REX AMERICAN RESOURCES Corp
Form DEF 14A
April 28, 2015

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 [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant to Section 240.14a-12

REX American Resources Corporation
(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):

[X] 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 previously paid with preliminary materials.

[ ] 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:

7720 Paragon Road
Dayton, Ohio 45459

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on June 2, 2015

The Annual Meeting of Shareholders of REX American Resources Corporation will be held at the offices of One Earth Energy, LLC located at 202 North Jordan Drive, Gibson City, Illinois 60936 on Tuesday, June 2, 2015, at 2:00 p.m. CST, for the following purposes:

1. Election of nine members to the Board of Directors to serve until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified.

2. Approval of the REX 2015 Incentive Plan.

3. Transaction of such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 21, 2015 will be entitled to notice of and to vote at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting in person.

By Order of the Board of Directors

EDWARD M. KRESS
Secretary
Dayton, Ohio
April 28, 2015

Important Notice Regarding the Availability of Proxy Materials
for the Shareholders Meeting to be Held on June 2, 2015

The Proxy Statement, 2014 Annual Report and other soliciting materials are available at www.rexamerican.com by clicking on Investors and then clicking on the Annual Reports and 2014 Proxy links.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, DATE, SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED.

REX AMERICAN RESOURCES CORPORATION
7720 Paragon Road
Dayton, Ohio 45459

PROXY STATEMENT

Mailing Date
April 28, 2015

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of REX American Resources Corporation, a Delaware corporation (REX or the Company), for use for the purposes set forth herein at our Annual Meeting of Shareholders to be held on June 2, 2015 and any adjournments thereof. All properly executed proxies will be voted as directed by the shareholder on the proxy card. If no direction is given, proxies will be voted in accordance with the Board of Directors recommendations and, in the discretion of the proxy holders, in the transaction of such other business as may properly come before the Annual Meeting and any adjournments thereof. Any proxy may be revoked by a shareholder by delivering written notice of revocation to the Company or in person at the Annual Meeting at any time prior to the voting thereof.

We have one class of stock outstanding, namely Common Stock, $.01 par value, of which there were 7,899,607 shares outstanding as of April 21, 2015. Only holders of Common Stock whose names appeared of record on the books of the Company at the close of business on April 21, 2015 are entitled to notice of and to vote at the Annual Meeting. Each shareholder is entitled to one vote per share.

A majority of the outstanding shares of Common Stock will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum. A broker non-vote occurs when a broker submits a proxy with respect to shares held in a fiduciary capacity (or street name) that indicates the broker does not have discretionary authority to vote the shares on a particular matter.

If you hold shares in street name, you must vote by giving instructions to your broker or nominee. Without your instructions, your broker or nominee is permitted to use its own discretion and vote your shares on certain routine matters but is not permitted to use discretion to vote on non-routine matters, such as Item 1 (election of directors) and Item 2 (approval of the REX 2015 Incentive Plan) in the Notice of Annual Meeting. **We urge you to give voting instructions to your broker on all voting items.**

Fiscal Year

All references in this Proxy Statement to a particular fiscal year are to REX s fiscal year ended January 31. For example, fiscal 2014 means the period February 1, 2014 to January 31, 2015.

ELECTION OF DIRECTORS
(Item 1)

Nine directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Shareholders and until their successors are elected and qualified. Unless otherwise directed, it is the intention of the persons named in the accompanying proxy to vote each proxy for the election of the nominees listed below. All nominees are presently directors of REX.

If at the time of the Annual Meeting any nominee is unable or declines to serve, the proxy holders will vote for the election of such substitute nominee as the Board of Directors may recommend. We have no reason to believe that any substitute nominee will be required.

Directors are elected by a majority of votes cast unless the election is contested, in which case directors are elected by a plurality vote. A majority of votes cast means that the number of shares voted for a nominee must exceed the number of votes cast against that nominee. Abstentions and broker non- votes will have no effect. If a non-incumbent nominee receives a greater number of votes cast against than cast for , that non-incumbent nominee is not elected to the Board. Any incumbent director nominee who receives a greater number of votes cast against than votes for shall continue to serve as a holdover director under Delaware law, but shall tender his or her resignation as a director. Within 90 days, the Board will decide, after taking into account the recommendation of the Nominating/Corporate Governance Committee and excluding the nominee in question, whether to accept the resignation. The Board will promptly disclose its decision on a Form 8-K filed with the Securities and Exchange Commission.

Set forth below is certain information with respect to the nominees for director, including the experience, qualifications and skills we believe these individuals bring to the Board and qualify them to serve as directors.

STUART A. ROSE, 60, has been our Chairman of the Board and Chief Executive Officer since our incorporation in 1984 as a holding company to succeed to the ownership of Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc. and Stereo Town, Inc. Prior to 1984, Mr. Rose was Chairman of the Board and Chief Executive Officer of Rex Radio and Television, Inc., which he founded in 1980 to acquire the stock of a corporation which operated four retail stores. Mr. Rose s leadership as our Chief Executive Officer provides the Board with essential knowledge of the Company s operations and strategic opportunities.

LAWRENCE TOMCHIN, 87, retired as our President and Chief Operating Officer in 2004, a position he held since 1990, and remained a part-time employee and consultant until January 31, 2006. From 1984 to 1990, he was our Executive Vice President and Chief Operating Officer. Mr. Tomchin has been a director since 1984. Mr. Tomchin was Vice President and General Manager of the corporation which was acquired by Rex Radio and Television, Inc. in 1980 and served as Executive Vice President of Rex Radio and Television, Inc. after the acquisition. Mr. Tomchin s service as our retired Chief Operating Officer provides the Board with additional perspective of the Company s operations.

ROBERT DAVIDOFF, 88, has been a director since 1984. Mr. Davidoff has been a Managing Director of Carl Marks & Co., Inc., an investment banking firm, since 1990, and the general partner of CMNY Capital II, L.P., a venture capital affiliate of Carl Marks & Co., since 1989. Mr. Davidoff was formerly a director of Cinedigm Digital Cinema Corp., Hubco Exploration, Inc. and Marisa Christina, Inc. Mr. Davidoff s long career in investment banking and accounting background gives the Board seasoned, executive level financial knowledge.

EDWARD M. KRESS, 65, has been our Secretary since 1984 and a director since 1985. Mr. Kress has been a partner of the law firm of Dinsmore & Shohl LLP (formerly Chernesky, Heyman & Kress P.L.L.), our legal counsel, since 1988. Mr. Kress has practiced law in Dayton, Ohio since 1974. Mr. Kress, a lawyer and our legal counsel, provides the Board with critical legal advice and perspective.

CHARLES A. ELCAN, 51, has been a director since 2003. Mr. Elcan is a founder and President of China Healthcare Corporation, organized in May 2008 to build and operate hospitals in China. Mr. Elcan was Executive Vice President Medical Office Properties of Health Care Property Investors, Inc. (HCP), a real estate investment trust specializing in health care related real estate, from October 2003 to April 2008, and served as the Chief Executive Officer and President of MedCap Properties, LLC, a real estate company located in Nashville, Tennessee that owned, operated and developed real estate in the healthcare field, from 1998 to October 2003. (HCP acquired MedCap Properties in October 2003.) From 1992 to 1997, Mr. Elcan was a founder and investor in Behavioral Healthcare Corporation (now Ardent Health Services LLC), a healthcare company that owns and operates acute care hospitals. Mr. Elcan, a founder of health care real estate companies, brings to the Board entrepreneurial experience and real estate expertise.

DAVID S. HARRIS, 55, has been a director since 2004. Mr. Harris has served as President of Grant Capital, Inc., a private investment company, since January 2002. From May 2001 to December 2001, Mr. Harris served as a Managing Director in the investment banking division of ABN Amro Securities LLC (ABN). From 1997 to May 2001, Mr. Harris served as a Managing Director and Sector Head of the Retail, Consumer and Leisure Group of ING Barings LLC (ING). The investment banking operations of ING were acquired by ABN in May 2001. From 1986 to 1997 Mr. Harris served in various capacities as a member of the investment banking group of Furman Selz LLC. Furman Selz was acquired by ING in 1997. Mr. Harris is currently also a director of Steiner Leisure Limited and Carrols Restaurant Group, Inc. He serves on the Audit Committee and the Compensation Committee of both companies and is the Chairman of the Audit Committee of Carrols Restaurant Group, Inc. and the Chairman of the Compensation Committee of Steiner Leisure Limited. Mr. Harris experience in investment banking, corporate finance and capital markets is valuable to the Board in developing strategy and evaluating senior management.

MERVYN L. ALPHONSO, 74, has been a director since 2007. Mr. Alphonso retired as Vice President for Administration and Chief Financial Officer of Central State University in March 2007, a position he held since 2004. Mr. Alphonso has over 30 years of experience in the banking industry. He was President, Dayton District, KeyBank National Association from 1994 to 2000 and held various management positions with KeyBank of New York, N.A., Crocker National Bank and Bankers Trust Company. Mr. Alphonso served as a Peace Corps volunteer from 2001 to 2003. Mr. Alphonso s experience in the banking industry and as a chief financial officer provides the Board with financial management expertise.

LEE FISHER, 63, has been a director since 2011. Mr. Fisher is President and Chief Executive Officer of CEOs for Cities, a non-profit national organization of urban leaders focused on revitalizing American cities. Mr. Fisher is also a Senior Fellow with the Levin College of Urban Affairs at Cleveland State University and an Urban Scholar with the College of Urban Planning and Public Affairs at the University of Illinois-Chicago. Mr. Fisher served as Lieutenant Governor of Ohio from 2007 to 2011, including as Director of the Ohio Department of Development. Mr. Fisher was a director of REX from 1996 to 2006. He served as President and Chief Executive Officer of the Center for Families and Children, a private non-profit human services organization, from 1999 to 2006. Mr. Fisher was a partner in the law firm of Hahn Loeser & Parks LLP from 1995 to 1999, served as Ohio Attorney General from 1991 to 1995, State Senator and State Representative, Ohio General Assembly, from 1981 to 1990, and practiced law with Hahn Loeser & Parks from 1978 to 1990. Mr. Fisher was formerly a director of OfficeMax Incorporated. Mr. Fisher brings to the Board experience and understanding of government, public affairs, economic development, and regulatory and public policy.

J. DENNIS HASTERT, 73, has been a director since 2014. Mr. Hastert has been a member of the Public Policy & Law Practice of Dickstein Shapiro LLP since 2008 where he concentrates in the areas of government law and strategy and public policy. Mr. Hastert served as Speaker of the U.S. House of Representatives from January 1999 until January 2007 and was the longest-serving Republican Speaker in history. He was elected to the U.S. House of Representatives in 1987 and served Illinois 14th Congressional District from 1987 to 2007. He was a senior member of the Energy and Commerce Committee and prior to his time in Congress, Mr. Hastert served in the Illinois House of Representatives from 1980 to 1986. Mr. Hastert is currently also a director of CME Group, Inc., a derivatives marketplace that includes the Chicago Merchantile Exchange (CME), Board of Trade of the City of Chicago (CBOT), New York Merchantile Exchange (NYMEX) and Commodity Exchange (COMEX). Mr. Hastert is Chairman of the

Compensation Committee and serves on the Governance, Nominating and Strategic Steering Committees of CME Group. Mr. Hastert s prior government service, government leadership roles and experience in commodities markets will assist the Board and management in governmental and regulatory matters affecting our business.

Board of Directors

Our Board of Directors consists of nine directors. The Board has determined that six of the nine directors, Robert Davidoff, Charles A. Elcan, David S. Harris, Mervyn L. Alphonso, Lee Fisher and J. Dennis Hastert, are independent within the meaning of Section 303A.02 of the New York Stock Exchange (NYSE) Listed Company Manual.

To be considered independent, the Board must determine that the director has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company, including commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships, among others. Our Board has established the following guidelines, consistent with Section 303A.02 of the NYSE listing standards, to assist it in determining independence of directors.

- A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationship.
- A director who receives, or whose immediate family member receives, more than $120,000 during any 12-month period in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than $120,000 during any 12-month period in such compensation. (Compensation received by an immediate family member for service as a non-executive employee need not be considered in determining independence under this test.)
- A director who is a partner or employee of the Company s internal or external auditor, or whose immediate family member is a partner of such a firm, or an employee of such a firm and personally works on the Company s audit, or a director or immediate family member who was within the last three years a partner or employee of such a firm and personally worked on the Company s audit within that time, is not independent.
- A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company s present executives at the same time serve on that company s compensation committee is not independent until three years after the end of such service or the employment relationship.
- A director who is an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or 2% of such other company s consolidated gross revenues, is not independent until three years after falling below such threshold.

Messrs. Davidoff, Harris, Alphonso and Fisher have no relationships with the Company other than being a director. Mr. Elcan and Mr. Hastert each have only an indirect, immaterial relationship with the Company.

Elcan & Associates, Inc., a firm owned by Mr. Elcan s brother, provides real estate brokerage services to REX, and Mr. Elcan s brother acted as a finder in connection with our investments in synthetic fuel limited partnerships and facilities. Because Mr. Elcan has no financial interest or involvement in Elcan & Associates, nor any involvement in REX s business activities with Elcan & Associates, and the amount of our annual payments to Elcan & Associates falls within our director independence guidelines, the Board has determined that the relationship is not a material relationship affecting Mr. Elcan s independence.

Dickstein Shapiro LLP, a law firm of which Mr. Hastert is a senior adviser, advises and represents REX in connection with legislative developments related to the Federal Renewable Fuel Standard. REX pays the firm a retainer of $5,000 per month. Because we believe Dickstein Shapiro is uniquely positioned to provide these services, and the amount of our annual payments to Dickstein Shapiro falls within our director independence guidelines, the Board has determined that the relationship is not a material relationship affecting Mr. Hastert s independence.

Our Board of Directors held one meeting during the fiscal year ended January 31, 2015. The average attendance by incumbent directors at Board and Board Committee meetings was 100%.

Directors are invited and encouraged to attend our annual meeting of shareholders. All directors attended the 2014 Annual Meeting.

The non-management directors have the opportunity to meet at executive sessions without management following Audit Committee meetings. The presiding director for each executive session is rotated among the chairs of the independent Board committees.

Board Leadership Structure

Our Chief Executive Officer serves as the Chairman of the Board. The Board believes it is appropriate to combine the positions of Chief Executive Officer and Chairman because our CEO is the director most familiar with the Company s business and is best suited to identify strategic opportunities and priorities. The Board also believes that combining the role of Chairman and Chief Executive Officer promotes efficiencies both in communications between management and the Board and in executing business strategy, and is an appropriate board leadership structure for a smaller public company. We have a presiding director, or lead director, for each executive session of the non-management directors which position is rotated among the chairs of the independent Board committees.

Board Role in Risk Oversight

The Board administers its risk oversight function principally through the Audit Committee. The Audit Committee oversees financial, legal, regulatory and operational risks and risk management. The Committee receives periodic reports from members of senior management who supervise day-to-day risk management activities on specific risks to the Company, risk management and risk mitigation. The Audit Committee reports to the full Board as appropriate. Overall review of risk is inherent in the full Board s consideration of long-term strategies and in the transactions and other matters presented to the Board. The Board s role in risk oversight has no effect on its leadership structure.

Board Committees

Our Board of Directors has four standing committees: the Audit Committee, the Compensation Committee, the Nominating/Corporate Governance Committee and the Executive Committee.

Audit Committee. The Audit Committee assists Board oversight of the integrity of the financial statements of the Company, our compliance with legal and regulatory requirements, the independent accountants qualifications and independence, and the performance of the Company s internal audit function and independent accountants. The Audit Committee is directly responsible for the appointment, retention and oversight of the work of the independent accountants. The Audit Committee acts pursuant to a written charter. The members of the Audit Committee are Messrs. Harris (Chairman), Davidoff, Alphonso and Fisher. All members of the Audit Committee are independent within the meaning of applicable NYSE listing standards and rules of the Securities and Exchange Commission (SEC). The Board has determined that Mr. Harris and Mr. Davidoff are each an audit committee financial expert as defined by applicable SEC rules and that all members of the Audit Committee are financially literate within the meaning of NYSE listing standards. The Audit Committee met five times during fiscal 2014.

Compensation Committee. The Compensation Committee has direct responsibility to review and approve CEO compensation, makes recommendations to the Board with respect to non-CEO compensation and compensation plans, and administers the Company s stock plans. The Compensation Committee acts pursuant to a written charter. The members of the Compensation Committee are Messrs. Davidoff (Chairman), Elcan, Harris, Alphonso, Fisher and

Hastert. All members of the Compensation Committee are independent within the meaning of applicable NYSE listing standards. The Compensation Committee met twice during fiscal 2014.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee identifies individuals qualified to become Board members consistent with criteria approved by the Board, recommends for the Board s selection a slate of director nominees for election to the Board at the annual meeting of shareholders, develops and recommends to the Board the Corporate Governance Guidelines applicable to the Company, and oversees the evaluation of the Board and management. The Nominating/Corporate Governance Committee acts pursuant to a written charter. The members of the Nominating/Corporate Governance Committee are Messrs. Alphonso (Chairman), Davidoff, Elcan, Harris, Fisher and Hastert. All members of the Nominating/Corporate Governance Committee are independent within the meaning of applicable NYSE listing standards. The Nominating/Corporate Governance Committee took action once during fiscal 2014.

The Board seeks director candidates who possess the background, skills and expertise to make a significant contribution to the Board, the Company and shareholders. In identifying and evaluating director candidates, the Nominating/Corporate Governance Committee may consider a number of attributes, including experience, skills, judgment, accountability and integrity, financial literacy, time, industry knowledge, networking/contacts, leadership, independence from management and other factors it deems relevant. The Nominating/Corporate Governance Committee also considers diversity of professional experience, skills and individual qualities and attributes in identifying director candidates. The Nominating/Corporate Governance Committee reviews the desired experience, mix of skills and other qualities to assure appropriate Board composition, taking into account the current directors and specific needs of the Company and the Board. The Nominating/Corporate Governance Committee may solicit advice from the CEO and other members of the Board.

The Nominating/Corporate Governance Committee will consider director candidates recommended by our shareholders. Shareholders must submit the name of a proposed shareholder candidate to the Nominating/Corporate Governance Committee at our corporate offices by the date specified under Shareholder Proposals.

Executive Committee. The Executive Committee is empowered to exercise all of the powers and authority of the Board of Directors between meetings of the Board, other than the power to fill vacancies on the Board or on any Board committee and the power to declare dividends. The members of the Executive Committee are Messrs. Rose and Tomchin. The Executive Committee took action once during fiscal 2014.

Code of Ethics, Corporate Governance Guidelines and Committee Charters

We have adopted a Code of Business Conduct and Ethics applicable to our employees, officers and directors. A copy of the Code of Business Conduct and Ethics has been filed as an exhibit to our Annual Report on Form 10-K for the year ended January 31, 2004 and is posted on our website www.rexamerican.com.

We have adopted a set of Corporate Governance Guidelines addressing director qualification standards, director responsibilities, director access to management and independent advisors, director compensation and other matters. A copy of the Corporate Governance Guidelines is posted on our website www.rexamerican.com.

The charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee are posted on our website www.rexamerican.com.

Procedures for Contacting Directors

Shareholders and interested parties may communicate with the Board, the non-management directors as a group, or a specific director by writing to REX American Resources Corporation, 7720 Paragon Road, Dayton, Ohio 45459, Attention: Board of Directors, Non-Management Directors or [Name of Specific Director]. All communications will be forwarded as soon as practicable to the specific director, or if addressed to the Non-Management Directors to the Chairman of the Audit Committee, or, if addressed to the Board, to the Chairman of the Board or other director designated by the Board to receive such communications.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The objectives of our executive compensation program are to motivate and retain our key employees, to tie annual incentives to corporate performance and profitability, and to provide long-term incentives for executives to create shareholder value.

We considered the results of the shareholder advisory vote on executive compensation in 2014. We believe the approval received shows that shareholders support our executive compensation decisions and policies.

Elements of Executive Compensation

The elements of our executive compensation program are discussed below.

Base Salary. Base salaries of our executive officers are set at a level to reflect individual job responsibilities, with consideration given for past contributions and length of service. Base salary levels also reflect individual annual incentive opportunities, with salaries set lower where annual incentive opportunities are higher. The base salary of our CEO is set at a level below that of salaries paid to CEOs of other public companies in the ethanol industry in recognition of his annual incentive opportunities and prior stock option awards. Base salaries are reviewed annually and adjusted from time to time to reflect individual responsibilities and corporate performance. For comparative purposes, we review base salaries paid by companies in our industry peer group, including Pacific Ethanol, Inc. and Green Plains Inc. We do not engage in benchmarking in setting or adjusting base salaries. Base salaries of our President, Mr. Rizvi, and our CFO, Mr. Bruggeman, were unchanged for fiscal 2014.

Annual Incentive Program. Our annual incentive program is designed to reward executive officers for corporate performance and to incentify those individuals to contribute to corporate profitability. Annual incentives are based on corporate performance and profitability measures. There are no individual performance goals or objectives.

For fiscal 2014, the annual incentive opportunities for our executive officers were based upon (1) performance of our alternative energy and ethanol investments and determined as a specific percentage of alternative energy or ethanol pre-tax income and (2) all other income (consisting primarily of real estate income) and determined as a specific percentage of all other pre-tax income.

We define pre-tax income from alternative energy, ethanol and all other for purposes of our annual incentive program as pre-tax income from continuing and discontinued operations less income attributable to non-controlling interests, adding back incentive accrual, directors and officers liability insurance, and certain costs associated with being a public company.

We chose the foregoing measures to incentivize our executive officers to grow profits. Specific quantitative corporate performance factors and measures for determining individual annual incentive awards are described under Employment Agreements and Grants of Plan-Based Awards following the Summary Compensation Table.

The annual incentive program for executive officers includes a clawback provision. For purposes of computing awards under the program, in the event of a loss in any fiscal year, pre-tax income utilized in computing awards in subsequent years is reduced by 50%, until the cumulative reduction equals the amount of the earlier loss. We believe the clawback ensures that executive incentive awards are paid based on cumulative pre-tax income (net of losses) and provides incentive to focus on long-term, sustained earnings growth.

Annual incentive awards are determined and paid on a formula basis without discretion to increase or decrease award amounts.

Long-Term Incentive Awards. Long term incentive awards historically were made in the form of stock option grants under our 1995 and 1999 Omnibus Stock Incentive Plans. Stock appreciation rights, restricted stock and other stock-based awards are authorized, but have not been granted, under the Plans.

We have not granted stock options since 2004 in part due to the significant impact on our results of operations from the requirement to recognize compensation cost for share-based payments under Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment*. No stock options granted in prior years were outstanding at the end of 2014. To strengthen the link between our executive compensation program and long-term corporate performance, we may consider paying a portion of awards earned under our annual incentive program in restricted stock or other long-term stock-based awards under the REX 2015 Incentive Plan, subject to shareholder approval of the Plan.

Role of Executive Officers in Determining Executive Compensation

The Compensation Committee of our Board of Directors determines the compensation paid to our CEO. Our CEO recommends base salary levels and annual incentive opportunities for executive officers other than himself. All annual incentive payments to executive officers are approved by the Compensation Committee.

Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code disallows a federal income tax deduction to a public company for compensation paid in excess of $1 million in any taxable year to the company s chief executive officer or any of its other four highest paid executive officers. This limitation does not apply to performance-based compensation, as defined under federal tax laws, under a plan approved by shareholders.

For 2014, the annual incentive payable to Messrs. Rose, Bruggeman and Rizvi was subject to an aggregate $1 million annual maximum. Depending upon an executive s salary, annual incentive, other compensation, and exercise of previously granted stock options under plans not approved by shareholders, the individual s annual compensation could exceed the $1 million limitation.

We may make annual incentive awards under the 2015 REX Incentive Plan to qualify the awards as performance-based compensation, subject to shareholder approval of the Plan.

The Compensation Committee considers anticipated tax treatment when reviewing executive compensation, but does not limit executive compensation to amounts deductible under Section 162(m) in order to maintain flexibility to structure compensation programs.

Compensation Consultant

In June 2014, the Compensation Committee engaged Pearl Meyer & Partners, LLC (Pearl Meyer), an outside independent compensation consultant, to assess the competitiveness of REX s current executive compensation program and to review the competitiveness of REX s non-executive director compensation. Pearl Meyer delivered their assessments, recommendations and advice to the Compensation Committee in late 2014. Pearl Meyer provided no other or additional services to the Compensation Committee or REX.

Compensation Consultant s Competitive Assessments

In performing its assessments, Pearl Meyer developed a Company-approved peer group of 14 companies[1] from which data was matched to REX executive officer and non-executive directors, and board survey data reflecting industry and size appropriate comparators. Pearl Meyer concluded in their assessments that:

[1] The peer group companies (ticker) are Green Plains Inc. (GPRE), Darling Ingredients Inc. (DAR), Renewable Energy Group, Inc. (REGI), W&T Offshore Inc. (WTI), Pacific Ethanol, Inc. (PEIX), Par Petroleum Corporation (PARR), EXCO Resources Inc. (XCO), Bill Barrett Corp. (BBG), Legacy Reserves LP (LGCY), Landec Corp. (LNDC), FutureFuel Corp. (FF), Rentech, Inc. (RTK), Clean Energy Fuels Corp. (CLNE) and Aemetis, Inc. (AMTX).

On an overall basis, total direct compensation of REX s named executive officers (CEO, COO and CFO) is below the competitive range at the 35th percentile of the market, due mainly to a combination of low base salaries, large annual incentives, and no annual long-term incentive awards.
REX s total annual Board compensation is positioned below the peer group 25th percentile. While the annual cash retainer is positioned at the peer group 45th percentile, REX s other competitive positioning are also all below the 25th percentile because REX does not provide any Committee compensation (except to the Audit Committee Chair) or equity compensation to non-executive directors.

Determinations and Considerations for 2015

Based in part on the Pearl Meyer competitive assessments, the Compensation Committee made the following determinations and considerations with respect to REX s executive compensation program for fiscal 2015:

The Compensation Committee approved, subject to shareholder approval, the REX 2015 Incentive Plan to enable the Company to provide annual and long-term incentive awards to officers, employees, directors and consultants.
The Compensation Committee has not established annual incentive award opportunities for executive officers for 2015. When such awards are made, the Committee may consider paying a portion of each award opportunity that is earned in restricted stock or other long-term stock-based award under the 2015 Incentive Plan, subject to shareholder approval of the Plan.

Compensation Committee Report

The Compensation Committee of the Board of Directors of REX American Resources Corporation has reviewed and discussed the Compensation Discussion and Analysis with management. Based on that review and discussion, the Compensation Committee recommended that the Compensation Discussion and Analysis be included in the proxy statement for our 2015 annual meeting of shareholders.

ROBERT DAVIDOFF, *Chairman*
CHARLES A. ELCAN
DAVID S. HARRIS
MERVYN L. ALPHONSO
LEE FISHER
J. DENNIS HASTERT

Compensation Committee Interlocks and Insider Participation

Charles A. Elcan, a member of the Compensation Committee, has an indirect relationship with the Company. Elcan & Associates, Inc., a firm owned by Mr. Elcan s brother, provides real estate brokerage services to REX and, in 2015, an entity owned by Mr. Elcan s brother purchased real estate from REX. These transactions are described under Certain Relationships and Related Transactions.

Summary Compensation Table

The following table sets forth the compensation of our Chief Executive Officer, Chief Financial Officer and our other most highly compensated executive officers.

Name and Principal Position	Year	Salary ($)	Non-Equity Incentive Plan Compensation (1)($)	All Other Compensation (2)($)	Total ($)
Stuart A. Rose	2014	154,500	1,000,000		1,154,500
Chairman of the Board and	2013	154,500	1,000,000		1,154,500
Chief Executive Officer	2012	154,500			154,500
Douglas L. Bruggeman	2014	275,700	1,000,000	200	1,275,900
Vice President Finance, Chief	2013	275,700	587,615	200	863,515
Financial Officer and Treasurer	2012	275,700		200	275,900
Zafar A. Rizvi	2014	199,070	1,000,000	200	1,199,270
President and Chief Operating	2013	199,070	1,000,000	200	1,199,270
Officer	2012	199,070		200	199,270

(1) Amounts in this column reflect incentive awards earned under our annual incentive program. See Grants of Plan-Based Awards.

(2) Amounts in this column for fiscal 2014 reflect $200 401(k) matching contribution on behalf of each named executive officer other than Mr. Rose.

Employment Agreements

Stuart A. Rose, our Chairman and Chief Executive Officer, has an employment agreement with Rex Radio and Television, Inc. that provides for an annual salary of $154,500 and an annual incentive based upon (i) the earnings before income taxes of our retail business, or Retail EBT, and (ii) the earnings before income taxes of our alternative energy investments, or Energy Investment EBT, equal to 3% of the Energy Investment EBT for the fiscal year, but in no event will Mr. Rose receive a total incentive award exceeding $1 million in any fiscal year. Since the exit from our retail business in fiscal 2009 and the classification of all retail related activities in discontinued operations, the Retail EBT component of Mr. Rose s annual incentive has been calculated using all other (non-alternative energy) pre-tax income, which includes gains on sale of real estate, consistent with other executive officer annual incentives and determined at 0.5% of all other pre-tax income. Mr. Rose is also eligible to participate in all employee benefit plans.

Mr. Rose s employment agreement is for a term of two years and one month commencing January 1, 2006 and continuing through January 31, 2008 and is automatically renewed for additional one-year terms unless earlier terminated by resignation, death, total disability or termination for cause, or unless terminated by either party upon 180 days notice. Termination for cause means Mr. Rose s repeated failure or refusal to perform his duties under the agreement, violation of any material provision of the agreement, or clear and intentional violation of law involving a felony which has a materially adverse effect on us. If Mr. Rose s employment is terminated by us without cause, he is entitled to the balance of his annual salary plus all rights to the annual incentive based on Retail EBT and Energy Investment EBT for the remainder of the employment period. If Mr. Rose s employment is terminated for any other reason, he is entitled to a pro rata portion of his annual salary and annual incentive based upon the date of termination.

Grants of Plan-Based Awards

The following table sets forth information concerning grants of awards to each named executive officer in fiscal 2014 under our annual incentive program.

	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		
Name	**Threshold ($)**	**Target (1)($)**	**Maximum ($)**
Stuart A. Rose	0	1,000,000	1,000,000
Douglas L. Bruggeman	0	587,615	1,000,000
Zafar A. Rizvi	0	1,000,000	1,000,000

(1) Target amounts are not determinable at the time of grant. SEC rules require us to provide a representative amount based on the previous fiscal year s performance if the target amount is not determinable. Target amounts shown are representative amounts based on fiscal 2013 performance.

Mr. Rose s annual incentive award, which is set forth in his employment agreement, is earned at (i) 3% of the earnings before income taxes of our alternative energy investments and (ii) 0.5% of all other pre-tax income for fiscal 2014, subject to a maximum $1,000,000 payout for the year.

Mr. Bruggeman s annual incentive award is earned at (i) 1% of our ethanol pre-tax income and (ii) 0.75% of all other pre-tax income for fiscal 2014, subject to a maximum $1,000,000 payout for the year.

Mr. Rizvi s annual incentive award is earned at (i) 2% of our ethanol pre-tax income and (ii) 0.5% of all other pre-tax income for fiscal 2014, subject to a maximum $1,000,000 payout for the year.

For fiscal 2014, Mr. Rose, Mr. Bruggeman and Mr. Rizvi each earned an annual incentive award of $1,000,000, the maximum award opportunity. Mr. Rose s incentive award was based on REX achieving $142,439,767 alternative energy pre-tax income (ethanol and Future Energy venture) for fiscal 2014. Mr. Bruggeman s and Mr. Rizvi s incentive awards were based on REX achieving $142,676,639 ethanol pre-tax income for fiscal 2014. All other pre-tax income (loss) did not contribute to incentive awards for 2014.

Option Exercises and Vested Stock for Fiscal 2014

The following table sets forth information concerning exercise of stock options during fiscal 2014 for each named executive officer.

	Option Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**
Stuart A. Rose		
Douglas L. Bruggeman	20,700	996,922
Zafar A. Rizvi	35,000	1,674,303

Potential Payments Upon Termination or Change in Control

Pursuant to Mr. Rose s employment agreement, if he is terminated without cause, as defined in his agreement, we must pay him the balance of his annual salary plus incentive based on Retail EBT and Energy Investment EBT for the remainder of the employment period. We agreed to pay Mr. Rose the balance of his salary and annual incentive because a termination without cause would not be reflective of his individual performance. Under these circumstances, we believe he should receive his full contractual compensation. Salary payments for the first six months are paid in a lump sum in the seventh month following termination and no less frequently than monthly thereafter, and incentive payments are paid in annual installments corresponding to the performance period.

Assuming the employment of Mr. Rose was terminated without cause on January 31, 2015, and assuming equivalent incentive amounts for fiscal 2014 and 2015, Mr. Rose would be entitled to a cash payment of $1,154,000. If Mr. Rose s employment is terminated for any reason other than without cause, we must pay him a pro rata portion of his annual salary and incentive based upon the date of termination.

Mr. Rose is subject to non-competition provisions for a period of two years following termination of employment for any reason, as well as confidentiality provisions, in his employment agreement.

All unvested options granted under our stock option plans automatically vest upon a change in control. There were no unvested options outstanding at January 31, 2015.

Director Compensation for Fiscal 2014

The following table sets forth information concerning the compensation of our non-employee directors for fiscal 2014.

Name	Fees Earned or Paid in Cash ($)	Total ($)
Lawrence Tomchin	45,000	45,000
Robert Davidoff	45,000	45,000
Edward M. Kress		
Charles A. Elcan	45,000	45,000
David S. Harris	50,000	50,000
Mervyn L. Alphonso	45,000	45,000
Lee Fisher	45,000	45,000
J. Dennis Hastert	22,500	22,500

Director Compensation Arrangements

Directors who are not officers or employees of REX are paid an annual retainer of $20,000 per year (plus reasonable travel expenses) and a $5,000 per year retainer if they serve on one or more Board committees. The Chairman of the Audit Committee is paid an additional $5,000 per year retainer.

Non-employee directors are eligible to receive grants of stock options under our 1999 Omnibus Stock Incentive Plan. Under the Plan, on the date of each annual meeting of shareholders, each non-employee director is awarded a nonqualified stock option to purchase a number of shares of our common stock such that the exercise price of the option multiplied by the number of shares subject to the option is as near as possible to $100,000, but in no event more than 10,000 shares. The exercise price of each nonqualified option is the fair market value of the common stock on the date of grant. The options are exercisable in five equal annual installments commencing on the first anniversary of the date of grant and expire ten years from the date of grant.

Directors who are not officers or employees are paid an additional $20,000 per year for each year such director waives his right to the grant of stock options pursuant to the 1999 Omnibus Stock Incentive Plan. The non-employee directors waived their right to the grant of stock options under the Plan for fiscal 2014.

Compensation Policies and Risk

We believe the compensation policies and practices for our employees do not encourage excessive or inappropriate risk taking and are not reasonably likely to have a material adverse effect on the Company.

Our compensation program consists of fixed and variable components. The fixed portion, base salary, provides stable income regardless of Company performance or stock price. The variable portion, annual incentive and stock option or stock-based awards, awards both short-term and long-term corporate performance.

Our annual incentive program is based on the Company s earnings before income taxes. We believe that basing annual incentives on pre-tax income encourages executives to focus on growing profits rather than other measures such as gross revenues which may incentivize executives to increase sales without regard to operating costs. We cap each executive s total annual incentive award which we believe reduces the incentive to engage in excess risk taking as incentive payments are limited. We have used pre-tax income as our annual incentive performance measure for several years without evidence that it has increased our risk profile.

Long-term performance is reflected in stock option or stock-based awards that typically vest in installments over several years and grow in value if our stock price increases over time. We believe that our stock option or stock-based awards and the clawback provision in our annual incentive program create a disincentive to engage in short-term risk taking which could ultimately harm the Company s long-term performance and stock price.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)) (c)
Equity compensation plans approved by security holders(1)		$	108,011
Equity compensation plans not approved by security holders(2)		$	2,302,425
Total		$	2,410,436

(1) Includes the REX American Resources Corporation 1995 Omnibus Stock Incentive Plan.
(2) Includes the REX American Resources Corporation 1999 Omnibus Stock Incentive Plan.

Under the 1999 Omnibus Plan, awards in the form of nonqualified stock options, stock appreciation rights, restricted stock, other stock-based awards and cash incentive awards may be granted to officers and key employees. The 1999 Omnibus Plan also allows for yearly grants of nonqualified stock options to non-employee directors. The exercise price of each option must be at least 100% of the fair market value of the Common Stock on the date of grant. A maximum of 4,500,000 shares are authorized for issuance under the 1999 Omnibus Plan, of which 2,302,425 shares remained available for issuance at January 31, 2015.

APPROVAL OF THE REX 2015 INCENTIVE PLAN
(Item 2)

In April 2015 the Board of Directors of the Company approved, subject to shareholder approval, the REX American Resources Corporation 2015 Incentive Plan (the Incentive Plan). If the Incentive Plan is approved by shareholders, the Company s 1995 Omnibus Stock Incentive Plan (the 1995 Plan) and the Company s 1999 Omnibus Stock Incentive Plan (the 1999 Plan) (collectively, the Omnibus Plans) would be terminated and no additional stock options or other awards would be granted under the Omnibus Plans. The Company has no compensation plans other than the Omnibus Plans under which equity awards can be made to employees, directors or others.

As of April 28, 2015, no awards were outstanding under the Omnibus Plans and 108,011 and 2,302,425 shares remained available for issuance under the 1995 Plan (approved by shareholders) and the 1999 Plan (not approved by shareholders), respectively. The Company has not granted stock options or other equity awards under the Omnibus Plans since 2004.

A maximum of 550,000 shares of Common Stock would be available for issuance under the Incentive Plan, which would represent approximately 7.0% of the Company s outstanding shares as of April 28, 2015.

The Board of Directors believes it is in the best interest of the Company to adopt the Incentive Plan to enable the Company to (i) reward and motivate officers, key employees, directors and consultants with compensation in a form allowing them to participate in the growth of the Company, (ii) enhance the ability of the Company to attract qualified individuals for positions with the Company, and (iii) promote an identity of interest between