

MILLER INDUSTRIES INC /TN/  
Form DEF 14A  
April 21, 2006

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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**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/>            | Preliminary Proxy Statement   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Definitive Proxy Statement  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Definitive Additional Materials   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Soliciting Material Pursuant to § 240.14a-12                                    |

**MILLER INDUSTRIES, 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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(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):

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(1) Amount previously paid:

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

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(3) Filing Party:

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(4) Date Filed:

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8503 Hilltop Drive,  
Ooltewah, Tennessee 37363  
(423) 238-4171

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 26, 2006

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The annual meeting of shareholders of Miller Industries, Inc. will be held at 9:00 a.m. (Eastern Time), on Friday, May 26, 2006, at 1100 Peachtree Street, Suite 2800, Atlanta, Georgia, for the following purposes:

1. to elect five (5) directors to hold office for a term of one (1) year or until their successors are duly elected and qualified; and
2. 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 April 13, 2006 are entitled to notice of and to vote at the annual meeting. Your attention is directed to the proxy statement accompanying this notice for a complete statement regarding matters to be acted upon at the annual meeting.

By order of the Board of Directors,

*/s/ Frank Madonia*

Frank Madonia  
*Secretary*

Atlanta, Georgia  
April 21, 2006

**We urge you to attend the Annual Meeting. Whether or not you plan to attend, please complete, date and sign the enclosed proxy card and return it in the enclosed postage-paid envelope. You may revoke the proxy at any time before it is voted.**

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**MILLER INDUSTRIES, INC.**  
**8503 Hilltop Drive,**  
**Ooltewah, Tennessee 37363**  
**(423) 238-4171**

**PROXY STATEMENT FOR**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD MAY 26, 2006**

**GENERAL**

This proxy statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Miller Industries, Inc. (the “Company” or “Miller Industries”) for use at the annual meeting of shareholders (the “Annual Meeting”) to be held at 1100 Peachtree Street, Suite 2800, Atlanta, Georgia, on Friday, May 26, 2006, at 9:00 a.m. (Eastern Time), and any adjournments or postponements thereof. This proxy statement and the accompanying proxy card were first mailed to shareholders on or about April 26, 2006.

Only holders of the Company’s common stock, \$0.01 par value per share (the “Common Stock”), at the close of business on April 13, 2006 are entitled to vote at the Annual Meeting. On such date, the Company had issued and outstanding 11,347,636 shares of Common Stock.

**VOTING PROCEDURES**

A majority of shares entitled to vote and represented in person or by proxy at the Annual Meeting will constitute a quorum. Abstentions and “non-votes” will be counted for the purposes of determining a quorum. Each outstanding share of Common Stock is entitled to one vote.

The election of the nominees to the Board of Directors requires a plurality of the votes cast by holders of shares of Common Stock present in person or represented by proxy at the Annual Meeting. Therefore, those nominees receiving the greatest number of votes at the Annual Meeting shall be deemed elected, even though such nominees may not receive a majority of the votes cast.

Abstentions and non-votes will not be considered in the election of the nominees to the Board of Directors, but will be treated as votes against any other proposals presented to the shareholders. A “non-vote” occurs when a nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

The Board of Directors has designated William G. Miller and Frank Madonia, and each or either of them, as proxies to vote the shares of Common Stock solicited on its behalf. A shareholder who signs and returns a proxy may revoke the proxy at any time before it has been exercised by: (i) attending the Annual Meeting, notifying the Secretary of the Company (or his delegate), and voting in person, (ii) filing with the Secretary of the Company a written revocation, or (iii) duly executing a proxy bearing a later date. Unless revoked, where a choice is specified on the proxy, the shares represented thereby will be voted in accordance with such direction. If no specification is made, such shares will be voted **FOR** the election of the five director nominees, and in the discretion of the proxy holders on any other matter that may properly come before the meeting.

The Board of Directors knows of no matters which are to be brought to a vote at the Annual Meeting, other than those set forth in the accompanying Notice of Annual Meeting. However, if any other matter properly does come before the Annual Meeting, the persons appointed in the proxy, or their substitutes, will vote in accordance with their best

judgment on such matters.

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**PROPOSAL 1**  
**ELECTION OF DIRECTORS**

**Introduction**

Pursuant to the Company's Charter and Bylaws, the Board of Directors has fixed the number of directors at five. The members of the Board of Directors comprise a single class, and at each annual meeting of shareholders all directors will be elected. The directors elected at the Annual Meeting will serve until the annual meeting of shareholders in 2007, or until their successors are duly elected and qualified. The Board of Directors may fill directorships resulting from vacancies, and may increase or decrease the number of directors to as many as fifteen or as few as three. Executive officers are appointed annually and serve at the discretion of the Board of Directors.

Upon the recommendation of the Nominating Committee, the Board of Directors has nominated Jeffrey I. Badgley, A. Russell Chandler, III, Paul E. Drack, William G. Miller and Richard H. Roberts, the current members of the Board, for re-election as directors. Each such nominee has consented to be named herein and to serve as a director, if elected.

Unless contrary instructions are received, shares of Common Stock represented by duly executed proxies will be voted in favor of the election of the five nominees named above to constitute the entire Board of Directors. The Board of Directors has no reason to expect that the nominees will be unable to serve and, therefore, at this time it does not have any substitute nominees under consideration.

The nominees for election will be elected by a plurality of the votes cast by holders of the shares of Common Stock entitled to vote at the Annual Meeting. Shareholders have no right to vote cumulatively for directors. Each shareholder shall have one vote for each director for each share of Common Stock held by such shareholder.

Information concerning the nominees for election, based on data furnished by them, is set forth below. They are all now directors of the Company. The Board of Directors has determined that three of the five nominees are independent directors under the listing standards of the New York Stock Exchange ("NYSE").

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE FIVE DIRECTOR NOMINEES.**

**Information Regarding Nominees**

**Name of Director**  
**Jeffrey I. Badgley**

**Background Information**

Mr. Badgley, 54, has served as Co-Chief Executive Officer of the Company with William G. Miller since October 2003, as President of the Company since June 1996 and as a director since January 1996. Mr. Badgley served as Chief Executive Officer of the Company from November 1997 to October 2003. In June 1997, he was named Co-Chief Executive Officer of the Company, a title he shared with Mr. Miller until November 1997. Mr. Badgley served as Vice President of the Company from 1994 to 1996, and as Chief Operating Officer of the Company from June 1996 to June 1997. In addition, Mr. Badgley has served as President of Miller Industries Towing Equipment Inc. since 1996. Mr. Badgley served as Vice President—Sales of Miller Industries Towing Equipment Inc. from 1988 to 1996. He previously served as Vice President—Sales and Marketing of Challenger Wrecker Corporation ("Challenger Wrecker"), from 1982 until joining Miller Industries Towing



Equipment Inc.

**Name of Director**

**Background Information**

**A. Russell Chandler, III**

Mr. Chandler, 61, has served as a director of the Company since April 1994. He currently serves as Chairman of Datapath, Inc., a company that builds mobile communications trailers for military application, and is founder and Chairman of Whitehall Group Ltd., a private investment firm based in Atlanta, Georgia. Mr. Chandler served as the Mayor of the Olympic Village for the Atlanta Committee for the Olympic Games from 1990 through August 1996. From 1987 to 1993, he served as Chairman of United Plastic Films, Inc., a manufacturer and distributor of plastic bags. He founded Qualicare, Inc., a hospital management company, in 1972 and served as President and Chief Executive Officer until its sale in 1983.

**Paul E. Drack**

Mr. Drack, 77, has served as a director of the Company since April 1994. Mr. Drack retired in December 1993 as President and Chief Operating Officer of AMAX Inc., positions he held since August 1991. From 1985 to 1991, Mr. Drack served in various capacities for operating subsidiaries of AMAX Inc. including Chairman, President and Chief Executive Officer of Alumax Inc. and President of Kawneer Company. He was a director of AMAX Inc. from 1988 to 1993. Prior to its acquisition by Cyprus Minerals in November 1993, AMAX Inc. was a producer of aluminum and manufactured aluminum products with interests in domestic energy and gold production.

**William G. Miller**

Mr. Miller, 59, has served as Chairman of the Board since April 1994 and Co-Chief Executive Officer of the Company since October 2003. Mr. Miller served as Chief Executive Officer of the Company from April 1994 until June 1997. In June 1997, he was named Co-Chief Executive Officer, a title he shared with Jeffrey I. Badgley until November 1997. Mr. Miller also served as President of the Company from April 1994 to June 1996. He served as Chairman of Miller Group, Inc., from August 1990 through May 1994, as its President from August 1990 to March 1993, and as its Chief Executive Officer from March 1993 until May 1994. Prior to 1987, Mr. Miller served in various management positions for Bendix Corporation, Neptune International Corporation, Wheelabrator-Frye Inc. and The Signal Companies, Inc.

**Richard H. Roberts**

Mr. Roberts, 51, has served as a director of the Company since April 1994. Mr. Roberts served as Senior Vice President, General Counsel and Secretary of Landair Transport, Inc. from July 1994 to November 2004, and from July 1994 until April 2003, Mr. Roberts served as Senior Vice President, General Counsel and Secretary of Forward Air Corporation. From May 1995 until May 2002 Mr. Roberts served as a director of Forward Air Corporation. Mr. Roberts also was a director of Landair Corporation from September 1998 until February 2003. Mr. Roberts was a partner in the law

firm of Baker, Worthington, Crossley & Stansberry, counsel to the Company, from January 1991 to August 1994 and prior thereto was an associate of the firm.

### **Independence, Board Meetings, and Related Information**

#### *Independence*

The Board of Directors has determined that a majority of the members of the Board of Directors are “independent”, as “independent” is defined under applicable federal securities laws and the listing standards of the NYSE. The “independent” directors are Messrs. Chandler, Drack and Roberts.

### *Meetings*

The Board of Directors held seven meetings during 2005. All incumbent directors attended more than 75% of the meetings of the Board of Directors and the respective committees of which they are members. The non-management directors meet in executive session as a part of the meetings of the Audit Committee. The presiding director at those sessions is selected by the non-management directors on a meeting by meeting basis. The Company does not require its directors to attend its annual meeting of shareholders. In 2005, two of the Company's five directors attended the annual meeting of shareholders.

### *Communication with Directors*

Interested parties may communicate with a non-management director by mailing communication to the attention of that director at 8503 Hilltop Road, Ooltewah, Tennessee 37363.

### **Committees of the Board of Directors**

The Board of Directors has standing Audit, Compensation and Nominating Committees. Members of these committees are generally elected annually by the Board of Directors, but changes may be made at the Board of Directors' discretion at any time. These committees operate pursuant to separate written charters adopted by the Board of Directors. These charters, along with the Company's Corporate Governance Guidelines, are available on the Company's website at [www.millerind.com](http://www.millerind.com) through the "Investor Relations" link. Copies of these charters and guidelines can also be obtained upon request from the Company's Corporate Secretary.

### *Audit Committee*

The Audit Committee is comprised of Messrs. Chandler, Drack and Roberts. The Board of Directors has determined that each of the members of the audit committee is "financially literate" within the meaning of the listing standards of the NYSE, and qualifies as an "audit committee financial expert" as defined by applicable SEC rules.

The Audit Committee recommends the appointment of independent public accountants, reviews the scope of audits proposed by the independent public accountants, reviews audit reports on various aspects of corporate operations, and periodically consults with the independent public accountants on matters relating to internal financial controls and procedures, among other duties. The Audit Committee held six meetings during 2005. The report of the Audit Committee is included in this proxy statement beginning on page 11.

### *Compensation Committee*

The Compensation Committee is comprised of Messrs. Chandler, Drack and Roberts. The Compensation Committee establishes, among other things, salaries, bonuses and other compensation for the Company's officers, and administers the Company's stock option and other employee benefit plans. The Compensation Committee held one meeting during 2005. The report of the Compensation Committee is included in this proxy statement beginning on page 10.

### *Nominating Committee*

The Nominating Committee is comprised of Messrs. Chandler, Drack and Miller. The Nominating Committee was established to evaluate candidates for service as directors to the Company and to conduct the Board's annual self-assessment process. The Nominating Committee will consider candidates recommended by shareholders. Shareholder recommendations must comply with the procedures for nominations set forth in Article I, Section 1.2, of

the Company's Bylaws. The Nominating Committee held one meeting during 2005.

**Director Nominations**

The Nominating Committee considers qualifications and characteristics that it, from time to time, deems appropriate when it selects individuals to be nominated for election to the Board of Directors. These qualifications and characteristics may include, without limitation, independence, integrity, business experience, education, accounting and financial expertise, age, diversity, reputation, civic and community relationships, and industry knowledge and experience. In addition, prior to nominating an existing director for re-election to the Board of Directors, the Nominating Committee will consider and review an existing director's Board and committee attendance, performance and length of Board service.

## **Compensation of Directors**

The members of the Board of Directors who are employees of the Company do not receive additional compensation for Board or committee service. Non-employee directors receive annual compensation comprised of a cash component and an equity component. Under the cash component, each non-employee director receives an annual cash payment of \$25,000 as compensation for service on the Board of Directors. Under the equity component, each director is entitled to an annual award under the Company's Non-Employee Director Stock Plan, to be paid in fully-vested shares of Common Stock, equal to \$25,000 divided by the closing price of the Common Stock on the first day of such year. Each of Messrs. Chandler, Drack and Roberts has been granted an aggregate of 12,578 shares of Common Stock under the terms of the Company's Non-Employee Director Stock Plan for service from 2003 through 2005.

## **Certain Related Transactions and Business Relationships**

On June 17, 2005, the Company entered into a Senior Credit Agreement with Wachovia Bank, National Association, for a new senior credit facility. Proceeds from this new senior credit facility were used to repay the lenders under the Company's former senior credit facility, CIT Group/Business Credit, Inc. and William G. Miller, the Company's Chairman of the Board and Co-Chief Executive Officer. In the transaction, CIT received \$14.1 million and Mr. Miller received \$12.0 million. As a result, effective June 17, 2005, the Company's former senior credit facility was satisfied and terminated, and Mr. Miller ceased to hold any of the Company's senior debt. This transaction was approved by the Company's Audit Committee, as well as the full Board of Directors with Mr. Miller abstaining due to his personal interest in the transaction. The Company paid Mr. Miller approximately \$664,000 in interest expense related to his portion of the former senior credit facility during 2005.

On May 31, 2005, Harbourside Investments, LLLP ("Harbourside"), which was at that time the lender under the Company's junior credit facility, was dissolved. Harbourside was a limited liability limited partnership of which several of the Company's executive officers and directors were partners. Specifically, William G. Miller was the general partner of, and controlled, Harbourside. Mr. Miller is the Company's Chairman of the Board and Co-Chief Executive Officer, as well as the holder of approximately 14.4% of the Company's outstanding Common Stock. In addition, Mr. Miller, Jeffrey I. Badgley, the Company's President and Co-Chief Executive Officer, J. Vincent Mish, the Company's Executive Vice President and Chief Financial Officer, and Frank Madonia, the Company's Executive Vice President, Secretary and General Counsel, were limited partners in Harbourside. In connection with the dissolution of Harbourside, Mr. Miller, as successor lender agent to Harbourside, became the sole lender under the Company's junior credit facility. In addition, upon dissolution, Harbourside distributed all of its shares of the Company's Common Stock to its partners, including Messrs. Miller, Badgley, Mish and Madonia. As partners of Harbourside, in the distribution Messrs. Miller and Badgley each received 109,899 shares of Common Stock, and Messrs. Mish and Madonia each received 21,980 shares of Common Stock. The Company paid Harbourside approximately \$211,000 in interest expense on the junior credit facility during 2005.

On June 17, 2005, the Company and Mr. Miller amended the Company's junior credit facility to provide for a new term loan, made by Mr. Miller as sole lender and successor lender agent, in the principal amount of approximately \$5.7 million. As a result, on June 17, 2005, the total outstanding principal amount of term loans under the Company's junior credit facility was \$10.0 million. This transaction was approved by the Company's Audit Committee, as well as the full Board of Directors with Mr. Miller abstaining due to his personal interest in the transaction. The Company paid Mr. Miller approximately \$415,000 in interest under its amended junior credit facility for 2005, and as of March 31, 2006 the Company's debt under its junior credit facility was approximately \$10.0 million. Approximately \$77,000 is included in accrued liabilities for unpaid interest on the junior credit facility at December 31, 2005. The Company expects to continue to make payments under its junior credit facility during 2006, and may engage in such other transactions with Mr. Miller with respect thereto as may be related to Mr. Miller's continuing ownership of the

Company's junior debt, including transactions that may result in a longer term or new junior credit facility.

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In 2005, the son of William G. Miller, the Company's Chairman of the Board and Co-Chief Executive Officer, was employed by the Company as a salesperson and received a salary and bonus of approximately \$60,650 and sales commissions of approximately \$139,000, which were based on the Company's commission structure that is applicable to all its salespersons.

In October 2004, the Company began a project with DataPath, Inc ("DataPath"), a provider of satellite communications, to design, engineer and manufacture mobile communication trailers for military application. DataPath is a company in which Mr. Miller and A. Russell Chandler, III, one of the Company's directors, hold a minority interest and on whose board they also serve. In the fourth quarter of 2004, and the first quarter of 2005, the Company manufactured mobile communication trailers for DataPath, and on March 30, 2005, the Company entered into a new agreement with DataPath calling for the Company to manufacture and sell to DataPath all of its requirements for this type of equipment during the five-year term of the agreement. Total revenue to the Company from its transactions with DataPath in 2005 was \$23,727,000, and at December 31, 2005, approximately \$2,311,000 was included in accounts receivable for amounts due from DataPath. Future revenues under this arrangement will depend on the number of mobile communications trailers ordered by DataPath from the Company. All these arrangements were approved by the disinterested members of the Company's Audit Committee.



**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of March 31, 2006, certain information with respect to: (a) all shareholders known to be “beneficial owners” (as that term is defined in the rules of the Securities and Exchange Commission) of more than 5% of the Common Stock; and (b) the Common Stock “beneficially owned” (i) by each director or nominee for director, (ii) by the executive officers named in the Summary Compensation Table and (iii) by all executive officers and directors of the Company as a group. Except as otherwise indicated, the shareholders listed in the table have sole voting and investment powers with respect to the Common Stock owned by them.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
William G. Miller 5025 Harrington Road Alpharetta, GA 30022	1,626,056 (3)	14.4%
Ashford Capital Management, Inc. P.O. Box 4172 Wilmington, DE 19807	1,750,000 (4)	15.5%
Hotchkiss and Wiley Capital Management, LLC 725 Figueroa Street, 39 <sup>th</sup> Floor Los Angeles, CA 90017	909,578 (5)	8.0%
Scopia Management Inc. Matthew Sirovich (6) Jeremy Mindich	1,469,340 (6)	13.0%
Jeffrey I. Badgley	93,200 (7)	*
Frank Madonia	54,515 (8)	*
J. Vincent Mish	29,901 (9)	*
A. Russell Chandler, III	116,209 (10)	1.0%
Richard H. Roberts	49,950 (11)	*
Paul E. Drack	46,750 (11)	*
All Directors and Executive Officers as a Group (7 persons)	2,016,581 (12)	17.5%

\* Less than one percent.

(1) Includes shares of Common Stock as to which the named person or entity has the right to acquire beneficial ownership within 60 days of March 31, 2006, through the exercise of any stock option or other right.

(2) The percentage of beneficial ownership is based on 11,317,408 shares of Common Stock outstanding on March 31, 2006, and represents the percentage that the named person or entity would beneficially own if such person or entity, and only such person or entity, exercised all options and rights to acquire shares of Common Stock that are held by such person or entity and that are exercisable within 60 days of March 31, 2006.

(3) As reported in an amendment to Schedule 13D filed with the SEC on June 1, 2005. Includes 109,288 shares held by the Miller Family Foundation, Inc., a Georgia non-profit corporation of which Mr. Miller is the sole director, and 2,800 shares held by Mr. Miller’s minor son.

(4)