

# Edgar Filing: GOLDFIELD CORP - Form 10-K/A

GOLDFIELD CORP

Form 10-K/A

April 30, 2001

Reason for amendment

This amendment is being filed to set forth the information required pursuant to Part III of the Form 10-K. Part III of the Form 10-K will not be incorporated by reference from the Company's Proxy Statement for its 2001 annual meeting as disclosed in the Form 10-K filed on March 14, 2001.

## PART III

Item 10. Directors and Executive Officers of the Registrant.

The directors and executive officers of the Company and all persons nominated to become such are as follows:

Name	Principal Occupation For the Last Five Years	Director Since	Officer Since	Age (1)
Harvey C. Eads, Jr. Office of the City Manager City of Coral Gables 405 Biltmore Way Coral Gables, FL 33134	City Manager of Coral Gables, Florida since May 1988.	1999		55
John P. Fazzini Bountiful Lands, Inc. 101 East Stuart Ave. Lake Wales, FL 33853	Real Estate Developer; President of Bountiful Lands, Inc. (real estate development corporation) since 1980.	1984		56
Patrick S. Freeman St. Cloud Mining Co. St. Cloud Mill Site Winston, NM 87943	President of the Company's mining subsidiaries since 1988.	1991		54
Robert L. Jones Southeast Power Corp. 1805 Hammock Road Titusville, FL 32796	President of the Company's electrical construction subsidiary since 1995.		1995	53
Danforth E. Leitner The Leitner Company 528 North Main Street Hendersonville, NC 28792	Real Estate Broker; Real Estate Appraiser; President of The Leitner Company (real estate brokerage and appraisal corporation) since 1984.	1985		60
Dwight W. Severs Titusville City Attorney 555 South Washington Ave. Titusville, FL 32796	Secretary of the Company since 1999; City Attorney for City of Titusville, Florida since January 1999; Principal for the firm of Dwight W. Severs & Associates, P.A. since March 1998. Mr. Severs was a member of the law firm of Severs, Stadler & Harris, P.A. between January 1995 and March 1998.	1998	1999	57

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John H. Sottile The Goldfield Corporation 100 Rialto Place, Ste. 500 Melbourne, FL 32901 of the Company since 1985.	Chairman of the Board of Directors of the Company since May 1998; President of the Company since 1983 and Chief Executive Officer	1983	1983	53
Stephen R. Wherry The Goldfield Corporation 100 Rialto Place, Ste. 500 Melbourne, FL 32901	Vice President of the Company since 1992; Treasurer and Chief Financial Officer of the Company since 1988.	1988	42	
Al Marino A.M. Marino Design, Inc. 1483 Main Street Weymouth, MA 02190	Architectural Designer; President of A.M. Marino Design, Inc. (architect- ural design firm) since 1986 (Mr. Marino is the son of Anthony J. Ford who owns 2,065,300 shares of the Company's Common Stock).	--	43	

(1) As of December 31, 2000

The term of office of all directors is until the next annual meeting and the term of office of all officers are for one year and until their successors are chosen and qualify.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and Series A Preferred Stock of the Company. Copies of all such reports filed with the SEC are required to be furnished to the Company. Based solely on the Company's review of the copies of such reports it has received, the Company believes that all of its executive officers, directors and greater than ten percent beneficial owners complied with all filing requirements applicable to them with respect to transactions during the year ended December 31, 2000.

### Item 11. Executive Compensation.

The following Summary Compensation Table sets forth the cash compensation for the Company's Chief Executive Officer and executive officers, including two executive officers of subsidiaries, whose compensation exceeded \$100,000 during the years ended December 31, 2000, 1999 and 1998. The information provided under the heading "Executive Compensation" is that required by "small business issuers" as defined by the rules of the SEC.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-term Compensation Awards Stock Options (in shares) (3)
		Salary (\$)(1)	Bonus (\$)(1)	All Other Compensation (\$)(2)	
John H. Sottile	2000	380,333	--	250,158	--

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Chairman, President and	1999	369,556	--	9,676	375,000
Chief Executive Officer	1998	361,252	--	9,480	--
Patrick S. Freeman	2000	112,500	8,758	96,773	--
President of mining	1999	112,500	18,000	4,989	125,000
subsidiaries	1998 (4)	116,827	--	4,958	--
Robert L. Jones	2000	105,000	189,089	97,379	--
President of electrical	1999	105,000	266,042	6,965	125,000
construction subsidiary	1998	104,827	110,000	6,719	--
Stephen R. Wherry	2000	118,229	65,000	96,070	--
Vice President, Treasurer	1999	108,750	24,000	4,693	125,000
and Chief Financial Officer	1998	100,250	17,500	3,854	--

- (1) Amounts reported represent compensation earned for the year, some of which may have been paid in a subsequent year.
- (2) All other compensation for 2000 included (a) payments related to the termination of the Company's Employee Benefit Agreements (\$240,000 for Mr. Sottile; \$90,000 for Mr. Freeman; \$90,000 for Mr. Jones; and \$90,000 for Mr. Wherry) and (b) the economic benefit related to the life insurance policies under the terminated Employee Benefit Agreements (\$5,058 for Mr. Sottile; \$1,673 for Mr. Freeman; \$2,279 for Mr. Jones and \$970 for Mr. Wherry) and (c) Company contributions to the Company's Cash Deferred Profit Sharing Plan (\$5,100 each for Messrs. Sottile, Freeman, Jones and Wherry). Amounts for 1999 included (a) the economic benefit related to the insurance policies under the terminated Employee Benefit Agreements (\$4,876 for Mr. Sottile; \$1,614 for Mr. Freeman; \$2,165 for Mr. Jones; and \$906 for Mr. Wherry) and (b) Company contributions to the Company's Cash Deferred Profit Sharing (\$4,800 for Mr. Sottile; \$3,375 for Mr. Freeman; \$4,800 for Mr. Jones; and \$3,787 for Mr. Wherry). Amounts for 1998 included (a) the economic benefit related to the insurance policies under the terminated Employee Benefit Agreements (\$4,680 for Mr. Sottile; \$1,453 for Mr. Freeman; \$1,919 for Mr. Jones; and \$846 for Mr. Wherry) and (b) Company contributions to the Company's Cash Deferred Profit-Sharing Plan (\$4,800 for Mr. Sottile; \$3,505 for Mr. Freeman; \$4,800 for Mr. Jones; and \$3,008 for Mr. Wherry).
- (3) All stock option awards were made pursuant to The Goldfield Corporation 1998 Executive Long-term Incentive Plan.
- (4) Mr. Freeman's 1998 annual salary included 27 bi-weekly pay periods, while 2000 & 1998 included 26 such periods.

## OPTION EXERCISES IN 2000 AND YEAR-END OPTION VALUE

The following table shows the number and value of stock options (exercised and unexercised) held by the named executive officers in 2000. Value is calculated using the difference between the option exercise price (\$0.21875) and the 2000 year-end stock price (\$0.4375) multiplied by the number of shares underlying the options.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at End of 2000		Value of Unexercised In-the-money Options at End of 2000	
			Exercisable (#)	Unexercisable (#)	Exercisable (\$)	Unexercisable (\$)
John H. Sottile	--	--	125,000	250,000	27,344	54,688
Robert L. Jones	--	--	41,667	83,333	9,115	18,229
Patrick S. Freeman	--	--	41,667	83,333	9,115	18,229
Stephen R. Wherry	--	--	41,667	83,333	9,115	18,229

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- (1) In March 2001, each optionee exercised all options listed above that were exercisable at the end of 2000. Also, each optionee exercised additional options that became exercisable on March 9, 2001 in the following amounts: Mr. Sottile - 125,000; Messrs. Jones, Freeman and Wherry - 41,666.

On January 15, 1985, the Company entered into an employment agreement with John H. Sottile. Such agreement, as amended on February 25, 1986, September 23, 1988, February 27, 1990, January 29, 1992, September 15, 1995 and September 20, 1999, expires on December 31, 2009 and provides for continuous employment until December 31, 2009. This contract currently entitles Mr. Sottile to a salary of \$330,333, which salary may be increased as a result of future annual increases in the Consumer Price Index. If his employment by the Company is terminated (which will be deemed to have occurred if he is relocated), Mr. Sottile is entitled to receive, within ten days of notice of termination, an amount equal to the full cash salary that he would have received in the absence of such termination from the date of termination through December 31, 2009. In the event of his permanent disability or death, he or his estate will be entitled to his salary through the end of the month of his permanent disability or death and for one year thereafter. In addition, on January 11, 1986, a subsidiary of the Company entered into an employment agreement with Mr. Sottile. Such agreement, as amended on September 13, 1988, January 29, 1992, September 11, 1995 and September 20, 1999, provides for continuous employment until December 31, 2009 and thereafter from year to year until terminated and entitles him to be paid \$50,000 per year. If his employment by the subsidiary is terminated without cause (which will be deemed to have occurred if he is relocated), he is entitled to receive an amount equal to his full cash salary from the date of such termination through December 31, 2009. In the event of permanent disability or death, he or his estate will be entitled to his salary for one year.

Directors who are also employees of the Company are not paid any fees or other remuneration for service on the Board or on any Board committee. Each non-employee director receives an aggregate annual fee of \$15,000, with \$1,250 paid each month, and an additional \$500 paid for each Board meeting attended in person.

### Employee Benefit Agreements

Beginning in 1989, the Company entered into Employee Benefit Agreements (each, a "Benefit Agreement") with Messrs. Sottile, Jones, Freeman and

Wherry and certain employees of the Company. Under the terms of each Benefit Agreement, the Company owned life insurance policies that accumulated cash surrender value for the retirement of the employee, at age sixty-five, while also providing a life insurance benefit for the employee. Under the terms of each Benefit Agreement, the Company was entitled to a refund of the lesser of the previously paid premiums or the cash surrender value of the insurance policy, either upon retirement of the employee, the death of the employee or upon the termination of the Benefit Agreement. The Company had the right to terminate the Benefit Agreement without any future obligation by giving written notice to the employee. If the Benefit Agreement was terminated, the Company was entitled to receive the lesser of the cash surrender value of the insurance policy or the total of all previously paid premiums. In 2000, the Board of Directors reviewed the Benefit Agreements and related insurance policies and decided it was in the best interest of the Company to terminate the Benefit Agreements to eliminate the annual insurance premium obligations. During the second quarter of 2000, the Company entered into Cancellation and Release

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Agreements pursuant to which the Benefit Agreements were terminated. In consideration of terminating the future retirement benefit associated with the Benefit Agreements, the Company decided to compensate the affected employees. The net expense to the Company was \$425,311. Although the Company does not anticipate making any further cash premium payments, the Company will continue to own the policies and has granted each employee the right to name the beneficiary for the death benefits in excess of premiums previously paid by the Company, less any outstanding loans.

### Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth, as of April 26, 2001, certain stock ownership information regarding all shareholders known by the Company to be the beneficial owners of 5% or more of the outstanding shares of Common Stock and Series A Preferred Stock of the Company and executive officers and directors of the Company.

Beneficial Owners	Amount Beneficially Owned(1)			Percent of Class(2)	
	Common (3)	Common Obtainable Upon Conversion of Preferred(4)	Series A Preferred	Common (1)	Series A Preferred
(a) Holders of more than 5% (other than directors):					
Anthony J. Ford (6) 33 Van Ripper Street Staten Island, NY 10302	2,065,300			7.53%	
Suzanne S. Guanci 1130 Placetas Avenue Coral Gables, FL 33146		33,043	28,860	*	8.50%
Linda Lonergan 1202 Pawnee Terrace Indian Harbor Beach, Florida 32937		103,044	90,000	*	26.52%
Mary H. Leitner 2344 Brookside Drive Indialantic, FL 32903	49,130	21,188	18,506	*	5.45%
(b) Executive Officers, Directors and Nominees:					
Harvey C. Eads, Jr.	1,000			*	
John P. Fazzini	20,100			*	
Patrick S. Freeman	133,533			*	
Robert L. Jones	208,333			*	
Danforth E. Leitner	20,600			*	
Al Marino (7)	1,000			*	
Dwight W. Severs	42,000			*	
John H. Sottile (8)	913,288	225,360	196,833	3.33%	57.99%
Stephen R. Wherry	93,333			*	
(c) All Executive Officers and Directors as a group					

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(8 in number):	1,432,187	225,360	196,833	5.23%	57.99%
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\* Less than 1%

- (1) Includes holdings of spouses, minor children, relatives and spouses of relatives living in the same household, even if beneficial ownership is disclaimed.
- (2) All percentages have been determined as of April 26, 2001 in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares of Common Stock which such person has the right to acquire within 60 days after April 26, 2001.
- (3) Excludes shares of Common Stock obtainable upon conversion of Series A Preferred Stock.
- (4) Each share of Series A Preferred Stock is currently convertible into 1.144929 shares of Common Stock.
- (5) In accordance with the rules of the SEC, the percentage shown in this column opposite the name of each person or group has been computed assuming the conversion of any Series A Preferred Stock and the exercise of any options held by such person or group and that no conversions or exercises by others have occurred.
- (6) Information as to shares beneficially owned by Mr. Ford is based on information provided by Mr. Ford to the Company.
- (7) Does not include 2,065,300 shares of the Company's Common Stock owned by Mr. Marino's father, Anthony J. Ford, as to which Mr. Marino disclaims beneficial ownership.
- (8) Includes 140,400 shares of Common Stock owned by Mr. Sottile's wife, Ann Sottile, and 27,451 shares of Common Stock owned by Mr. Sottile's son, John Nicholas Sottile. Does not include 118,860 shares of the Company's Series A Preferred Stock, convertible into 136,087 shares of Common Stock, owned by Mr. Sottile's sisters, Suzanne S. Guanci and Linda Lonergan, as to which Mr. Sottile disclaims beneficial ownership.

Item 13. Certain Relationships and Related Transactions.

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GOLDFIELD CORPORATION

By                   /s/ John H. Sottile  
                       (John H. Sottile)  
                       Chairman of the Board of Directors, President,  
                       Chief Executive Officer and Director

Dated: April 30, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on April 30, 2001.

Signature	Title
/s/ John H. Sottile	Chairman of the Board of

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(John H. Sottile)	Directors, President, Chief Executive Officer and Director
/s/ Stephen R. Wherry (Stephen R. Wherry)	Vice President, Finance and Chief Financial Officer (Principal Financial Officer), Treasurer and Principal Accounting Officer
* (Dwight W. Severs)	Director and Secretary
* (John P. Fazzini)	Director
* (Danforth E. Leitner)	Director
* (Harvey C. Eads, Jr.)	Director

\*By: /s/ John H. Sottile  
John H. Sottile  
Attorney-in-Fact