

GameStop Corp.  
Form DEF 14A  
December 29, 2006  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

(Amendment No. )

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 Pursuant to (S)240.14a-12

GameStop Corp.

(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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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**GameStop Corp.**

**625 Westport Parkway**

**Grapevine, Texas 76051**

December 29, 2006

Dear Class B Common Stockholder:

You are cordially invited to attend a Special Meeting of Class B Common Stockholders of GameStop Corp. The meeting will be held at 10:00 a.m., Central Standard Time, on Wednesday, February 7, 2007 at GameStop's corporate headquarters at 625 Westport Parkway, Grapevine, Texas 76051.

Information about the meeting and the various matters on which the stockholders will act is included in the Notice of Special Meeting of Class B Common Stockholders and Proxy Statement which follow. Also included is a Proxy Card and a postage paid return envelope.

Whether or not you plan to attend the meeting, we hope you will have your shares represented at the meeting by completing, signing and returning your Proxy Card in the enclosed postage paid return envelope promptly.

*Sincerely,*

MICHAEL N. ROSEN

*Secretary*

**GameStop Corp.**

**625 Westport Parkway**

**Grapevine, Texas 76051**

**NOTICE OF SPECIAL MEETING OF CLASS B COMMON STOCKHOLDERS**

**TO BE HELD FEBRUARY 7, 2007**

A Special Meeting of Class B Common Stockholders of GameStop Corp. (the "Company") will be held at GameStop's corporate headquarters at 625 Westport Parkway, Grapevine, Texas 76051, at 10:00 a.m., Central Standard Time, on Wednesday, February 7, 2007 for the following purposes:

To adopt and approve an amendment and restatement of the Company's Amended and Restated Certificate of Incorporation to automatically convert each outstanding share of the Company's Class B Common Stock, par value \$0.001 per share (the "Class B Common Stock"), into one share of the Company's Class A Common Stock, par value \$0.001 per share, and eliminate Class B Common Stock.

Only holders of record of Class B Common Stock as of the close of business on December 28, 2006 are entitled to notice of and to vote at the meeting and at any adjournment or postponement thereof.

MICHAEL N. ROSEN

*Secretary*

New York, New York

December 29, 2006

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE**

**COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD.**



**GameStop Corp.**

**625 Westport Parkway**

**Grapevine, Texas 76051**

**PROXY STATEMENT FOR SPECIAL MEETING OF CLASS B COMMON STOCKHOLDERS**

**TO BE HELD ON FEBRUARY 7, 2007**

**INTRODUCTION**

This Proxy Statement and enclosed Proxy Card are being furnished commencing on or about January 5, 2007 in connection with the solicitation by the board of directors of GameStop Corp., a Delaware corporation (the "Company" or "GameStop"), of proxies for use at a Special Meeting of Class B Common Stockholders to be held on February 7, 2007 (the "Meeting") for the purposes set forth in the accompanying Notice of Special Meeting of Class B Common Stockholders. Any proxy given pursuant to such solicitation and received in time for the Meeting will be voted as specified in such proxy. If no instructions are given, proxies will be voted **FOR** the adoption and approval of the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation in the form attached to this Proxy Statement to automatically convert each outstanding share of the Company's Class B Common Stock, par value \$0.001 per share (the "Class B Common Stock"), into one share of the Company's Class A Common Stock, par value \$0.001 per share ("Class A Common Stock") (the "Proposal"), and eliminate Class B Common Stock. Any proxy may be revoked by written notice received by the Secretary of the Company at any time prior to the voting thereof by submitting a subsequent proxy or by attending the Meeting and voting in person.

Only holders of record of the Company's Class B Common Stock as of the close of business on December 28, 2006 are entitled to notice of and to vote at the Meeting. Pursuant to the provisions of the Company's Amended and Restated Certificate of Incorporation holders of the Company's Class A Common Stock are not entitled to vote on the Proposal. As of the record date, 29,901,662 shares of Class B Common Stock were outstanding. Each share of Class B Common Stock entitles the record holder thereof to ten votes on the Proposal. The presence of a majority of the outstanding shares of the Class B Common Stock represented in person or by proxy at the Meeting will constitute a quorum.

The proposal to adopt and approve the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation to automatically convert each outstanding share of Class B Common Stock into one share of Class A Common Stock and eliminate Class B Common Stock will be decided by the affirmative vote of a majority of the shares of Class B Common Stock voting on the Proposal in person or by proxy at the Meeting. Thus, abstentions and broker non-votes will not be included in vote totals with respect to the Proposal and will have no effect on the outcome of the votes with respect thereto.

In the event that sufficient votes in favor of the proposal are not received by the date of the Meeting, the Chairman of the Meeting may propose one or more adjournments of the Meeting to permit further solicitations of proxies. Any such adjournment will require the affirmative vote of the holders of a majority of the shares of Class B Common Stock in person or by proxy at the Meeting.

A Proxy Card is enclosed for your use. YOU ARE SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS TO COMPLETE, SIGN, DATE AND RETURN THE PROXY CARD IN THE ACCOMPANYING ENVELOPE, which is postage paid if mailed in the United States.

**NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE**

**RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS PROXY STATEMENT SHALL, UNDER NO CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE OF THIS PROXY STATEMENT.**

**Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth the number of shares of our Class A Common Stock and our Class B Common Stock and exercisable options to purchase such stock beneficially owned on December 11, 2006 by each director and each of the executive officers required to be named in this Proxy Statement, each holder of 5% or more of our Class A Common Stock or our Class B Common Stock and all of our directors and executive officers as a group. Except as otherwise noted, the individual director or executive officer or his or her family members had sole voting and investment power with respect to the identified securities. The total number of shares of our Class A Common Stock and Class B Common Stock outstanding as of December 11, 2006 was 45,942,541 and 29,901,662, respectively.

Name	Shares Beneficially Owned			
	Class A Common Stock(1) Shares	%	Class B Common Stock(1) Shares	%
FMR Corp., 82 Devonshire Street, Boston MA 02109	7,664,819	(3) 16.7	3,506,774	(2) 11.7
Maverick Capital, Ltd., 300 Crescent Court, 18 <sup>th</sup> Floor, Dallas, TX 75201	3,904,439	(3) 8.5	443,300	(2) 1.5
Karsch Capital Management, LP, 110 East 59th Street, 22nd Floor, New York, NY 10022			1,915,620	(2) 6.4
Kornitzer Capital Management Inc., 5420 West 61st Place, Shawnee Mission, KS 66205			1,517,904	(2) 5.1
R. Richard Fontaine	927,100	(3) 2.0		
Daniel A. DeMatteo	727,000	(4) 1.6		
Steven R. Morgan				
David W. Carlson	616,000	(5) 1.3		
Ronald Freeman	21,000	(6) *		
Michael N. Rosen	56,600	(7) *	4,248	(8) *
Jerome L. Davis	10,245	(9) *		
James J. Kim	4,125,550	(10) 9.0		
Leonard Riggio	3,027,600	(11) 6.2	5,154,461	(12) 17.2
Stephanie M. Shern	55,600	(13) *		
Stanley (Mickey) Steinberg	9,600	(9) *		
Gerald R. Szczepanski	68,600	(7) *		
Edward A. Volkwein	35,600	(14) *		
Lawrence S. Zilavy	9,600	(9) *		
All directors and executive officers as a group (15 persons)	9,725,095	(15) 18.9	5,158,709	17.3

\* Less than 1.0%



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- (1) Shares of Common Stock that an individual or group has a right to acquire within 60 days after December 11, 2006 pursuant to the exercise of options, warrants or other rights are deemed to be outstanding for the purpose of computing the beneficial ownership of shares and percentage of such individual or group, but are not deemed to be outstanding for the purpose of computing the beneficial ownership of shares and percentage of any other person or group shown in the table.

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- (2) Information compiled from Schedule 13F filings.
- (3) Of these shares, 867,000 are issuable upon exercise of stock options and 60,000 are restricted shares.
- (4) Of these shares, 667,000 are issuable upon exercise of stock options and 60,000 are restricted shares.
- (5) Of these shares, 586,000 are issuable upon exercise of stock options and 30,000 are restricted shares.
- (6) Of these shares, 21,000 are restricted shares.
- (7) Of these shares, 37,000 are issuable upon exercise of stock options and 14,600 are restricted shares.
- (8) These shares are owned by Mr. Rosen's wife.
- (9) Of these shares, 9,600 are restricted shares.
- (10) Of these shares, 9,600 are restricted shares and the remaining shares are owned by EB Nevada Inc., which is a wholly-owned subsidiary of The Electronics Boutique, Inc., all of the outstanding capital stock of which is owned by James J. Kim, Agnes C. Kim, the David D. Kim Trust of December 31, 1987, the John T. Kim Trust of December 31, 1987 and the Susan Y. Kim Trust of December 31, 1987. David D. Kim is the trustee of the David D. Kim Trust, Susan Y. Kim is the trustee of the Susan Y. Kim Trust, and John T. Kim is the trustee of the John T. Kim Trust (the trustees of each trust may be deemed to be the beneficial owners of the shares held by such trust). In addition, the trust agreement for each of these trusts encourages the trustees of the trusts to vote the shares of Common Stock held by them, in their discretion, in concert with James J. Kim's family. Accordingly, the trusts, together with their respective trustees and James J. and Agnes C. Kim, may be considered a group under Section 13(d) of the Exchange Act. This group may be deemed to have beneficial ownership of the shares owned by EB Nevada Inc.
- (11) Of these shares, 3,008,000 are issuable upon exercise of stock options and 14,600 are restricted shares.
- (12) Of these shares, Mr. Riggio is the direct beneficial owner of 3,472,602 shares of Class B Common Stock. Mr. Riggio is the indirect beneficial owner of 1,126,913 shares of Class B Common Stock owned by Barnes & Noble College Booksellers, Inc., a New York corporation, of which Mr. Riggio owns all of the currently outstanding voting securities. As co-trustee of The Riggio Foundation, a charitable trust, Mr. Riggio is the indirect beneficial owner of 554,946 shares of Class B Common Stock owned by The Riggio Foundation. Excluded from these shares are 302,712 shares of Class B Common Stock held in a rabbi trust established by Barnes & Noble for the benefit of Mr. Riggio pursuant to a deferred compensation arrangement, but over which Mr. Riggio has no voting power.
- (13) Of these shares, 37,000 are issuable upon exercise of stock options and 14,600 are restricted shares.
- (14) Of these shares, 15,000 are issuable upon exercise of stock options and 14,600 are restricted shares. Of the remaining 6,000 shares, 500 shares are owned by Mr. Volkwein's wife, and 250 shares each are owned by Mr. Volkwein's two children.
- (15) Of these shares, 5,289,000 are issuable upon exercise of stock options and 282,400 are restricted shares.



## **PROPOSAL**

### **APPROVAL OF THE AMENDMENT AND RESTATEMENT OF**

### **THE COMPANY'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

The Company currently has two classes of common stock outstanding: Class A Common Stock and Class B Common Stock. The rights, preferences and privileges of each class of common stock are identical in all respects except for voting rights. Each holder of Class A Common Stock is entitled to one vote per share and each holder of Class B Common Stock is entitled to ten votes per share. In addition, each share of Class B Common Stock is currently not convertible into Class A Common Stock. Under the Company's current Amended and Restated Certificate of Incorporation, only the holders of Class B Common Stock are required to vote on the Proposal. Except for such a proposal or other proposals that affect only one class of stock without adversely affecting the other class of stock, holders of each class of common stock vote together as a single class on all matters, unless otherwise required by law.

As of December 28, 2006, there were outstanding 45,942,541 shares of Class A Common Stock held by 61 stockholders of record and 29,901,662 shares of Class B Common Stock held by 1,363 stockholders of record. As of December 28, 2006, the outstanding Class B Common Stock represented approximately 39.4% of the Company's shares of outstanding common stock and approximately 86.7% of the total voting power of the outstanding common stock. The Board has determined that it is in the best interests of the Company and its stockholders to convert the Class B Common Stock into Class A Common Stock to simplify its capital structure, improve corporate governance by reducing the appearance of being a closely-held company, reduce the expenses and confusion associated with maintaining two separate classes of common stock and improve liquidity and trading volume of outstanding shares. The Company proposes to amend and restate its Amended and Restated Certificate of Incorporation to convert each outstanding share of Class B Common Stock into one share of Class A Common Stock and to delete each of the provisions providing for Class B Common Stock. A copy of the Second Amended and Restated Certificate of Incorporation that you are being asked to adopt and approve is attached to this Proxy Statement as Appendix A.

The holders of Class B Common Stock are being asked to adopt and approve the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation in the form attached to this Proxy Statement to automatically convert each outstanding share of Class B Common Stock into one share of Class A Common Stock and eliminate Class B Common Stock. The Board of Directors has determined that the proposed amendment and restatement of the Company's Amended and Restated Certificate of Incorporation is in the best interests of the Company and its stockholders.

### **Stockholder Approval**

The affirmative vote of a majority of the shares of Class B Common Stock of the Company voting on the Proposal in person or by proxy at the Meeting will be required for the adoption and approval of the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation. Pursuant to the provisions of the Company's Amended and Restated Certificate of Incorporation, holders of the Company's Class A Common Stock are not entitled to vote on the Proposal.

If the Company's stockholders adopt and approve the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation, the Company will file the attached Second Amended and Restated Certificate of Incorporation with the Delaware Secretary of State, which will become effective on the date the filing is accepted by the Delaware Secretary of State. If the Company's stockholders do not adopt and approve the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation, there would be no change in the Company's existing capital stock. As such, holders of Class A Common Stock would continue to hold Class A Common Stock, with one vote per share, and holders of Class B Common Stock would continue to hold Class B Common Stock, with ten votes per share.

### **No Appraisal Rights**

No appraisal rights are available under the Delaware General Corporation Law or under the Company's Amended and Restated Certificate of Incorporation or bylaws to any stockholder who does not vote in favor of the adoption and approval of the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation.

### **Tax Consequences**

The following summary of the federal income tax consequences of the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation and the ownership of Class A Common Stock and Class B Common Stock is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), Treasury Department regulations, published positions of the Internal Revenue Service (the "IRS") and court decisions now in effect, all of which are subject to change. **You should consult your own tax advisors with regard to the application of the federal income tax laws to your particular situation, as well as to the applicability and effect of any state, local, or foreign tax laws to which you may be subject.**

The Company believes that as a result of the proposed conversion of the Class B Common Stock into Class A Common Stock:

- no gain or loss will be recognized for federal income tax purposes by holders of our Class B Common Stock upon the conversion;
- a stockholder's basis in its shares of Class A Common Stock received upon the conversion of the Class B Common Stock will be the same as the stockholder's aggregate basis in the Class B Common Stock converted;
- a stockholder's holding period for the Class A Common Stock received upon the conversion of the Class B Common Stock will include such stockholder's holding period for the Class B Common Stock converted, provided that each share of Class B Common Stock was held by such stockholder as a capital asset as defined in Section 1221 of the Internal Revenue Code;
- and
- no gain or loss will be recognized for federal income tax purposes by the Company upon the reclassification and conversion of shares of Class B Common Stock into shares of Class A Common Stock.

Finally, stockholders should be aware that this discussion does not address any issues that may be relevant to stockholders who acquired their shares in compensatory transactions or other holders who are subject to special circumstances or tax rules (such as dealers in securities or foreign persons).

### **Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ADOPTION AND APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE COMPANY'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO AUTOMATICALLY CONVERT EACH OUTSTANDING SHARE OF CLASS B COMMON STOCK INTO ONE SHARE OF CLASS A COMMON STOCK AND ELIMINATE CLASS B COMMON STOCK.**

### **OTHER MATTERS**

The Company does not intend to present any other business for action at the Meeting and does not know of any

other business intended to be presented by others.

*Proxy Solicitation.* Solicitation may be made personally, by telephone, by telegraph or by mail by officers and employees of the Company who will not be additionally compensated therefor. The Company may request persons such as brokers, nominees and fiduciaries holding stock in their names for others, or holding stock for others who have the right to give voting instructions, to forward proxy materials to their principals and request authority for the execution of the proxy. The Company will reimburse such persons for their expenses in so doing. The Company is bearing all costs of this solicitation.

*Stockholder Proposals.* Proposals of stockholders intended to be presented at the Annual Meeting of Stockholders to be held in 2007 must be received by the Secretary, GameStop Corp., 625 Westport Parkway, Grapevine, Texas 76051, no later than January 24, 2007.

In addition, the Company's Bylaws provide that, in order for a stockholder to propose business for consideration at an annual meeting of stockholders, such stockholder must give written notice to the Secretary of the Company not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days notice or prior public disclosure of the date of the meeting is given to stockholders, notice by the stockholder must be given not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such notice must contain the proposing stockholder's record name and address, and the class and number of shares of the Company which are beneficially owned by such stockholder. Such notice must also contain (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, and (ii) any material interest of the proposing stockholder in such business.

**CLASS B COMMON STOCKHOLDERS ARE URGED TO FORWARD THEIR PROXIES WITHOUT DELAY. A PROMPT RESPONSE WILL BE GREATLY APPRECIATED.**

By Order of the Board of Directors

R. Richard Fontaine

*Chairman*

December 29, 2006

**GAMESTOP CORP.**

**SPECIAL MEETING OF CLASS B COMMON STOCKHOLDERS**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned stockholder of GAMESTOP CORP., a Delaware corporation (the "Company"), hereby acknowledges receipt of the Notice of Special Meeting of Class B Common Stockholders and Proxy Statement of the Company, each dated December 29, 2006, and hereby appoints R. Richard Fontaine and Daniel A. DeMatteo, and each of them, proxies and attorneys-in-fact, with full power to each of substitution, on behalf and in the name of the undersigned, to represent the undersigned at the Special Meeting of Class B Common Stockholders of the Company, to be held on Wednesday, February 7, 2007, at 10:00 a.m., Central Standard time, at GameStop's corporate headquarters at 625 Westport Parkway, Grapevine, Texas 76051, and at any adjournment or adjournments thereof, and to vote all shares of the Company's Class B Common Stock that the undersigned would be entitled to vote if then and there personally present, on the matters set forth on the reverse side.

**This proxy will be voted as directed or, if no contrary direction is indicated, will be voted FOR the adoption and approval of the amendment and restatement of the Company's Amended and Restated Certificate of Incorporation included in the Proxy Statement referred to above, to automatically convert each share of Class B Common Stock into Class A Common Stock and to eliminate Class B Common Stock; and as said proxies deem advisable on such other matters as may come before the meeting.**

A majority of such proxies or substitutes as shall be present and shall act at the meeting or any adjournment or adjournments thereof (or if only one shall be present and act, then that one) shall have and may exercise all of the powers of said proxies hereunder.

(Continued and to be signed and dated on the other side.)