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Investor wins proxy fight with Consolidated-Tomoka

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DAYTONA BEACH -- The largest investor in Consolidated-Tomoka Land Co. won a proxy fight with company leadership, securing three of six seats up for election on the board of directors and gaining preliminary approval of three changes in corporate operations.

The results of the shareholder voting announced Friday hold the potential to significantly alter the way the 107-year-old company does business. But the operational changes do not take effect immediately, said Bruce W. Teeters, senior vice president.

The changes include separating the jobs of board chairman and CEO, limiting the number of board members to 11 and requiring all board members to stand for election each year.

Teeters said the issues now go before the board of directors.

Almost since he first bought Consolidated-Tomoka stock in 2005, David J. Winters, CEO of Wintergreen Advisers LLC, has been pressing company executives to adopt a more aggressive approach that includes developing more projects itself, instead of just selling land to developers, and initiating a stock repurchase program.

Nine members of the Consolidated-Tomoka board, along with corporate executives, mounted a campaign against Wintergreen's candidates and proposals, arguing the company's business plan has proved highly successful, generated profits and shareholder dividends even during the current economic downturn.

Shareholders voted in three candidates backed by Wintergreen -- Jeffrey B. Fuqua, John J. Allen and Allen C. Harper. Fuqua also was recommended by Consolidated-Tomoka's board.

The other three candidates elected were Linda Loomis Shelley, Gerald L. DeGood and William Voges.

Winters, whose investment firm now holds about 26 percent of Consolidated-Tomoka stock, nominated five candidates to the 11-member board in what his representatives said was an effort to bring new ideas and strategies to the company.

Consolidated-Tomoka CEO William H. McMunn said shareholders "have elected an outstanding group of directors that will bring both new and historical perspective to the board's deliberations in the coming year."

Wintergreen spokesman Steve Graff said the company planned to issue a press release Friday, but none was available late in the day.

Teeters said the board of directors may enact the separation of the chairman and CEO jobs -- both now held by McMunn -- without another shareholder vote.

But the issues dictating the size of the board and the frequency of elections would have to go back for a shareholder vote, because they involve a change in company bylaws, Teeters said. If the board decides to move forward, the vote would be at the next annual shareholders' meeting.

Consolidated-Tomoka converts company-owned agricultural land into commercial properties, primarily in the Southeast. The company also develops income properties on its land.

At one time the company held more than 1 million acres in Florida. Today, the company owns 11,200 acres in Florida, with about 10,200 of that along the western edge of Daytona Beach along Interstate 95.

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