the proxy distribution process more efficient, less costly and help in conserving natural resources. If you previously elected to receive our proxy materials electronically, these materials will continue to be sent via email unless you change your election.

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**TO BE HELD ON DECEMBER 14, 2011**

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**GP STRATEGIES CORPORATION**

**6095 Marshalee Drive**

**Elkridge, Maryland 21075**

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**PROXY STATEMENT**

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**INFORMATION CONCERNING SOLICITATION AND VOTING**

The accompanying Proxy is solicited by and on behalf of the Board of Directors of the Company, for use only at the Annual Meeting to be held at the Intercontinental Harbor Court Hotel, 550 Light Street, Baltimore, Maryland on the 14th day of December 2011, at 10:30 a.m., local time, and at any adjournments or postponement thereof. The approximate date on which this Proxy Statement and the accompanying Proxy were first given or sent to security holders was November 1, 2011.

Properly delivered Proxies will be voted in accordance with the specifications made and where no specifications are given, such Proxies will be voted FOR the proposal to elect eight persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified, FOR the proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011, FOR the compensation of our named executive officers, FOR an advisory vote on executive compensation to be held every ONE year, FOR the proposal to approve the Agreement and Plan of Merger providing for the merger of the Company with and into General Physics to eliminate the holding company structure and FOR the proposal to approve the 2011 Stock Incentive Plan. In the discretion of the proxy holders, the Proxies will also be voted FOR or AGAINST such other matters as may properly come before the Annual Meeting. The management of the Company is not aware of any other matters that are to be presented for action at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment. Although it is intended that the Proxies will be voted for the nominees named herein, the holders of the Proxies reserve discretion to cast votes for individuals other than such nominees in the event of the unavailability of any such nominee. The Company has no reason to believe that any of the nominees will become unavailable for election. The Proxies may not be voted for a greater number of persons than the number of nominees named.

**Required Votes**

In the election of directors (Proposal 1), you may either vote for each nominee or expressly withhold your vote with respect to a nominee. The directors are elected by a plurality of the votes cast by holders of shares of GP Strategies Common Stock (the Common Stock) present in person or represented by proxy at the Annual Meeting, which means the eight director nominees receiving the highest number of votes will be elected. Accordingly, shares not present and shares present but not voted (because such vote is expressly withheld or is simply not cast, whether as a broker non-vote or otherwise) will have no effect on the voting outcome with respect to the election of directors; provided that abstentions and broker non-votes will be counted as having been present for purposes of determining the presence of a quorum.



The proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011 (Proposal 2) requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock present in person or by proxy at the meeting and entitled to vote, assuming a quorum is present. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

The advisory vote on compensation of our named executive officers (Proposal 3) requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock present in person or by proxy at the meeting and entitled to vote, assuming a quorum is present. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum. Although the advisory vote on the compensation of our named executive officers is non-binding, the Board of Directors will review the results of the vote and will take them into account in making a determination concerning executive compensation of our named executive officers.

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In the advisory vote on the frequency of the advisory vote on compensation of our named executive officers (Proposal 4), you have four choices for voting on this proposal, as indicated on the proxy card. You can choose whether the vote on the compensation of our named executive officers should be conducted every one (1) year, every two (2) years or every three (3) years. You may also abstain from voting on this proposal. The frequency of the vote on the compensation of our named executive officers receiving the greatest number of votes cast (every 1, 2 or 3 years) will be considered the frequency recommended by shareholders. Although this vote is advisory and therefore not binding on the Company or its Board of Directors, the frequency considered to be recommended by shareholders will be adopted by the Board of Directors with respect to future votes on executive compensation. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

The approval of the merger of the Company with and into its wholly-owned subsidiary, General Physics Corporation, (Proposal 5) to eliminate the holding company structure, requires the affirmative vote of a majority of the outstanding shares of Common Stock entitled to vote. For Proposal 5, abstentions and broker non-votes will be counted as present and will have the same legal effect as a negative vote.

The proposal to approve the 2011 Stock Incentive Plan (Proposal 6) requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock present in person or by proxy at the meeting and entitled to vote, assuming a quorum is present and the total votes cast on the proposal represents over 50% in interest of the outstanding shares of Common Stock. Abstentions and broker non-votes will be counted as having been present for purposes of determining the presence of a quorum and will have the effect of negative votes on this proposal, unless holders of more than 50% in interest of the outstanding shares of stock cast votes on the proposal, in which case they will have no effect on this proposal.

If you hold your shares in street name (that is through a broker or other nominee), your broker may be able to vote your shares for certain routine matters even if you do not provide the broker with voting instructions. If you do not give your broker instructions on how to vote your shares the broker will return the proxy card without voting on proposals not considered routine. This is a broker non-vote. Except for the ratification of KPMG LLP, votes in connection with all of the other proposals are considered non-routine matters. The broker may not vote on these matters without instructions from you.

**Record Date**

The Board of Directors has fixed the close of business on October 21, 2011 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting. The issued and outstanding capital stock of the Company on October 21, 2011 consisted of 18,743,886 shares of Common Stock, each entitled to one vote per share. A quorum of the stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock, representing a majority of the number of votes entitled to be cast.

**Voting via the Internet, by Telephone or by Mail; Revoking Earlier Vote**

As an alternative to voting in person at the Annual Meeting, stockholders whose shares are registered in their own names may vote via the Internet, by telephone or, for those stockholders who receive a paper proxy card in the mail, by mailing a completed proxy card. The Notice of Internet Availability of Proxy Materials provides instructions on how to access your proxy card, which contains instructions on how to vote via the Internet or by telephone. For those stockholders who receive a paper proxy card, instructions for voting via the Internet or by telephone are

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set forth on the proxy card. Those stockholders who receive a paper proxy card and voting instructions by mail, and who elect to vote by mail, should sign and return the mailed proxy card in the prepaid and addressed envelope that was enclosed with the proxy materials, and your shares will be voted at the Annual Meeting in the manner you direct.

If your shares are registered in the name of a bank or brokerage firm (your record holder), you will receive instructions from your record holder that must be followed in order for your record holder to vote your shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions via the Internet or over the telephone. If Internet or telephone voting is unavailable from your bank or brokerage firm, please complete and return the enclosed voting instruction card in the addressed, postage paid envelope provided. If you hold shares through a bank or brokerage firm and wish to be able to vote in person at the Annual Meeting, you must obtain a legal proxy from your brokerage firm, bank or other holder of record and present it to the inspector of elections with your ballot.

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You may revoke or change a previously delivered proxy at any time before the Annual Meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to GP Strategies Corporation's Secretary at its principal executive offices before the beginning of the Annual Meeting. You may also revoke your proxy by attending the Annual Meeting and voting in person, although attendance at the Annual Meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the preceding paragraph.

**PRINCIPAL STOCKHOLDERS**

The following table sets forth the number of shares of Common Stock beneficially owned as of October 21, 2011 by each person who is known by the Company based on such person's filings with the Securities and Exchange Commission (SEC) to own beneficially more than 5% of the Company's outstanding Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Sagard Capital Partners, L.P. 325 Greenwich Avenue Greenwich, CT 06830	2,882,143 shares(1)	15.4%
Royce & Associates, LLC 1414 Avenue of the Americas New York, NY 10019	2,040,900 shares(2)	10.9%
Manatuck Hill Partners, LLC 1465 Post Road East Westport, CT 06880	1,454,970 shares(3)	7.8%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	1,030,193 shares(4)	5.5%

(1) Based on a Form 4 filed by Sagard Capital Partners, L.P. with the SEC on October 4, 2011.

(2) Based on a Schedule 13F-HR/A filed by Royce & Associates, LLC with the SEC on August 9, 2011.

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- (3) Based on a Form 13F-HR filed by Manatuck Hill Partners, LLC with the SEC on August 15, 2011.
- (4) Based on a Schedule 13F-HR filed by Dimensional Fund Advisors LP ( Dimensional ) with the SEC on August 9, 2011. Dimensional has informed the Company that the shares are owned by advisory clients of Dimensional and that Dimensional disclaims beneficial ownership of such shares.

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The following table sets forth, as of October 21, 2011, the beneficial ownership of Common Stock, by each director, each of the named executive officers, and all directors and executive officers as a group.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Owner</b>	<b>Percent of Class(1)</b>
Harvey P. Eisen	392,820(2)	2.1%
Daniel M. Friedberg	2,882,143(3)	15.4%
Marshall S. Geller	230,778	1.2%
Scott N. Greenberg	262,284(4)	1.4%
Sue W. Kelly	16,633	*
Richard C. Pfenniger, Jr.	27,577	*
A. Marvin Strait	19,633	*
Gene A. Washington	17,633	*
Douglas E. Sharp	166,994(5)	*