

MGP INGREDIENTS INC  
Form DEFA14A  
August 16, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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 under §240.14a-12

MGP Ingredients, 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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- 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.
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  - (2) Form, Schedule or Registration Statement No.:
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  - (4) Date Filed:

On August 15, 2013, MGP Ingredients, Inc. (the Company) issued a Press Release (the Press Release) regarding the report of Institutional Shareholder Services, a provider of proxy voting advisory services to institutions and other professional investors, regarding the director nominees and proposals to be voted upon at the Company's 2013 Annual Meeting of Stockholders. The Press Release is filed herewith as Exhibit 1.

Exhibit 1

**NEWS RELEASE**

**ISS Recommends Against Cray Group Governance Proposals**

***MGP Urges Stockholders to Vote the WHITE Proxy Card to Support Strong, Independent Leadership at MGP***

**ATCHISON, Kan., August 15, 2013** MGP Ingredients, Inc. (Nasdaq: MGPI) (the Company) today commented on the report issued by Institutional Shareholder Services (ISS), a leading provider of proxy voting advisory services to institutions and other professional investors, regarding the director nominees and proposals to be voted upon at MGP's Annual Meeting of Stockholders to be held on August 23, 2013.

MGP's Independent Directors issued the following statement in response to the ISS report:

ISS recommendation against the Cray Group's proposals underscores the danger for common stockholders in turning over even more control of MGP to the Cray family. We are pleased that ISS recognizes the self-serving nature of the Cray Group's proposals and their attempt to turn MGP into a quasi-private company at the expense of the common stockholders.

The ISS report dated August 15, 2013 states:

- Approval of this proposal along with other proposals brought forward by the dissidents would enable the Cray family to accelerate the removal of B directors, including those independent directors who have recently, in an open letter to shareholders, opposed the proponents and expressed their intent to fulfill their fiduciary duties and work in the best interest of all shareholders.
- While the ability to call special meetings generally enhances the rights of shareholders, the dissident is the most likely beneficiary of the proposed special meeting right and could use such right to strengthen board control to the detriment of common shareholders.

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The Independent Directors continued, We believe ISS analysis regarding director nominees contradicts their recognition that the Cray Group should not receive more control at MGP. Chairman John Speirs is an exceptional, independent director who is committed to driving value for all stockholders, and we encourage stockholders to support his nomination by voting the WHITE proxy card.

As announced on August 13, 2013, Glass Lewis & Co, LLC, also a leading provider of proxy voting advisory services, recommends stockholders support MGP's current management

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team and Independent Directors by voting FOR the Company's director nominees on the Company's WHITE proxy card. In their report, Glass Lewis said:

- Given that the Cray Group already exerts significant influence over the Company through its ownership of 92% of the preferred shares, giving it the right to elect five of the Company's nine directors, and 27.5% ownership of the common shares, we believe it is particularly important in this case for independent directors to maintain their current position. In our view, in light of recent actions, the independent directors are more likely to act in the best interests of all shareholders than is the Cray family.

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxy votes:

**Innisfree M&A Incorporated**

Stockholders Call Toll-Free: (888) 750-5834

Banks and Brokers Call: (212) 750-5833

**IMPORTANT**

Vote the **White** Proxy Card today!

The Company's proxy statement and annual report on Form 10-K for the year ended December 31, 2012, are available at the following website that can be accessed anonymously: <http://ir.mgpingredients.com/annuals.cfm>.

**About MGP Ingredients**

MGP is a leading independent supplier of premium spirits, offering flavor innovations and custom distillery blends to the beverage alcohol industry. The Company also produces high quality food grade industrial alcohol and formulates grain-based starches and proteins into nutritional, as well as highly functional, innovations for the branded consumer packaged goods industry. Distilled spirits are produced at facilities in the adjacent towns of Lawrenceburg and Greendale, Indiana. The Company is headquartered in Atchison, Kansas, where a variety of distilled alcohol products and food ingredients are manufactured. For more information, visit [mgpingredients.com](http://mgpingredients.com).

**Cautionary Note Regarding Forward-Looking Statements**

This news release contains forward-looking statements as well as historical information. Forward-looking statements are usually identified by or are associated with such words as intend, plan, believe, estimate, expect, anticipate, hopeful, should, may, will, could, potential and/or the negatives of these terms or variations of them or similar terminology. They reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and financial results and are not guarantees of future performance. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Investors should not place undue reliance upon forward-looking statements and the Company undertakes no obligation to publicly update or revise any forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others: (i) disruptions in operations at our Atchison or Indiana facilities, (ii) the availability and cost of grain and fluctuations in energy costs, (iii) the effectiveness of our hedging strategy, (iv) the competitive environment and related market conditions, (v)

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the ability to effectively pass raw material price increases on to customers, (vi) the ability to effectively operate the Illinois Corn Processing, LLC ( ICP ) joint venture, (vii) our ability to maintain compliance with all applicable loan agreement covenants, (viii) our ability to realize operating efficiencies, (ix) actions of governments and (x) consumer tastes and preferences. For further information on these and other risks and uncertainties that may affect our business, including risks specific to our Distillery and Ingredient segments, see *Item 1A. Risk Factors* of our Annual Report on Form 10-K for the year ended December 31, 2012, as updated by *Item 1A. Risk Factors* of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013.

### **Important Additional Information**

The definitive proxy statement, any other relevant documents and other materials filed with the SEC concerning the Company are available free of charge at [www.sec.gov](http://www.sec.gov). For a copy of final definitive materials with respect to 2013 Annual Meeting, including Amendment No. 3 of the supplement to the proxy statement, please see <http://ir.mgpingredients.com/annuals.cfm>. Voting remains open to stockholders of record at the close of business on April 3, 2013. Stockholders should carefully read the definitive proxy statement, including supplements thereto, before making any voting decision.

The Company and its directors, director nominees, the Company's chief executive officer and its chief financial officer (the Participants ) may be deemed to be participants in the solicitation of proxies in connection with the 2013 Annual Meeting. Information regarding the Participants in the solicitation is more specifically set forth in the definitive proxy statement and the proxy statement supplement that were filed by the Company with the SEC and which are available free of charge from the SEC and the Company, as indicated above.

CONTACT: Investors & Analysts:

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