

LEE ENTERPRISES, INC
Form DEF 14A
January 07, 2010
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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

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
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LEE ENTERPRISES, INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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LEE ENTERPRISES, INCORPORATED

201 N. Harrison Street, Suite 600

Davenport, Iowa 52801-1924

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD FEBRUARY 17, 2010

TO OUR STOCKHOLDERS:

The Annual Meeting of Stockholders of Lee Enterprises, Incorporated, a Delaware corporation (the Company), will be held will be held at the Company's offices, 201 N. Harrison Street, Fourth Floor, Davenport, Iowa, on February 17, 2010, at 9:00 a.m. CT, for the following purposes:

- (1) To elect three directors for terms of three years;
- (2) To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm;
- (3) To consider and act upon a proposal to amend and restate the 1996 Stock Plan for Non-Employee Directors (as amended and restated in 2003);
- (4) To consider and act upon a proposal to amend and restate the 1990 Long-Term Incentive Plan (as amended effective January 10, 2008); and
- (5) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed December 28, 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at the Annual Meeting.

We are furnishing our proxy materials to you under Securities and Exchange Commission (SEC) rules that allow public companies to deliver proxy materials to their stockholders on the Internet. On or about January 7, 2010, you were provided with a Notice of Internet Availability of Proxy Materials (Notice) and provided access to our proxy materials over the Internet.

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We encourage you to attend the Annual Meeting. However, it is important that your shares be represented whether or not you plan to attend. Even if you plan to attend the Annual Meeting, please vote, as instructed in the Notice, via the Internet or the telephone as promptly as possible to ensure that your vote is recorded. Alternatively, you may follow the procedures outlined in the Notice to request a paper proxy card to submit your vote by mail. If you attend the meeting and your shares are registered in your name, you may withdraw your proxy at that time and vote your shares in person.

C. D. Waterman III, Secretary

Davenport, Iowa

January 7, 2010

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LEE ENTERPRISES, INCORPORATED

2010 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of the Company to be voted at the Annual Meeting of Stockholders (the "Annual Meeting") to be held at our offices, 201 N. Harrison Street, Fourth Floor, Davenport, Iowa, on February 17, 2010, at 9:00 a.m. CT, for the purposes set forth in the Notice of Annual Meeting of Stockholders. Our principal executive offices are located at 201 N. Harrison Street, Suite 600, Davenport, Iowa 52801-1924.

In accordance with rules adopted by the Securities and Exchange Commission ("SEC"), we have provided Internet access to this Proxy Statement and our Annual Report on Form 10-K for the year ended September 27, 2009. Accordingly, a Notice of Internet Availability of Proxy Materials (the "Notice") has been sent to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on a website referred to in the Notice or request that a printed set of the proxy materials be sent to them by following the instructions in the Notice. If you requested printed versions of these materials by mail, these materials also include the proxy card for the Annual Meeting.

Also, the Notice provides you with instructions on how to inform us to send our future proxy materials to you electronically by email or in printed form by mail. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email or printed form by mail will remain in effect until you terminate it.

Choosing to receive your future proxy materials by email will allow us to provide you with the information you need in a more timely manner and save us the cost of printing and mailing documents to you.

References to 2009, 2008 and the like mean the fiscal year ended the last Sunday in September.

PROXIES

Your vote is very important. If you are a stockholder of record, you may vote your Common Stock or Class B Common Stock in person at the Annual Meeting. We will give you a ballot when you arrive. If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy. You can vote by proxy over the Internet by following the instructions provided in the Notice, or, if you request printed copies of the proxy materials by mail, you can also vote by mail, Internet or telephone.

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You may revoke the proxy before the Annual Meeting, whether delivered by Internet, telephone or through the mail, by using the Internet voting procedures, the telephone voting procedures or by mailing a signed instrument revoking the proxy to: C. D. Waterman III, Corporate Secretary, Lee Enterprises, Incorporated, at the address shown on the cover of this Proxy Statement. To be effective, a mailed revocation must be received by the Secretary on or before February 16, 2010. A stockholder may also attend the Annual Meeting in person, withdraw the proxy and vote in person.

If a broker, bank or other nominee holds your Common Stock or Class B Common Stock, you will receive instructions from them that you must follow in order to have your shares voted. Shares held by a broker, bank or other nominee cannot be voted in person at the Annual Meeting.

VOTING PROCEDURES

Stockholders of record at the close of business on December 28, 2009 will be entitled to vote at the Annual Meeting or any adjournment thereof. As of November 30, 2009, there were 39,103,410 shares of Common Stock and 5,766,805 shares of Class B Common Stock outstanding. Each share of Common Stock is entitled to one vote at the Annual Meeting and each share of Class B Common Stock is entitled to ten votes. The holders of Common Stock and Class B Common Stock will vote as a single class on all matters to be considered at the Annual Meeting.

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The presence, in person or by proxy, of a majority of the voting power of our Common Stock and Class B Common Stock issued and outstanding and entitled to vote is necessary to constitute a quorum at the Annual Meeting. The affirmative vote of the holders of a plurality of the voting power of Common Stock and Class B Common Stock represented in person or by proxy at the Annual Meeting is required to elect directors, and the affirmative vote of the holders of a majority of the voting power of Common Stock and Class B Common Stock represented at the Annual Meeting, voting as a single class, is required to act on Proposal 2, Proposal 3 and Proposal 4 as more fully set forth in this Proxy Statement and on any other matter properly brought before the meeting. In addition, under New York Stock Exchange (NYSE) rules, the total votes cast on Proposals 3 and 4 must represent a majority of the voting power of our Common Stock and Class B Common Stock issued and outstanding on the record date.

Abstentions from voting, including Proposal 2, Proposal 3 and Proposal 4, will be included for purposes of determining whether the requisite number of affirmative votes is received on any matters other than the election of directors submitted to the stockholders for vote and, accordingly, will have the same effect as a vote AGAINST such matters. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be considered as present and entitled to vote, but will have no effect on the vote with respect to that matter.

In voting by proxy with regard to the election of directors, stockholders may vote in favor of all nominees, withhold their votes as to all nominees, or withhold their votes as to specific nominees. Stockholders should specify their choices by using the Internet or telephone voting procedures, or on the proxy card, if printed copies of the proxy materials are requested by mail. All properly executed proxies delivered by stockholders to us and not revoked will be voted at the Annual Meeting in accordance with the directions given. For any stockholder of record, if no specific instructions are provided for proxies given through the Internet or telephone voting procedures, or if a signed proxy card is returned without giving specific voting instructions, the shares represented by the proxy will be voted FOR the election of all directors in Proposal 1 and FOR the approval of Proposal 2, Proposal 3 and Proposal 4, as more fully set forth in this Proxy Statement. If any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon such matters according to their judgment.

Under new rules adopted by the NYSE its member-brokers are allowed to vote shares held by them for their customers only on matters the NYSE determines are routine, unless the brokers have received voting instructions from their customers. The NYSE currently considers Proposal 2 to be a routine matter. Your broker, therefore, may vote your shares in its discretion on Proposal 2 if you do not instruct your broker how to vote on Proposal 2. Your broker is prohibited from voting your shares on the election of directors, Proposal 3 and Proposal 4 unless you have given voting instructions to your broker. The NYSE does not consider the proposal to approve such other business as may properly come before the Annual Meeting or any adjournment a routine matter, so your broker may not vote on this proposal in its discretion, though your shares will be counted for purposes of determining whether a quorum is present. Your broker, therefore, will need to return a proxy card without voting on this non-routine matter if you do not give voting instructions with respect to this matter. This is referred to as a broker non-vote.

We encourage you to provide voting instructions to the broker, bank or other nominee that holds your shares by carefully following the instructions provided in the Notice from such entity.

PROPOSAL 1 - ELECTION OF DIRECTORS

Three directors are to be elected to hold office for three-year terms expiring at the annual meeting in 2013.

Proxies will be voted for the election of the nominees unless the stockholder giving the proxy withholds such authority. If, as a result of circumstances not now known, any of such nominees shall be unable to serve as a director, proxies will be voted for the election of such other

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person as the Board of Directors may select. Information about the nominees and directors continuing in office, including business experience for at least the last five years, is set forth below.

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Nominees for Election as Directors with Terms Expiring in 2013

Each of the individuals named below is a nominee of the Nominating and Corporate Governance Committee of the Board of Directors and nominated by the full Board of Directors for election as a director at the Annual Meeting. Each nominee except Ms. Junck is independent, as defined in the listing standards of the NYSE. The current term of Ms. Junck and Messrs. Newman and Prichett expires February 17, 2010.

Mary E. Junck, 62, Director since 1999

Ms. Junck was elected Chairman, President and Chief Executive Officer of the Company in 2002. From 2001 to 2002, she served as President and Chief Executive Officer of the Company. She became Executive Vice President and Chief Operating Officer of the Company in 1999 and President in 2000. She is also a director of TNI Partners, which is owned 50% by the Company.

Ms. Junck is Chairman of the Executive Committee.

Andrew E. Newman, 65, Director since 1991

Mr. Newman is a private investor.

Mr. Newman is Chairman of the Audit Committee and a member of the Executive Compensation Committee.

Gordon D. Prichett, 68, Director since 1998

Mr. Prichett is a founder of Cairnwood Cooperative, Boston, MA, a private investment group. He is also Professor of Mathematics, Statistics and Information Systems at Babson College, Babson Park, MA.

Mr. Prichett is a member of the Audit Committee and the Executive Committee.

Recommendation of the Board of Directors

We recommend a vote FOR Proposal 1 for the election of each of the nominees listed herein.

INCUMBENT DIRECTORS WITH TERMS EXPIRING IN 2011

Richard R. Cole, 67, Director since 2006

Dr. Cole is the John Thomas Kerr Jr. Distinguished Professor at the School of Journalism and Mass Communication, University of North Carolina at Chapel Hill. From 1979 to 2005, Dr. Cole served as dean of the school.

Dr. Cole is a member of the Nominating and Corporate Governance Committee.

Nancy S. Donovan, 58, Director since 2003

Ms. Donovan is a founding partner of Circle Financial Group, LLC, New York, NY, a wealth advisory and private equity firm, and the founding partner of Oakmont Partners, LLC, Lake Forest, IL, a private equity firm. From 1989 to 2001, Ms. Donovan was President and Chief Operating Officer of Morgan Stanley Credit Corporation, Riverwoods, IL.

Ms. Donovan is a member of the Audit Committee.

Leonard J. Elmore, 57, Director since 2008

Mr. Elmore is an attorney residing in New York, NY. He was a partner with the law firm of Dreier LLP from September until December, 2008, and Senior Counsel with the law firm of Dewey & LeBoeuf from October

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2004 until March 2008. From 2001 to 2003, Mr. Elmore was President of Test University, a leading provider of Internet delivered learning solutions for pre-college students. Mr. Elmore also serves as a Trustee on the University of Maryland Board of Trustees, and a Commissioner on the John and James L. Knight Foundation's Knight Commission on Intercollegiate Athletics. Mr. Elmore also serves as a member of the Board of Directors and chairman of the Nominating and Corporate Governance Committee of 1-800-FLOWERS.COM, Inc.

Mr. Elmore is a member of the Audit Committee.

Herbert W. Moloney III, 58, Director since 2001

Mr. Moloney is President and Chief Operating Officer of Western Colorprint, Inc., a privately-held company that provides advertising supplements and cartoons to the publishing industry (Western Colorprint). From April 2005 to November 2006, he was President and Publisher of the *Washington Examiner*. From 2000 to March 2005 he was the Chief Operating Officer, North America, of Vertis, Inc., Baltimore, MD.

Mr. Moloney is a member of the Audit Committee and the Executive Compensation Committee.

INCUMBENT DIRECTORS WITH TERMS EXPIRING IN 2012

William E. Mayer, 69, Director since 1998

Mr. Mayer is a founding partner of Park Avenue Equity Partners, L.P., New York, NY, a private equity firm. He is also a director of BlackRock Kelso Capital Corporation, a closed-end management investment company, and a trustee of the Columbia Mutual Funds.

Mr. Mayer is Chairman of the Executive Compensation Committee and a member of the Executive Committee and the Nominating and Corporate Governance Committee. Mr. Mayer has been designated as the Company's lead director by the independent directors to preside over executive sessions of non-management directors.

Gregory P. Schermer, 55, Director since 1999

Mr. Schermer is Vice President-Interactive Media of the Company. From 1989 to July 2006, he also served as Corporate Counsel of the Company.

Mark B. Vittert, 61, Director since 1986

Mr. Vittert is a private investor.

Mr. Vittert is Chairman of the Nominating and Corporate Governance Committee and a member of the Executive Compensation Committee.

**PROPOSAL 2 - RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed KPMG LLP (KPMG) to serve as the independent registered public accounting firm to audit the Company s financial statements for 2010. KPMG also served as the Company s independent registered public accounting firm for our 2009 fiscal year. Our By-laws do not require that the stockholders ratify the appointment of KPMG as our independent registered public accounting firm. The Board of Directors is requesting the stockholders to ratify this appointment as a means of soliciting stockholders opinions and as a matter of good corporate practice. The Board of Directors unanimously recommends that the stockholders of the Company vote FOR the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the 2010 fiscal year.

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Representatives of KPMG are expected to be present at the Annual Meeting. The KPMG representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders.

The affirmative vote of a majority of the votes present in person or by proxy and entitled to vote at the meeting is required to ratify the selection of KPMG LLP. If the stockholders do not ratify the appointment, the Audit Committee will consider any information submitted by the stockholders in determining whether to retain KPMG as the Company's independent registered public accounting firm for the 2010 fiscal year. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that a change would be in the best interests of the Company and its stockholders.

Recommendation of the Board of Directors

The Board of Directors recommends that stockholders vote FOR Proposal 2 to appoint the Independent Registered Public Accounting Firm.

PROPOSAL 3 - APPROVAL OF AMENDED AND RESTATED 1996 STOCK PLAN

FOR NON-EMPLOYEE DIRECTORS

The Board of Directors has unanimously approved, and is proposing for stockholder approval, amendments to our 1996 Stock Plan for Non-Employee Directors (the "Stock Plan Amendments"). At our 1996 Annual Meeting, our stockholders approved the Company's 1996 Stock Plan for Non-Employee Directors (the "Stock Plan"). The purpose of the Stock Plan is to promote the interests of the Company and its stockholders by: (1) encouraging non-employee directors to own shares of our Common Stock and thereby link their interest more closely with the interests of our other stockholders; (2) attracting and retaining non-employee directors of outstanding ability; (3) providing incentive compensation opportunities which are competitive with those of other major corporations; and (4) enabling such directors to participate in our long-term growth and financial success.

The Stock Plan (as amended and restated in 2003) authorized the Board of Directors to reserve an aggregate of 150,000 shares of our Common Stock (as such number may be adjusted for stock splits and dividends and certain other corporate changes in accordance with the Stock Plan), and to make an annual award of 1,500 shares of Common Stock to each of our non-employee directors. The Stock Plan has no expiration date except that awards may not be granted in excess of the 150,000 shares of our Common Stock which have been reserved for award.

In order to continue the Stock Plan and increase the benefits of participation consistent with the enhanced duties imposed upon our non-employee directors by the NYSE and the SEC, and to enable the Stock Plan, over time, to be more competitive with equity compensation programs of our peer companies, we are asking our stockholders to approve the Stock Plan Amendments, which modify the Stock Plan to:

Increase the number of shares of Common Stock authorized under the Stock Plan Amendments by 300,000;

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Authorize an annual grant of 10,000 shares of our Common Stock to each non-employee director, subject to an annual cap in the value on the date of grant equal to that non-employee director's annual cash retainer (the base of which was \$40,000 in 2009), excluding Board Committee service and meeting fees per non-employee director per year;

Eliminate the ability of a non-employee director to receive all or part of his or her cash compensation in our Common Stock; and

Require any annual grant of our Common Stock to any non-employee director to be held for a minimum of ten (10) years, unless such director retires, resigns or dies while holding the position of director prior to satisfying this holding requirement.

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Pursuant to the terms of the Stock Plan, 83,067 shares of Common Stock have been issued to our non-employee directors through December 28, 2009 (the record date for the Annual Meeting), leaving 66,933 shares available for issuance. Under the proposed Stock Plan Amendments, the maximum number of shares available for future grant or issuance would be increased to 366,933 shares of our Common Stock. This amount is subject to adjustment for stock splits and dividends and certain other corporate changes in accordance with the Stock Plan. The Board of Directors is recommending the addition of 300,000 shares to the total shares available under the Stock Plan to enable us to meet our expected annual awards for the next several years. The closing price of our Common Stock on the NYSE on December 28, 2009 was \$3.67 per share.

The following summary sets forth the principal features of the Stock Plan as amended by the Stock Plan Amendments. This summary is qualified in its entirety by the complete text of the Stock Plan, as amended, set forth in Exhibit A to this Proxy Statement.

Eligibility

Awards may be granted only to our non-employee directors. Awards may not be granted to any person who is an employee of ours or of any subsidiary of ours.

Annual Awards

If approved by our stockholders, an award of 10,000 shares of our Common Stock will be made automatically to each non-employee director on the first business day of June of each year, beginning on June 1, 2010, subject to an annual cap in the fair market value equal to each non-employee director's annual cash retainer for that year. No consideration will be paid by a participant upon award of the shares. A non-employee director who is elected by the Board of Directors to fill a vacancy or newly created directorship between annual meetings of stockholders will automatically receive an award of 10,000 shares of our Common Stock on the earlier of the first business day of the fourth month after taking office or the last business day of the year in which he or she takes office, subject to an annual cap in the fair market value equal to each non-employee director's annual cash retainer for that year and receipt of only one award per fiscal year.

Administration

The Stock Plan is administered by our Chief Executive Officer (the Administrator), who is authorized to interpret the plan but has no authority with respect to the selection of directors to receive awards, the number of shares subject to the plan, grants thereunder, or the price or timing of awards to be made except as provided below. The Administrator has no authority to increase materially the benefits under the Stock Plan. The Administrator may amend, suspend or terminate the plan as he or she deems advisable or to comply with changes in the Internal Revenue Code of 1986 (the Tax Code), the Employee Retirement Income Security Act of 1974, or the rules and regulations thereunder, but may not amend the Stock Plan without further approval of the stockholders if such approval is required by law. The determinations of the Administrator are final, binding and conclusive upon all persons. Adjustments shall be made in the number and kind of shares subject to the Stock Plan for stock splits or stock dividends. The Administrator presently intends that any annual award be accompanied by an agreement with each director providing, among other matters, that the shares of Common Stock covered by the award must be held for a minimum of ten (10) years, unless such director retires, resigns or dies while holding the position of director prior to satisfying this holding requirement. If such requirement is not met, the shares will be subject to forfeiture in the discretion of the Administrator.

U.S. Income Tax Considerations

Our non-employee directors are considered to have earned directors' compensation at the time of the stock awards. The amount of taxable compensation equals the fair market value of the shares on the date awarded. This treatment applies to minimum awards and elective awards of our Common Stock.

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Other Information

If the Stock Plan Amendments had been in effect in 2009, the cumulative benefits that would have been received by each of the eight persons eligible to participate in the plan would have totaled 10,000 shares with a value of \$9,800 on the June 1, 2009 date of grant.

* * * *

The affirmative vote of a majority of the voting power of all of our Common Stock and Class B Common Stock present in person or by proxy, voting as a single class, a quorum being present, will be required for the approval of the foregoing proposal. In addition, under NYSE rules, the total votes cast on the foregoing proposal must represent a majority of the voting power of our Common Stock and Class B Common Stock issued and outstanding on the record date. The Amended and Restated Stock Plan becomes effective upon its approval by our stockholders.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR Proposal 3 to adopt the Amended and Restated 1996 Stock Plan for Non-Employee Directors.

PROPOSAL 4 - APPROVAL OF AMENDED AND RESTATED 1990 LONG-TERM INCENTIVE PLAN

The Board of Directors, acting upon the recommendation of its Executive Compensation Committee (ECC), has unanimously approved, and is proposing for stockholder approval, amendments to our 1990 Long-Term Incentive Plan (the LTIP). The only amendments to the LTIP (LTIP Amendments) are:

Authorization of an additional 3,000,000 shares of our Common Stock in support of future awards under the LTIP;

Extension of the ECC s authority to grant incentive stock options, provided no such options may be granted after January 6, 2020; and

Elimination of the ECC s ability to issue non-qualified stock options at an option price less than the fair market value of our Common Stock on the date granted.

The other material features of the LTIP remain the same as under the terms of the LTIP previously approved by the stockholders. The LTIP was first approved by the stockholders in 1990, and has been utilized as a principal feature of the Company s compensation program since 1990. The LTIP was amended, restated and extended by our stockholders in 1999. The stockholders action in 1999 authorized the granting to certain of our key employees and certain of the Company s affiliates and subsidiaries, awards of stock options, restricted stock of the Company, cash, dividends or dividend equivalents or any combination of them. In 2006, our stockholders authorized an additional 1,000,000 shares for issuance or grant under the LTIP to meet the ECC s expected annual awards through October 1, 2009.

Although the LTIP has no expiration date, unless the LTIP Amendments are approved, no incentive stock options may be granted under the LTIP after October 1, 2009.

The Board of Directors believes that our LTIP has proven to be an important means of attracting, retaining and motivating individuals of exceptional training, experience and ability. The Board of Directors also believes that it is vitally important to our success to continue to provide key employees with long-term compensation incentives and equity opportunities linked, of course, to the success of our operations and a commensurate return to the stockholders.

Increased Shares Available for Awards

The total number of shares of Common Stock currently authorized for grant or issuance under the LTIP is 956,359. Under the proposed LTIP Amendments, the number of shares available for future grant or issuance would be increased to 3,956,359 shares of our Common Stock. This amount is subject to

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adjustment for stock splits and dividends and certain other corporate changes in accordance with the LTIP and to increase by outstanding options or awards issued under the LTIP which in the future may be forfeited, surrendered or otherwise terminated, unexercised or not vested, and by shares tendered in payment of the option price or withholding taxes in respect of which replacement options are granted, together with all awards available, forfeitures and shares reserved for issuance in respect of all outstanding stock options and restricted Common Stock awards at October 1, 1999. The Board of Directors is recommending the addition of 3,000,000 shares to the total shares available under the LTIP to enable us to meet our expected annual awards for the next several years.

Additional information about the LTIP and our other plans under which awards in the form of shares of our Common Stock may be made to employees and directors is provided under Equity Compensation Plan Information. If the stockholders approve the LTIP Amendments, the maximum number of shares that may be issued after December 28, 2009 (the record date for the Annual Meeting), would be increased to 5,255,979 shares. This number represents 1,299,620 shares subject to outstanding awards as of December 28, 2009, 956,359 shares available for, but not yet subject to, a grant or award as of December 28, 2009, plus the additional 3,000,000 shares authorized by the LTIP Amendments. The closing price of our Common Stock on the NYSE on December 28, 2009 was \$3.67 per share.

The following summary sets forth the principal features of the LTIP, as amended by the LTIP Amendments. This summary is qualified in its entirety by the complete text of the LTIP, as amended, set forth in Exhibit B to this Proxy Statement.

Extend Period for Issuance of Incentive Stock Options

Under the Tax Code, the ECC's authority to grant incentive stock options expired October 1, 2009. The ECC believes the additional incentives provided by incentive stock options are an important feature of the LTIP. The ECC is recommending an extension of the authority to grant additional incentive stock options, but no incentive stock options may be granted after January 6, 2020.

Issuance of Non-Qualified Stock Options at Fair Market Value Only

Currently, the ECC may issue non-qualified stock options at an option price not less than 50% of our Common Stock's fair market value on the date granted. However, the ECC's practice has been to issue such options at fair market value on the date of the grant. Under the LTIP Amendments, the ECC will no longer have the ability to issue non-qualified stock options at an option price less than the fair market value of our Common Stock on the date granted. This treatment is consistent with the LTIP requirement that issuance of incentive stock options may not be issued at less than 100% of the stock's fair market value on the date granted.

Principal Terms of LTIP

The LTIP is administered by the ECC. No non-employee director is eligible to receive any benefits under the LTIP. However, employee directors of the Board of Directors are eligible. The ECC has broad authority to interpret and amend the LTIP, to make all determinations necessary or advisable for the administration of the LTIP, and to issue and reissue awards under terms and conditions it may deem appropriate. The LTIP places an annual limit of 200,000 shares of our Common Stock available for stock options that may be granted to any one participant. All our key employees, our subsidiaries, and designated affiliates are eligible for awards under the LTIP. In 2009, there were 164 recipients of LTIP awards. No Named Executive Officers (NEOs) received any awards under the LTIP in 2009.

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Under the LTIP, the ECC has the power to fix and accelerate vesting periods. The ECC presently intends to fix such periods in general so that they are not less than one year.

During the term of the LTIP a change in the outstanding shares of Common Stock may occur because of a stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate change or distribution to holders of our Common Stock other than cash dividends. In such

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circumstances, the ECC may make such substitution or adjustment, if any, as it deems equitable to the number or kind of shares of Common Stock or other securities available for issuance under the LTIP. This may include substitution or adjustment of the number of outstanding stock options or option prices and the number of outstanding awards of other types.

Purchase Price and Other Terms

Incentive and Non-Qualified Stock Options

If our stockholders approve the LTIP Amendments, the ECC under the LTIP, as amended, will be able to grant stock options to participants, but no incentive stock options may be granted after January 6, 2020. If our stockholders do not approve the LTIP Amendments, after October 1, 2009, the ECC may grant only non-qualified stock options. The option price for incentive and non-qualified stock options will be determined by the ECC. For incentive stock options and non-qualified stock options, the option price may not be less than 100% of our Common Stock's fair market value on the date granted.

Fair market value on any given date for this and other purposes of the LTIP, in the ECC's discretion, will be either i) the average of the high and low prices of our Common Stock, or ii) the closing price of our Common Stock, on the date on which it is to be valued under the terms of the LTIP, as reported for NYSE-Composite Transactions.

Under the terms of our current forms of Incentive and Non-Qualified Stock Option Agreements, incentive and non-qualified stock options become exercisable in installments of 30% of the shares subject to the option one year after the date of grant, an additional 30% after two years and the final 40% after three years. The options may be exercised at any time prior to ten (10) years from the original grant date.

The forms of Incentive and Non-Qualified Stock Option Agreements also provide that each participant will forfeit non-vested option awards upon termination of employment for any reason other than death, permanent and total disability or retirement (as defined in the agreements), unless otherwise determined by the ECC.

Restricted Common Stock

The ECC has the sole authority to determine the number of shares of restricted Common Stock (restricted stock) a participant may receive as an award and the purchase price, if any, to be paid by a participant for such restricted stock. Participants have not paid any purchase price for restricted stock awarded under the LTIP, and the ECC expects to continue this practice. Prior to the lapse of restrictions on shares of restricted stock, a participant will have all other rights of a stockholder with respect to the shares, including all dividends paid in respect thereof (except in the case of restricted stock tied to specific performance criteria established by the ECC), subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the participant's restricted stock agreement governing the terms of the award.

Our current form of Restricted Stock Agreement requires that each participant who receives an award of restricted stock must remain in our employ for a period of three (3) years or other period as designated by the ECC before restrictions on transfer lapse. Shares of restricted stock

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may not be sold, assigned, transferred, pledged or otherwise encumbered during the restricted period. At the end of the restricted period, participants (other than our affiliates) are free to dispose of the formerly restricted Common Stock and any resale restrictions lapse.

Eligibility Under Section 162(m)

Awards may, but need not, include performance criteria that satisfy Section 162(m) of the Tax Code. To the extent that awards are intended to qualify as performance-based compensation under Section 162(m), the performance criteria will be based on one or more of the factors set forth in our 2005 Incentive Compensation Program (which was approved by the stockholders at the 2005 Annual Meeting).

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LTIP Benefits

There were no awards under the LTIP in 2009 or 2008 to the NEOs. Compensation expense recognized for awards granted in 2007 to the Named Executive Officers is set forth in the columns "Stock Awards" in the Summary Compensation Table. Additional information is set forth under the captions "Grants of Plan-Based Awards", "Outstanding Equity Awards at September 27, 2009" and "Option Exercises and Stock Vested".

In 2009, non-qualified stock options covering 783,000 shares of the Company's Common Stock were granted under the LTIP to all employees as a group. No NEOs were included in this grant. Since it is within the discretion of the ECC to determine which employees are to receive options and restricted stock, it is presently not possible to state which employees are to receive such grants or awards or the number of shares that may be granted in the future.

Future grants under the LTIP, if any, that will be made to eligible participants are subject to the discretion of the ECC and, as a consequence, are not determinable at this time.

Payment for Securities Purchased Under the Plan

Payment of the purchase price of Common Stock to be purchased under the LTIP may be made in cash, by note, by the tender of already owned shares of Common Stock (valued at the fair market value on the exercise date) or by a combination of cash and shares of Common Stock.

Payment to exercise vested stock options may also be made by delivering previously awarded restricted stock. Such restricted stock must have been held by a participant for at least one year before it can be used as payment to exercise stock options. The limitations (e.g., holding period) accompanying the restricted stock will remain in effect and applicable to the corresponding number of shares issued upon a stock option exercise until they lapse according to their original terms.

Replacement Stock Options

Under the LTIP, the ECC is authorized to issue accelerated ownership non-qualified stock options. A participant may surrender shares of Common Stock which he or she has owned for at least one year at the time of stock option exercise to pay for shares purchased under the option or as payment for applicable withholding taxes. At that time, a new, non-qualified stock option will be granted to the participant for the number of shares that were surrendered. Shares tendered at the time of exercise will be available for issuance under future grants.

The new grant, or replacement option, is priced at the current fair market value at the date of exercise of the original option, but is limited to the term remaining under the original option which the participant exercised. The replacement option may not be exercised for one year after its grant.

Dividends, Equivalents, and Voting Rights; Cash Payments

The ECC may provide that any award of restricted stock or other stock-based awards under the LTIP may earn dividends, dividend equivalents and voting rights prior to either vesting or earn-out and cash payments in lieu of or in addition to an award. We did not declare any dividends in 2009 and are prohibited from doing so under our current debt arrangements.

Payment of Withholding Taxes

We may deduct from all amounts paid in cash any taxes required by law or other amounts authorized by a participant to be withheld.

The ECC may permit a participant who receives an award in the form of Common Stock to satisfy the obligation for such withholding or deduction in either of two ways. First, the ECC may permit the participant

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to deliver shares of Common Stock already owned. Second, the ECC may permit us to retain from the participant's distribution of our Common Stock awarded the number of shares of Common Stock having a fair market value equal to the amount to be withheld or deducted.

Resale Restrictions

No LTIP award may be assigned or transferred, and no right or interest of any participant may be subject to any lien, obligation or liability of the participant. An exception is permitted for a transfer under a will or according to the laws of descent or distribution.

Change of Control

The LTIP provides, upon the occurrence of a change of control:

Accelerated exercisability and vesting of stock option and restricted stock awards;

Cash-outs of stock option awards and, in the case of incentive stock options, any stock appreciation rights;

Appropriate adjustments or prorations of awards; and

Assumption of the awards by a successor to the Company or the issuance of substitute awards.

These provisions are generally available to participants, unless the ECC determines otherwise at the time of grant that one or more of these provisions is precluded in order to preserve the appropriate accounting treatment for the change-of-control transaction.

Amendment and Termination

The Board of Directors may amend, suspend or terminate the LTIP or any portion thereof and any award thereunder at any time. However, no amendment shall be made without stockholder approval which shall:

Increase (except as required for stock dividends, splits, etc.) the total number of shares reserved for issuance pursuant to the LTIP;

Change the class of employees eligible to be participants;

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Decrease the minimum option prices stated therein (other than to change the manner of determining fair market value to conform to any then applicable provision of the Tax Code and regulations thereunder);

Extend the expiration date of the LTIP as it applies to incentive stock options; or

Withdraw the administration of the LTIP from the ECC.

The ECC may, however, amend the LTIP in such manner as may be necessary to have the LTIP conform with applicable law and rules and regulations thereunder. Also, following a change of control the Board may not amend the LTIP in a manner that would adversely affect any outstanding award of a participant without the written consent of such participant.

The LTIP has no fixed termination date, except that the Tax Code prohibits the ECC from issuing incentive stock options after January 6, 2020. The LTIP may be terminated by the Board at any time. Termination of the LTIP will not affect the status of any awards outstanding at the date of termination.

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U.S. Income Tax Considerations

Future stock option grants under the LTIP are intended to qualify as either non-qualified stock options that are governed under Section 83 of the Tax Code or incentive stock options governed under Section 422 of the Tax Code. Restricted stock will be governed under Section 83 of the Tax Code. Generally, no federal income tax is payable by a participant upon the grant of a stock option and no deduction is taken by the Company. Under current tax laws, if a participant exercises a non-qualified stock option, he or she will have taxable income equal to the difference between the market price of the Common Stock on the exercise date and the stock option grant price. We will be entitled to a corresponding deduction on our income tax return.

A participant will have no taxable income upon exercising an incentive stock option after the applicable holding periods have been satisfied (except that alternative minimum tax may apply), and we will receive no deduction when an incentive stock option is exercised. The treatment for a participant of a disposition of Common Stock acquired through the exercise of an option depends on how long the shares were held and on whether the shares were acquired by exercising an incentive stock option or a non-qualified stock option. We may be entitled to a deduction in the case of a disposition of shares acquired under an incentive stock option before the applicable holding periods have been satisfied.

For restricted stock generally, no taxes are due when the award is initially made, but the award becomes taxable when it is no longer subject to a substantial risk of forfeiture (i.e., becomes vested or transferable). Income tax is paid on the value of the stock at ordinary rates when the restrictions lapse, and then at capital gain rates when the shares are sold.

* * * *

The affirmative vote of a majority of the voting power of all Common Stock and Class B Common Stock present in person or by proxy, voting as a single class, a quorum being present, will be required for the approval of the foregoing proposal. In addition, under NYSE rules, the total votes cast on the foregoing proposal must represent a majority of the voting power of our Common Stock and Class B Common Stock issued and outstanding on the record date. If approved by our stockholders, the Amended and Restated 1990 Long-Term Incentive Plan becomes effective January 6, 2010.

Recommendation of the Board of Directors

The Board of Directors recommends that stockholders vote FOR Proposal 4 to adopt the Amended and Restated 1990 Long-Term Incentive Plan.

DIRECTORS MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors met 16 times in 2009.

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Our Board of Directors has four committees. With the exception of the Executive Committee, each is composed of at least three independent directors and operates under a written charter, which are all available on our website www.lee.net by clicking on Governance.

Director Independence

Our Board of Directors has examined the relationship between each of our non-employee directors and the Company and has determined that Dr. Cole, Ms. Donovan and Messrs. Elmore, Mayer, Newman, Prichett, Moloney and Vittert qualify as an independent director in accordance with the published listing requirements of the NYSE and, in the case of the Audit Committee, the rules of the SEC. In assessing the independence of directors named in this Proxy Statement, our Audit Committee and Board of Directors considered the fact that Mr. Moloney serves as an officer of Western Colorprint, with which we conduct business. He became Chief Operating Officer in 2007. Western Colorprint provides us, in the normal course of business, with printing services for which we paid Western Colorprint \$822,000 in 2009. We expect to continue to purchase such services in 2010. We believe that the terms of continuing business with Western Colorprint are comparable to terms that would have been reached by unrelated parties in an arms-length

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transaction. Our Audit Committee and the Board of Directors have reviewed the relationship between the Company and Western Colorprint and have concluded that the relationship is not material to either party, and that Mr. Moloney does not, and will not, have a material interest in, nor any direct involvement with, the transactions and as such has no material relationship with us. Based on its review, the Board of Directors has determined that Mr. Moloney is also an independent director of the Company under the rules of the NYSE and the SEC. See Certain Relationships and Related Transactions below. Ms. Junck and Mr. Schermer do not qualify as independent directors because they are employees of the Company.

No incumbent director attended fewer than 75% of the aggregate of (1) the total number of meetings of the Board of Directors and (2) the total number of meetings held by all committees of the Board on which he or she served during 2009. All of the incumbent directors except Dr. Cole and Messrs. Elmore and Prichett attended our March 10, 2009 Annual Meeting of Stockholders. All directors are expected to attend each meeting of our Board of Directors and the committees on which they serve and are also expected to attend our annual meetings of stockholders.

Audit Committee

Our Audit Committee (Audit Committee) met eight times in 2009. The members of the Audit Committee are directors Newman, who chairs the committee, Prichett, Donovan, Moloney and Elmore. The Audit Committee has the responsibilities set forth in its charter, including, without limitation: (1) the quality and integrity of our financial statements; (2) our compliance with legal and regulatory requirements, including the review of related persons reports and disclosures of transactions involving the Company and any director, nominee for director, officer, owner of more than 5% of our Common or Class B Common Stock or immediate family member of any of the above; (3) our overall risk management profile; (4) the independent registered public accounting firm's qualifications and independence; (5) the performance of our internal audit function and independent public accountants; and (6) preparation of the annual Audit Committee Report to be included in our Proxy Statement.

Executive Compensation Committee

Our Executive Compensation Committee (ECC) met five times in 2009. The members of the ECC are directors Mayer, who chairs the ECC, Vittert, Newman and Moloney, each of whom meets the requirement of a non-employee director under SEC rules. Its functions are to: (1) administer our Retirement Account Plan, the Supplementary Benefit Plan (as amended and restated as of January 1, 2008 (Non-Qualified Plan), the 1990 Long-Term Incentive Plan effective as of October 1, 1999, as amended January 10, 2008 (LTIP), the Amended and Restated 1977 Employee Stock Purchase Plan (ESPP) and 2005 Supplemental Employee Stock Purchase Plan, amended November 16, 2005 (SPP); (2) establish salaries, bonus formulae and bonuses, and participation in other benefit plans or programs for executive officers; (3) review employment terminations involving payment to any officer or other key executive in excess of \$200,000; (4) approve employment contracts for executives extending beyond one year; and (5) approve the position description, performance standards and goals for cash bonus and restricted stock awards for our Chief Executive Officer (CEO) under our 2005 Incentive Compensation Program and to measure her related performance. In addition, the ECC recommends to the Board of Directors significant employee benefit programs and bonus or other benefit plans affecting individuals on the executive payroll other than executive officers.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee (NCGC) met three times in 2009. The members of the NCGC are directors Vittert, who chairs the NCGC, Mayer and Cole. Its functions are to consider and recommend to the Board all nominees for possible election and re-election to the Board of Directors, and to consider all matters relating to the size, composition and governance of the Board and the general subject matter, size and composition of Board committees.

The NCGC regularly reviews the composition of the Board of Directors, anticipated openings and whether the addition of directors with particular experiences, skills or other characteristics would make the Board more effective. The NCGC has not established any specific minimum criteria or qualifications that a nominee

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must possess. Rather, the NCGC seeks directors who possess integrity and other character traits, broad experience, expertise in their field, capacity to understand our business, a willingness to devote adequate time to duties of the Board of Directors and the ability to make independent judgments. The NCGC also considers if a potential nominee will otherwise qualify for membership on the Board of Directors and if the potential nominee will satisfy the independence requirements of the NYSE and the SEC. In determining whether to recommend a director for re-election, the NCGC also considers the director's past attendance at meetings and participation in and contributions to the Board of Directors.

Consideration of a nominee for the Board of Directors typically involves a series of internal discussions, review of a nominee's background and experience and interviews of the nominee. In general, nominees are suggested by members of the Board of Directors or our officers. The NCGC then meets to consider and approve the final nominees, and either makes its recommendation to the Board of Directors to fill a vacancy, add an additional member or recommend a slate of nominees to the Board of Directors for nomination and election to the Board of Directors. Director nominees recommended by the NCGC for election at an annual meeting are subject to approval by the full Board of Directors.

The NCGC will consider nominees recommended by the stockholders. The NCGC evaluates nominees proposed by stockholders using the same criteria as other nominees. A written nomination should be mailed or delivered to Mark B. Vittert, Chairman, NCGC, in care of the Company, at the address shown on the cover of this Proxy Statement. The nomination should include the stockholder's name, address and the class and number of shares of the Company's Common Stock and/or Class B Common Stock owned. It should also include the name, age, business and residence addresses of the individual being nominated, the nominee's principal occupation or employment and the class and number of shares of the Company's Common Stock or Class B Common Stock, if any, owned by the nominee, together with a statement indicating the nominee's willingness to serve, if elected. To assist in the evaluation of nominees recommended by the stockholders, the NCGC may require the nominees to provide any additional information about themselves as the NCGC may determine appropriate or desirable, including information required to be disclosed in our Proxy Statement under Regulation 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act). To be considered by the NCGC for the slate recommended in the Proxy Statement for the 2011 annual meeting, stockholders must submit the required information to Mr. Vittert by September 9, 2010.

Executive Committee

Our Executive Committee did not meet in 2009. The members of the Executive Committee are directors Junck, who chairs the Committee, Mayer and Prichett. The Executive Committee may exercise the authority of the Board of Directors between its meetings, except to the extent that the Board has delegated authority to another committee or to other persons, and except as limited by applicable law.

CORPORATE GOVERNANCE

We maintain corporate governance information on our website, which includes key information about our corporate governance initiatives, including our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and charters for the independent committees of the Board of Directors. The corporate governance information can be found at www.lee.net by clicking on Governance. The documents noted above will also be provided without charge to any stockholder who requests them by making a written request to the Company, at the address shown on the cover of this Proxy Statement. Any changes to these documents, and any waivers granted by us with respect to our Code of Business Conduct and Ethics, will be posted on our website.

We also post on our website our 2009 Annual Report on Form 10-K, as filed with the SEC. The Annual Report on Form 10-K can be found at www.lee.net by clicking Financial. We will also furnish, upon written request and without charge, a printed copy of the Annual Report on Form 10-K to each person whose proxy is solicited and to each person representing that, as of the record date of the An