

NACCO INDUSTRIES INC

Form DEF 14A

March 20, 2008

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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:

- 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 Under Rule 14a-12

NACCO INDUSTRIES, INC.
(Name of Registrant as Specified in Its Charter)

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:

- o 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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5875 LANDERBROOK DRIVE
CLEVELAND, OHIO 44124-4017

NOTICE OF ANNUAL MEETING

The Annual Meeting of stockholders of NACCO Industries, Inc., which is referred to as the Company, will be held on Wednesday, May 14, 2008 at 9:00 A.M., at 5875 Landerbrook Drive, Cleveland, Ohio, for the following purposes:

- (1) To elect ten directors for the ensuing year.
- (2) To act on the proposal to approve, for purposes of Section 162(m) of the Internal Revenue Code, the NACCO Materials Handling Group, Inc. Long-Term Incentive Compensation Plan (Effective January 1, 2008).
- (3) To act on the proposal to approve, for purposes of Section 162(m) of the Internal Revenue Code, the Hamilton Beach Brands, Inc. Long-Term Incentive Compensation Plan (Effective January 1, 2008).
- (4) To confirm the appointment of the independent registered public accounting firm of the Company for the current fiscal year.
- (5) To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 17, 2008 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. The Proxy Statement and related form of proxy are being mailed to stockholders commencing on or about March 20, 2008.

Charles A. Bittenbender
Secretary

March 20, 2008

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders To Be Held on May 14, 2008

The 2008 Proxy Statement and 2007 Annual Report are available, free of charge, at <http://www.nacco.com> by clicking on the 2008 Annual Meeting Materials link and then clicking on either the 2008 Proxy Statement link or the 2007 Annual Report link, as appropriate.

If you wish to attend the meeting and vote in person, you may do so.

The Company's Annual Report for the year ended December 31, 2007 is being mailed to stockholders concurrently herewith. The Annual Report contains financial and other information about the Company, but is not incorporated into the Proxy Statement and is not deemed to be a part of the proxy soliciting material.

Please promptly fill out, sign, date and mail the enclosed form of proxy if you do not expect to be present at the Annual Meeting. If you hold shares of both Class A Common Stock and Class B Common Stock, you only have to complete the single enclosed form of proxy. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States.

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5875 LANDERBROOK DRIVE
CLEVELAND, OHIO 44124-4017

PROXY STATEMENT March 20, 2008

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of NACCO Industries, Inc., a Delaware corporation which is referred to as the Company, of proxies to be used at the annual meeting of stockholders of the Company to be held on May 14, 2008, which is referred to as the Annual Meeting. This Proxy Statement and the related form of proxy are being mailed to stockholders commencing on or about March 20, 2008.

If the enclosed form of proxy is executed, dated and returned, the shares represented by the proxy will be voted as directed on all matters properly coming before the Annual Meeting for a vote. Proxies that are properly signed without any indication of voting instructions will be voted for the election of each director nominee, for the proposal to approve the NACCO Materials Handling Group, Inc. Long-Term Incentive Compensation Plan (Effective January 1, 2008), for the proposal to approve the Hamilton Beach Brands, Inc. Long-Term Incentive Compensation Plan (Effective January 1, 2008), for the confirmation of the appointment of the independent registered public accounting firm, and as recommended by the Board of Directors with regard to any other matters or, if no recommendation is given, in the proxy holders' own discretion. The proxies may be revoked at any time prior to their exercise by giving notice to the Company in writing or by executing and delivering a later dated proxy. Attendance at the Annual Meeting will not automatically revoke a proxy, but a stockholder attending the Annual Meeting may request a ballot and vote in person, thereby revoking a previously granted proxy.

Stockholders of record at the close of business on March 17, 2008 will be entitled to notice of, and to vote at, the Annual Meeting. On that date, the Company had outstanding and entitled to vote 6,673,284 shares of Class A Common Stock, par value \$1.00 per share, which is referred to as the Class A Common, and 1,607,342 shares of Class B Common Stock, par value \$1.00 per share, which is referred to as the Class B Common. Each share of Class A Common is entitled to one vote for a nominee for each of the ten directorships to be filled and one vote on each other matter properly brought before the Annual Meeting. Each share of Class B Common is entitled to ten votes for each such nominee and ten votes on each other matter properly brought before the Annual Meeting.

At the Annual Meeting, in accordance with Delaware law and the Company's Bylaws, the inspectors of election appointed by the Board of Directors for the Annual Meeting will determine the presence of a quorum and will tabulate the results of stockholder voting. As provided by Delaware law and the Company's Bylaws, the holders of a majority of the Company's stock, issued and outstanding, and entitled to vote at the Annual Meeting and present in person or by proxy at the Annual Meeting, will constitute a quorum for the Annual Meeting. The inspectors of election intend to treat properly executed proxies marked "abstain" as "present" for purposes of determining whether a quorum has been achieved at the Annual Meeting. The inspectors will also treat proxies held in "street name" by brokers that are voted on at least one, but not voted on all, of the proposals to come before the Annual Meeting, which are referred to as broker non-votes, as "present" for purposes of determining whether a quorum has been achieved at the Annual Meeting.

Class A Common and Class B Common will vote as a single class on all matters anticipated to be brought before the Annual Meeting. In accordance with Delaware law, the ten director nominees receiving the greatest number of votes will be elected directors. In accordance with the Company's Bylaws, the holders of a majority of the voting power of the Company's stock which is present in person or by proxy, and which is actually voted, will decide any other proposal which is brought before the Annual Meeting. As a result, abstentions in respect of any proposal and broker non-votes will not be counted for purposes of determining whether a proposal has received the requisite approval by the Company's stockholders.

In accordance with Delaware law and the Company's Bylaws, the Company may, by a vote of the stockholders, in person or by proxy, adjourn the Annual Meeting to a later date or dates, without changing the record date. If the Company were to determine that an adjournment were desirable, the appointed proxies would use the discretionary authority granted pursuant to the proxy cards to vote in favor of such an adjournment.

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It is intended that shares represented by proxies in the enclosed form will be voted for the election of the nominees named in the following table to serve as directors for a term of one year and until their successors are elected, unless contrary instructions are received. All of the nominees listed below presently serve as directors of the Company and were elected at the Company's 2007 annual meeting of stockholders. If an unexpected occurrence should make it necessary, in the judgment of the proxy holders, to substitute some other person for any of the nominees, shares represented by proxies will be voted for such other person as the proxy holders may select.

Name	Age	Principal Occupation and Business Experience During Last Five Years and Other Directorships in Public Companies	Director Since
Owsley Brown II	65	Retired Chairman of Brown-Forman Corporation (a diversified producer and marketer of consumer products). From 2005 to 2007, Chairman of Brown-Forman Corporation. From prior to 2003 to 2005, Chairman and Chief Executive Officer of Brown-Forman Corporation. Also director of Brown-Forman Corporation.	1993
Dennis W. LaBarre	65	Partner in the law firm of Jones Day.	1982
Richard de J. Osborne	74	Retired Chairman and Chief Executive Officer of ASARCO Incorporated (a leading producer of non-ferrous metals). From prior to 2003 to 2003, Chairman (Non-executive) of Schering-Plough Corporation (a research-based pharmaceuticals company). Also Chairman (Non-executive) and director of Datawatch Corp.	1998
Alfred M. Rankin, Jr.	66	Chairman, President and Chief Executive Officer of the Company. Also director of Goodrich Corporation and The Vanguard Group, and Deputy Chairman and director of the Federal Reserve Bank of Cleveland.	1972
Ian M. Ross	80	President Emeritus of AT&T Bell Laboratories (the research and development company of AT&T).	1995
Michael E. Shannon	71	President, MESHannon & Associates, Inc. (a private firm specializing in corporate finance and investments). Retired Chairman, Chief Financial and Administrative Officer, Ecolab, Inc. (a specialty chemicals company). Also director of CenterPoint Energy, Inc.	2002
Britton T. Taplin	51	Self-employed (personal investments).	1992
David F. Taplin	58	Self-employed (tree farming).	1997
John F. Turben	72	Chairman of Kirtland Capital Corporation and Senior Managing Partner of Kirtland Capital Partners (private investment partnership).	1997
Eugene Wong	73		2005

Emeritus Professor of the University of California at Berkeley. From prior to 2003 to 2003, President and Chief Executive Officer of Versata, Inc. (a software company serving the distributed enterprise applications market).

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Beneficial Ownership of Class A Common and Class B Common

Set forth in the following tables is the indicated information as of February 20, 2008 (except as otherwise indicated) with respect to (i) each person who is known to the Company to be the beneficial owner of more than five percent of the Class A Common, (ii) each person who is known to the Company to be the beneficial owner of more than five percent of the Class B Common and (iii) the beneficial ownership of Class A Common and Class B Common by the directors, the Company's principal executive officer, principal financial officer and the three other most highly compensated executive officers of the Company and its subsidiaries during 2007, which are referred to as the Named Executive Officers, and all executive officers and directors as a group. Beneficial ownership of Class A Common and Class B Common has been determined for this purpose in accordance with Rules 13d-3 and 13d-5 of the Securities and Exchange Commission, which is referred to as the SEC, under the Securities Exchange Act of 1934, which is referred to as the Exchange Act. Accordingly, the amounts shown in the tables do not purport to represent beneficial ownership for any purpose other than compliance with SEC reporting requirements. Further, beneficial ownership as determined in this manner does not necessarily bear on the economic incidence of ownership of Class A Common or Class B Common.

Holders of shares of Class A Common and Class B Common are entitled to different voting rights with respect to each class of stock. Each share of Class A Common is entitled to one vote per share. Each share of Class B Common is entitled to ten votes per share. Holders of Class A Common and holders of Class B Common generally vote together as a single class on matters submitted to a vote of the Company's stockholders. Shares of Class B Common are convertible into shares of Class A Common on a one-for-one basis, without cost, at any time at the option of the holder of the Class B Common.

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Name	Title of Class	Sole Voting and Investment Power	Shared Voting or Investment Power	Aggregate Amount	Percent of Class (1)
Jeffrey L. Gendell, <i>et al.</i> (2) 55 Railroad Avenue Greenwich, CT 06830	Class A		646,714(2)	646,714(2)	9.69%
Beatrice B. Taplin (3) 11 Cherry Hills Drive Englewood, CO 80113	Class A	445,175(3)		445,175(3)	6.67%
Dimensional Fund Advisors LP (4) 1299 Ocean Avenue Santa Monica, CA 90401	Class A	361,625(4)		361,625(4)	5.43%
AXA Assurances I.A.R.D. Mutuelle (5) 26, rue Drouot Paris, France 75009	Class A	196,697(5)	1,035(5)	352,551(5)	5.28%
Rankin Associates II, L.P., <i>et al.</i> (6) Suite 300 5875 Landerbrook Drive Cleveland, OH 44124-4017	Class A	(6)	(6)	338,295(6)	5.07%
Owsley Brown II (7)	Class A	4,645	1,000(8)	5,645(8)	
Dennis W. LaBarre (7)	Class A	4,950		4,950	
Richard de J. Osborne (7)	Class A	2,708	200	2,908	
Alfred M. Rankin, Jr.	Class A	165,808	630,899(9)	796,707(9)	11.94%
Ian M. Ross (7)	Class A	3,704		3,704	
Michael E. Shannon (7)	Class A	2,609		2,609	
Britton T. Taplin (7)	Class A	42,389	1,055	43,444	0.65%
David F. Taplin (7)	Class A	19,855		19,855	0.30%
John F. Turben (7)	Class A	7,773		7,773	0.12%
Eugene Wong (7)	Class A	1,122		1,122	
Kenneth C. Schilling	Class A	5,397		5,397	
Michael P. Brogan	Class A				
Michael J. Morecroft	Class A				
Colin Wilson	Class A				
All executive officers and directors as a group (43 persons)	Class A	294,854	633,154(10)	928,008(10)	13.91%

(1) Less than 0.10%, except as otherwise indicated.

- (2) A Schedule 13G/A filed with the SEC with respect to Class A Common on February 8, 2008 reported that Jeffrey L. Gendell shares the power to vote and dispose of the shares of Class A Common reported herein, as a result of being the managing member and, in such capacity, directing the affairs of each of Tontine Management, L.L.C., which is referred to as TM, Tontine Capital Management, L.L.C., which is referred to as TCM, and Tontine Overseas Associates, L.L.C., which is referred to as TOA. TM is the general partner of Tontine Partners, L.P., which is referred to as TP, and TCM is the general partner of Tontine Capital Partners, L.P., which is referred to as TCP. According to the Schedule 13G/A, TM, TCM, TOA, TP, TCP and Jeffrey L. Gendell, collectively as a group, beneficially own the shares of Class A Common reported herein.

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- (3) A Schedule 13G filed with the SEC with respect to Class A Common on February 14, 2008 reported that Beatrice B. Taplin has the sole power to vote and dispose of the shares of Class A Common reported herein.
- (4) A Schedule 13G/A filed with the SEC with respect to Class A Common on February 6, 2008 reported that Dimensional Fund Advisors LP, which is referred to as Dimensional and was formerly Dimensional Fund Advisors Inc., may be deemed to beneficially own the shares of Class A Common reported herein as a result of being an investment advisor registered under Section 203 of the Investment Advisers Act that furnishes investment advice to four investment companies registered under the Investment Company Act and serving as an investment manager to certain other commingled group trusts and separate accounts, which are referred to collectively as the Dimensional Funds, which own the shares of Class A Common. In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the shares of Class A Common owned by the Dimensional Funds. However, all shares of Class A Common reported herein are owned by the Dimensional Funds. Dimensional disclaims beneficial ownership of all such shares.
- (5) A Schedule 13G was filed with the Commission with respect to Class A Common on February 14, 2008 by AXA Financial, Inc., which is referred to as AXA Financial, AXA, which owns AXA Financial, and AXA Assurances I.A.R.D Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, which are collectively referred to as the Mutuelles AXA and who as a group control AXA. The Mutuelles AXA, as a group, acts as a parent holding company with respect to the holdings of the following AXA entity or entities: (A) in AXA's capacity as a parent holding company with respect to the holdings of the following AXA entity or entities: AXA Konzern AG (Germany), AXA Rosenberg Investment Management LLC and Winterthur; and (B) in AXA Financial, Inc.'s capacity as a parent holding company with respect to the holdings of the following subsidiaries: AllianceBernstein L.P., an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, and AXA Equitable Life Insurance Company, an insurance company and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. According to the Schedule 13G, AXA Financial, AXA and the Mutuelles AXA, collectively as a group, beneficially own the shares of Class A Common reported herein.
- (6) A Schedule 13D, which was filed with the SEC with respect to Class A Common and most recently amended on February 14, 2008, reported that Rankin Associates II, L.P., which is referred to as Rankin II, the individuals and entities holding limited partnership interests in Rankin II and Rankin Management, Inc., which is referred to as RMI, the general partner of Rankin II, may be deemed to be a group as defined under the Exchange Act and as a result may be deemed as a group to beneficially own 338,295 shares of Class A Common held by Rankin II. Although Rankin II holds the 338,295 shares of Class A Common, it does not have any power to vote or dispose of such shares of Class A Common. RMI has the sole power to vote such shares and shares the power to dispose of such shares with the other individuals and entities holding limited partnership interests in Rankin II. RMI exercises such powers by action of its board of directors, which acts by majority vote and consists of Alfred M. Rankin, Jr., Thomas T. Rankin, Claiborne R. Rankin and Roger F. Rankin, the individual trusts of whom are the stockholders of RMI. Under the terms of the Limited Partnership Agreement of Rankin II, Rankin II may not dispose of Class A Common without the consent of RMI and the approval of the holders of more than 75% of all of the partnership interests of Rankin II.
- (7) Pursuant to the Company's Non-Employee Directors' Equity Compensation Plan, which is referred to as the Non-Employee Directors' Plan, each non-employee director has the right to acquire additional shares of Class A Common within 60 days after February 20, 2008. The shares each non-employee director has the right to receive are not included in the table because the actual number of additional shares will be determined on April 1, 2008 by taking the amount of such director's quarterly retainer required to be paid in shares of Class A Common plus any voluntary portion of such director's quarterly retainer, if so elected, divided by the average of

the closing price per share of Class A Common on the Friday (or if Friday is not a trading day, the last trading day before such Friday) for each week of the calendar quarter ending on March 31, 2008.

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- (8) Owsley Brown II is deemed to share with his spouse voting and investment power over 1,000 shares of Class A Common held by Mr. Brown's spouse; however, Mr. Brown disclaims beneficial ownership of such shares.
- (9) Alfred M. Rankin, Jr. may be deemed to be a member of the group described in note (6) above as a result of holding through his trust, of which he is trustee, partnership interests in Rankin II and therefore may be deemed to beneficially own, and share the power to dispose of, 338,295 shares of Class A Common held by Rankin II. In addition, Mr. Rankin may be deemed to be a member of a group, as defined under the Exchange Act, as a result of holding through his trust, of which he is trustee, partnership interests in Rankin Associates IV, L.P., which is referred to as Rankin IV. As a result, the group consisting of Mr. Rankin, the other general and limited partners of Rankin IV and Rankin IV may be deemed to beneficially own, and share the power to vote and dispose of, 105,272 shares of Class A Common held by Rankin IV. Mr. Rankin disclaims beneficial ownership of 608,718 shares of Class A Common held by (a) members of Mr. Rankin's family, (b) charitable trusts, (c) trusts for the benefit of members of Mr. Rankin's family and (d) Rankin II and Rankin IV to the extent in excess of his pecuniary interest in each such entity.
- (10) The aggregate amount of Class A Common beneficially owned by all executive officers and directors and the aggregate amount of Class A Common beneficially owned by all executive officers and directors as a group for which they have shared voting or investment power include the shares of Class A Common of which Mr. Brown has disclaimed beneficial ownership in note (8) above and Mr. Rankin has disclaimed beneficial ownership in note (9) above. As described in note (7) above, the aggregate amount of Class A Common beneficially owned by all executive officers and directors as a group as set forth in the table above does not include shares that the non-employee directors have the right to acquire within 60 days after February 20, 2008 pursuant to the Non-Employee Directors' Plan.

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Name	Title of Class	Sole Voting and Investment Power	Shared Voting or Investment Power	Aggregate Amount	Percent of Class (1)
Clara Taplin Rankin, <i>et al.</i> (2) c/o National City Bank Corporate Trust Operations P.O. Box 92301, Dept. 5352 Cleveland, OH 44193-0900	Class B	(2)	(2)	1,542,757(2)	95.98%
Rankin Associates I, L.P., <i>et al.</i> (3) Suite 300 5875 Landerbrook Drive Cleveland, OH 44124-4017	Class B	(3)	(3)	472,371(3)	29.39%
Beatrice B. Taplin (4) 11 Cherry Hills Drive Englewood, CO 80113	Class B	337,310(4)		337,310(4)	20.99%
Rankin Associates IV, L.P., <i>et al.</i> (5) Suite 300 5875 Landerbrook Drive Cleveland, OH 44124-4017	Class B	(5)	(5)	294,728(5)	18.34%
Owsley Brown II	Class B				
Dennis W. LaBarre	Class B	100		100	
Richard de J. Osborne	Class B				
Alfred M. Rankin, Jr.	Class B	46,052(6)	774,099(6)	820,151(6)	51.03%
Ian M. Ross	Class B				
Michael E. Shannon	Class B				
Britton T. Taplin	Class B				
David F. Taplin	Class B	15,883(7)		15,883(7)	0.99%
John F. Turben	Class B				
Eugene Wong	Class B				
Kenneth C. Schilling	Class B				
Michael P. Brogan	Class B				
Michael J. Morecroft	Class B				
Colin Wilson	Class B				
All executive officers and directors as a group (43 persons)	Class B	63,910(8)	774,099(8)	838,009(8)	52.14%

(1) Less than 0.10%, except as otherwise indicated.

(2) A Schedule 13D, which was filed with the SEC with respect to Class B Common and most recently amended on February 14, 2008, which is referred to as the Stockholders 13D, reported that, except for the Company and

National City Bank, as depository, the signatories to the stockholders' agreement, dated as of March 15, 1990, as amended, which is referred to as the stockholders' agreement, together in certain cases with trusts and custodianships, which are referred to collectively as the Signatories, may be deemed to be a group as defined under the Exchange Act, which is referred to as the Stockholder Group, and therefore may be deemed as a group to beneficially own all of the Class B Common subject to the stockholders' agreement, which is an aggregate of 1,542,757 shares. The stockholders' agreement requires that each Signatory, prior to any conversion of such Signatory's shares of Class B Common