

KNIGHT TRADING GROUP INC
Form DEF 14A
April 04, 2005

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 Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Knight Trading Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(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:

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

Fee paid previously 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:

KNIGHT TRADING GROUP, INC.

545 Washington Boulevard

Jersey City, New Jersey 07310

April 4, 2005

Dear Stockholder:

We cordially invite you to attend Knight Trading Group Inc. s annual stockholders meeting. The meeting will be held at our corporate headquarters located at 545 Washington Boulevard, Jersey City, New Jersey 07310 on Wednesday, May 11, 2005 at 1:00 p.m.

Enclosed you will find a notice setting forth the business expected to come before the meeting, the Proxy Statement, a proxy card and a copy of our 2004 Annual Report to Stockholders. At this year s meeting, the agenda includes a proposal to change the Company s name to Knight Capital Group, Inc., the election of eight Directors and a proposal to ratify the selection of our independent auditor. Our Board of Directors recommends that you vote **FOR** each of these matters. Please take the time to carefully read each of the proposals described in the attached Proxy Statement.

Your vote is very important regardless of how many shares of Knight Trading Group, Inc. Class A Common Stock you own. Regardless of whether you plan to attend the Annual Meeting, your shares should be represented and voted. After reading the enclosed Proxy Statement, please submit your proxy by touch-tone phone or through the Internet as indicated on the proxy card. Alternatively, you are requested to sign, date and return the proxy card without delay in the enclosed postage-paid envelope. You may revoke your proxy at any time before its exercise by: (i) attending and voting in person at the Annual Meeting; (ii) giving notice of revocation of the proxy at the Annual Meeting; or (iii) delivering to the Corporate Secretary of Knight Trading Group, Inc. (a) a written notice of revocation or (b) a duly executed proxy card relating to the same shares and matters to be considered at the Annual Meeting, bearing a date later than the proxy previously executed. Attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy.

Thank you for your continued support of Knight Trading Group, Inc.

Sincerely,

/s/ Thomas Joyce
Thomas M. Joyce

/s/ Charles V. Doherty
Charles V. Doherty

Chairman of the Board and Chief Executive Officer

Lead Director

KNIGHT TRADING GROUP, INC.

545 Washington Boulevard

Jersey City, New Jersey 07310

(201) 222-9400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Knight Trading Group, Inc.:

NOTICE IS HEREBY GIVEN that an Annual Meeting of Stockholders (including any adjournments or postponements thereof, the Annual Meeting) of Knight Trading Group, Inc., a Delaware corporation (Knight or the Company), will be held at our corporate headquarters located at 545 Washington Boulevard, Jersey City, New Jersey 07310 on Wednesday, May 11, 2005 at 1:00 p.m., for the following purposes, which are more fully described in the accompanying Proxy Statement:

1. To approve the change of the Company s name to Knight Capital Group, Inc.;
2. To elect eight members of the Company s Board of Directors to serve until the Company s next annual meeting and until such Directors successors are duly elected and qualified;
3. To ratify the selection of PricewaterhouseCoopers LLP as the Company s independent auditor for 2005; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

A Proxy Statement describing the matters to be considered at the Annual Meeting is attached to this notice. Only holders of record of shares of Knight Class A Common Stock at the close of business on March 21, 2005 are entitled to notice of, and to vote at, the Annual Meeting. On that day, 109,656,993 shares of Knight Class A Common Stock were outstanding. A complete list of stockholders entitled to vote at the Annual Meeting will be available for examination, for proper purposes, during ordinary business hours at Knight s corporate offices, 545 Washington Boulevard, Jersey City, New Jersey 07310, and at Mellon Investor Services LLC, 44 Wall Street, 6th Floor, New York, New York 10005, during the 10 days before the Annual Meeting. The list of stockholders will also be available for inspection at the Annual Meeting.

By order of the Board of Directors,

/s/ Thomas M. Merritt
Thomas M. Merritt

Corporate Secretary

April 4, 2005

PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE, OR VOTE BY TELEPHONE OR THROUGH THE INTERNET (AS MORE FULLY DESCRIBED ON YOUR PROXY CARD).

KNIGHT TRADING GROUP, INC.

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 11, 2005

PROXY STATEMENT

This Proxy Statement (the "Proxy Statement") is being furnished to stockholders of Knight Trading Group, Inc., a Delaware corporation (together with its subsidiaries, except where the context otherwise requires, "Knight" or the "Company"), in connection with the solicitation of proxies by the Board of Directors of the Company (the "Board of Directors" or the "Board") for use at the Annual Meeting of Stockholders (including any adjournments or postponements thereof), which will be held at our corporate headquarters located at 545 Washington Boulevard, Jersey City, New Jersey 07310 on May 11, 2005 at 1:00 p.m. (the "Annual Meeting"). This Proxy Statement, the accompanying proxy card and the other enclosed documents are first being mailed to stockholders on or about April 11, 2005.

At the Annual Meeting, stockholders will be asked to consider and vote on proposals to: (i) approve the change of the Company's name to Knight Capital Group, Inc.; (ii) elect eight members of the Company's Board of Directors to serve until the Company's next annual meeting and until such Directors' successors are duly elected and qualified; (iii) ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for 2005; and (iv) transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

All stockholders will need to present photo identification to be admitted into the Annual Meeting. Beneficial owners of stock held by banks, brokers or investment plans (in street name) will also need proof of ownership. A recent brokerage statement or letter from your broker or bank are examples of proof of ownership.

As of March 31, 2005, the principal executive offices of the Company are located at 545 Washington Boulevard, Jersey City, New Jersey 07310, and the telephone number is (201) 222-9400.

Solicitation and Voting of Proxies; Revocation

You may vote in any of the four following ways: (1) by attending the 2005 Annual Meeting; (2) by calling the toll-free telephone number listed on the proxy card; (3) by voting on the Internet at the address listed on the proxy card; or (4) by marking, signing, dating and mailing your proxy card in the postage-paid envelope provided.

Shares of Knight Class A Common Stock that are entitled to vote and are represented by a proxy properly signed and received at or before the Annual Meeting, unless subsequently properly revoked, will be voted in accordance with the instructions indicated thereon. If a proxy is signed

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

and returned without indicating any voting instructions for any particular matter or matters, shares of Knight Class A Common Stock represented by such proxy will be voted as follows:

FOR the proposal to change the Company's name to Knight Capital Group, Inc.;

FOR the election of each of the eight nominees to the Company's Board of Directors; and

FOR the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditor for 2005.

The Board of Directors is not currently aware of any business to be acted upon at the Annual Meeting other than as described herein. If, however, other matters are properly brought before the Annual Meeting or any

adjournments or postponements thereof, the persons appointed as proxies will have the discretion to vote or act thereon in accordance with their best judgment, unless authority to do so is withheld in the proxy.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before the shares represented by such proxy are voted at the Annual Meeting by: (i) attending and voting in person at the Annual Meeting; (ii) giving notice of revocation of the proxy at the Annual Meeting; or (iii) delivering to the Corporate Secretary of Knight (a) a written notice of revocation or (b) a duly executed proxy card relating to the same shares and matters to be considered at the Annual Meeting, bearing a date later than the proxy previously executed. Attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy. All written notices of revocation and other communications with respect to revocation of proxies should be addressed as follows: Knight Trading Group, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310, Attention: Corporate Secretary, and must be received before the taking of the votes at the Annual Meeting. **If you own shares held in street name and wish to vote at the Annual Meeting, you must have a legal proxy from your broker.**

The Company will bear the entire cost of the solicitation of Proxies and the cost of printing and mailing this Proxy Statement. The Company has retained the services of Mellon Investor Services LLC (Mellon) to assist in the solicitation of proxies. Mellon will receive a fee from the Company for services rendered of approximately \$8,500, plus out-of-pocket expenses. In addition to solicitation by mail, the Directors, officers and employees of the Company may solicit proxies from stockholders of the Company by telephone, electronic communication or by personal interview. Such Directors, officers and employees will not be additionally compensated for any such solicitation but may be reimbursed for reasonable out-of-pocket expenses in connection therewith. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares held of record by such persons and the Company will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in connection therewith.

You can save the Company additional expense by electing to receive future proxy statements and annual reports electronically. If you would like to request this electronic delivery, please enroll after you complete your voting. If your shares are held in street name, you may enroll at www.icsdelivery.com. If you are a registered stockholder, you may enroll at www.melloninvestor.com/isd.

Record Date; Outstanding Shares; Voting at the Annual Meeting

Only holders of Knight Class A Common Stock at the close of business on March 21, 2005 will be entitled to receive notice of, and to vote at, the Annual Meeting. At the close of business on March 21, 2005, the Company had outstanding and entitled to vote 109,656,993 shares of Knight Class A Common Stock. Shares of Knight Class A Common Stock represented by proxies which are marked `abstain` will be counted as shares present for purposes of determining the presence of a quorum on all matters, but will not be counted as votes cast in favor of the matters brought before the stockholders at the Annual Meeting. Proxies relating to street name shares that are voted by brokers will be counted as shares present for purposes of determining the presence of a quorum on all matters, but will not be treated as shares having voted at the Annual Meeting as to any proposal as to which authority to vote is withheld by the broker.

The presence, in person or by proxy, at the Annual Meeting of the holders of at least a majority of the votes entitled to be cast at the Annual Meeting is necessary to constitute a quorum for the transaction of business. Under applicable Delaware law, the affirmative vote of the holders of a majority of the Class A Common Stock outstanding on the record date is required to adopt the proposed amendment to our Amended and Restated Certificate of Incorporation. As a result, abstentions and broker non-votes are effectively equivalent to votes against this proposal. Furthermore, because the ratification of PricewaterhouseCoopers LLP requires the approval of a majority of the shares present, in person or by proxy, and entitled to vote at the Annual Meeting, abstentions will have the same effect as a negative vote on these proposals. However, broker non-votes will be disregarded.

and have no effect on the outcome of the vote for this matter. Abstentions from voting on the election of Directors (including broker non-votes) will be disregarded and have no effect on the outcome of the vote.

No Appraisal Rights

Stockholders have no rights under Delaware law, our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws to exercise dissenters' rights of appraisal with respect to any of the matters to be voted upon at the Annual Meeting.

PROPOSAL 1 CHANGE OF CORPORATE NAME

The Board of Directors has unanimously adopted resolutions setting forth and declaring advisable an amendment to the Company's Amended and Restated Certificate of Incorporation to change the name of the Company from Knight Trading Group, Inc. to Knight Capital Group, Inc. The Board of Directors believes that the change in name will better reflect the Company's broader business operations beyond equities trading.

If this proposal is approved, Article First of the Company's Amended and Restated Certificate of Incorporation will be amended to read as follows: The name of the Corporation is Knight Capital Group, Inc. (hereinafter called the Corporation). Current Company stock certificates will remain valid and no exchange of certificates will be required, unless and until the securities are sold or transferred. Under Delaware law, the amendment to the Amended and Restated Certificate of Incorporation would become effective upon stockholder approval and the filing of the amendment with the Secretary of State of the State of Delaware. The amendment to the Amended and Restated Certificate of Incorporation will be filed as soon as reasonably practicable after the approval of this proposal by the stockholders. Under applicable Delaware law, the affirmative vote of the holders of a majority of the Class A Common Stock outstanding on the record date is required to adopt the proposed amendment to the Amended and Restated Certificate of Incorporation. As a result, abstentions and broker non-votes are effectively equivalent to votes against this proposal. Unless otherwise instructed, properly executed proxies that are timely received and not subsequently revoked, but not marked, will be voted in favor of the proposed amendment to the Amended and Restated Certificate of Incorporation.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE PROPOSAL TO CHANGE THE NAME OF THE COMPANY TO KNIGHT CAPITAL GROUP, INC.

PROPOSAL 2 ELECTION OF DIRECTORS

Directors of the Company will be elected by a plurality vote of the outstanding shares of Knight Class A Common Stock present in person or represented by proxy at the Annual Meeting. Under applicable Delaware law, in tabulating the votes, abstentions from voting on the election of Directors (including broker non-votes) will be disregarded and have no effect on the outcome of the vote.

Knight currently has seven members on its Board of Directors. All of the current members have been approved, recommended and nominated for re-election to the Board of Directors by our Nominating and Corporate Governance Committee and by the Board of Directors. In addition, James T. Milde has been nominated for election this year. Accordingly, the Board of Directors has resolved to increase the size of the Board to eight (8) members effective as of the Annual Meeting. Each of the seven current Directors nominated for election this year was elected by the stockholders at the 2004 Annual Meeting of Stockholders. The Board of Directors has determined that Mr. Milde and each of its current Directors, except for Mr. Joyce, our Chairman and Chief Executive Officer, are independent within the meaning of the Securities and Exchange

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

Commission (SEC) and The Nasdaq Stock Market, Inc. (Nasdaq) director independence standards, as currently in effect.

The Board of Directors has been informed that all persons listed below are willing to serve as Directors, but if any of them should decline or be unable to act as a Director, the individuals named in the proxies will vote for the election of such other person or persons as they, in their discretion, may choose. The Board of Directors has no reason to believe that any such nominees will be unable or unwilling to serve.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF EACH OF THE NOMINEES LISTED HEREIN FOR DIRECTOR.

Nominees for Election as Directors

The name, age (as of March 21, 2005), principal occupation for the last five years, selected biographical information and period of service as a Director of the Company of each of the nominees for Director are set forth hereafter.

Thomas M. Joyce (50), Chairman of the Board and Chief Executive Officer of the Company, has over 25 years of experience in the securities industry. Mr. Joyce has been Chairman of the Board of the Company since December 2004 and has served as a director of the Company since October 2002. He has been Chief Executive Officer of the Company since May 2002 and was President of the Company from May 2002 until January 2005. From December 2001 to May 2002, Mr. Joyce was the Global Head of Trading at Sanford C. Bernstein & Co. Prior to that, Mr. Joyce was employed by Merrill Lynch & Co., where his most recent position was Head of Global Equity eCommerce from 1999 through 2001. Mr. Joyce was the Head of U.S. Equities at Merrill Lynch & Co. from 1996 to 1999. Mr. Joyce has been a member of the Nasdaq and Archipelago Board of Directors, the Partner's Committee of Primex Trading, and the Security Industry Association's (SIA) Market Structure Committee. He also served as Chairman of Nasdaq's Quality of Markets Committee in 1999 and 2000, and is a former member of NYSE's Market Performance Committee and of the Merrill Lynch Europe Executive Committee. In 1977, Mr. Joyce received his degree in economics from Harvard College.

Charles V. Doherty (71), Lead Director of the Company, has served on the Board of the Company since the Company's initial public offering, and before that, as an advisory board member of Roundtable Partners, L.L.C., the Company's predecessor (Roundtable), since March 1995. Mr. Doherty was Chairman of the Board from February 2002 until January 2005. He has been a Managing Director of Madison Advisory Group (formerly Madison Asset Group), an investment advisory firm, since 1993. From 1986 to 1992, Mr. Doherty was President and Chief Operating Officer of the Chicago Stock Exchange. He is a certified public accountant (CPA) and founder of Doherty, Zable & Company, an accounting firm specializing in the securities industry, where he served as President between 1974 and 1985. Mr. Doherty received his B.A. in Accounting from the University of Notre Dame in 1955 and his M.B.A. from the University of Chicago in 1967.

William L. Bolster (61), Director of the Company, has served on the Board of the Company since November 2003. Mr. Bolster was Co-Chairman and Chief Executive Officer of CNBC International from July 2001 to November 2003 and was a consultant to CNBC International until February 2004. Prior thereto, he was President of CNBC from January 1996 until July 2001. Previously, Mr. Bolster was President and General Manager of WNBC-TV in New York. Mr. Bolster received a B.A. in Business Administration from Loras College in 1967. He is a member of the Board of Directors of St. Louis University.

Gary R. Griffith (65), Director of the Company, has served on the Board of the Company since the Company's initial public offering and, before that, as an advisory board member of Roundtable since March 1995. He has been an independent financial consultant since 1990 and has worked in investment banking and financial consulting since 1980. Before 1980, Mr. Griffith was with CBS, Inc. and Price Waterhouse. Mr. Griffith is a CPA. Mr. Griffith received a B.S. in Business Administration from Ohio State University in 1963.

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

Robert M. Lazarowitz (48), Director of the Company, is a former Executive Vice President of the Company. Mr. Lazarowitz has served on the Board of the Company since May 2001. In addition, before November 2000, he was a member of the Board since the Company's inception. Mr. Lazarowitz was also a co-founder of

Roundtable. Mr. Lazarowitz has over 20 years of experience in the securities and financial services industries. Before November 2000, Mr. Lazarowitz served for 12 years as Chief Financial Officer, and then as Chief Operating Officer, of the Company's subsidiary, Knight Capital Markets LLC and its predecessors. From 1985 to 1987, he served as Chief Financial Officer of Bach Management/Investment Banking and, from 1984 to 1985, as Chief Operating Officer of Traubner Bach Co. Inc. Mr. Lazarowitz currently owns and operates a non-financial services business. Mr. Lazarowitz received his B.S. in Accounting from the University of South Florida in 1978.

Thomas C. Lockburner (65), Director of the Company, has served on the Board of the Company since February 2004. Mr. Lockburner spent more than 40 years at Deloitte & Touche LLP, where he was a partner specializing in the financial services and securities industries. During his tenure at Deloitte & Touche, Mr. Lockburner was the National Industry Director for the Securities Industry with responsibility for all of the firm's services to its securities industry clients. He is a member of the SIA's Financial Management and Securities Operations divisions. He also is a past member of the Executive Committees of both the Financial Management and Internal Audit divisions of the SIA. Mr. Lockburner also is a member of the American Institute of Certified Public Accountants and served as Chairman of the Stockbrokerage and Investment Banking Committee and as a member of the Commodities Futures Trading Committee. He previously served as a member of the NASD's Financial Responsibility Committee and as an NASD Arbitrator. Mr. Lockburner received a B.A. in Accounting from Franklin & Marshall College in 1962 and today serves on the institution's Development Council.

James T. Milde (44), has over 20 years of broad industry experience. Since 2002, he has been the Senior General Manager, Chief Information Officer for Sony Electronics, Inc. where he is responsible for all facets of information technology, supply chain and software related ventures across the United States. Prior thereto, Mr. Milde served as the Senior Vice President, Chief Information Officer for The Pepsi Bottling Group from 1999 to February 2002. Mr. Milde was the Senior Vice President, Operations and Administration for Random House, Inc. from 1994 until spring 1999. He received a B.A. in Economics and Finance from St. Lawrence University in 1982 and an M.B.A. from Clarkson University in 1984. He currently serves on the Clarkson University Board of Trustees.

Rodger O. Riney (59), Director of the Company, has served on the Board of the Company since the Company's initial public offering and, before that, as an advisory board member of Roundtable since March 1995. He is the President of Scottrade, Inc., a discount brokerage firm he founded in 1980. In 1969, he joined Edward Jones & Co., a brokerage firm, and in 1975 became a General Partner of that firm. Mr. Riney received a B.S. degree in Civil Engineering in 1968 and an M.B.A. in 1969, both from the University of Missouri-Columbia.

Board of Directors and its Committees

During 2004, the Company's Board of Directors met nineteen (19) times and took action by unanimous written consent on one other occasion. The Company's independent Directors also met at regularly scheduled executive sessions on at least a quarterly basis. The Company has, as standing committees, a Finance and Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All members of the Board of Directors attended at least 90% of its meetings and the meetings of any committees of the Board of Directors of which they were members in 2004. Our corporate website at www.knight.com in the Corporate Governance section provides information regarding our policy on Director attendance at our Annual Meeting and last year's attendance by our Board. The contents of our corporate website are not deemed incorporated by reference herein.

Finance and Audit Committee

The current members of the Finance and Audit Committee are Messrs. Griffith, Doherty and Lockburner, each of whom are not officers or employees of the Company. Mr. Griffith serves as the Chairman of the Finance and Audit Committee. The Board of Directors has determined in its business judgment that each member is in compliance with the independence, experience and financial literacy requirements set forth by Nasdaq, The

Sarbanes-Oxley Act of 2002 and rules adopted by the SEC pursuant to The Sarbanes-Oxley Act of 2002, as currently in effect. The Board of Directors has also determined in its business judgment that Messrs. Griffith, Doherty and Lockburner are each an audit committee financial expert as defined under SEC rules. The SEC provides that an audit committee financial expert does not have additional duties, obligations or liabilities and is not considered an expert under the U.S. Securities Act of 1933.

The Finance and Audit Committee held fifteen (15) meetings during 2004. The Finance and Audit Committee operates under a written charter adopted by the Board of Directors on March 29, 2004 which is available through the Knight corporate web site at www.knight.com in the Corporate Governance section. The Finance and Audit Committee of the Board of Directors is established to assist the Company's Board of Directors oversight of: (1) the integrity of the financial statements and its risk and control environment; (2) the relationship with the independent auditor; (3) the Company's internal audit function; (4) compliance with applicable legal and regulatory requirements; and (5) compliance with the Company's Code of Business Conduct and Ethics. The Finance and Audit Committee also reviews and makes recommendations to the Board regarding: (i) all proposed material capital formation plans, including planned issuances of equity securities and debt instruments, and stock repurchase programs; and (ii) certain acquisitions, investments, new business ventures, and divestitures by the Company. The Finance and Audit Committee Report is included herein on page 17.

Compensation Committee

The current members of the Compensation Committee are Messrs. Bolster, Doherty, Lazarowitz and Riney, each of whom is independent within the meaning of Nasdaq's independence standards, as currently in effect. Mr. Doherty serves as the Compensation Committee's chairman. The Compensation Committee is governed by a written charter, a current copy of which is available on our corporate website at www.knight.com in the Corporate Governance section. The Compensation Committee has responsibility for approving and evaluating executive officer compensation, incentive compensation and equity-based plans, policies and programs of the Company and its subsidiaries. The Compensation Committee also evaluates the performance of the Company's Chief Executive Officer, and based on such evaluation, reviews and approves his annual salary, cash incentive and long-term equity incentive. During 2004, the Compensation Committee held seven (7) meetings. The Compensation Committee report is included herein on page 13.

Nominating and Corporate Governance Committee

The current members of the Nominating and Corporate Governance Committee (NCGC) are Messrs. Bolster, Doherty, Griffith, Lazarowitz, Lockburner and Riney. Mr. Doherty serves as the chairman of the NCGC. Each member of our NCGC is independent within the meaning of Nasdaq's independence standards, as currently in effect. The NCGC is governed by a written charter, a current copy of which is available on our corporate website at www.knight.com in the Corporate Governance section. A primary function of the NCGC is to identify and recommend to the Board individuals qualified to serve as Directors of the Company, consistent with the criteria included in the charter of the NCGC and our Corporate Governance Guidelines. In this regard, the NCGC has a sub-committee entitled the Nomination Sub-Committee which assists the NCGC in identifying qualified candidates for the Board of Directors. Messrs. Lazarowitz and Riney are members of the Nomination Sub-Committee, which is chaired by Mr. Lazarowitz. The NCGC also considers nominee recommendations from stockholders of the Company. Other functions of the NCGC include: (i) recommending Directors to serve on committees of the Board; (ii) advising the Board with respect to matters of Board composition and procedures; (iii) developing and recommending to the Board a set of corporate governance principles applicable to the Company and overseeing corporate governance matters generally; and (iv) overseeing the annual evaluation of the Board and the Company's management. The NCGC held three (3) meetings in 2004.

162(m) Committee

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

From January 1, 2004 until January 20, 2004, the Company also had a separate 162(m) Committee of which Messrs. Doherty, Griffith and Mr. Bruce McMaken, a former director, were members. As of January 21, 2004,

the Board dissolved the 162(m) Committee after the 162(m) Committee's certification of the results of performance criteria set for 2003, and instead created a 162(m) Sub-Committee of the Compensation Committee of which the members are Messrs. Bolster and Doherty. The 162(m) Committee provided assistance to the Board of Directors and the Compensation Committee in 2004 by setting performance-based compensation criteria for the Company's Chief Executive Officer and other key executives, certifying the results of such performance at the end of the annual performance period and awarding the resulting performance-based compensation to such key executives. The 162(m) Committee was also responsible for making stock option grants to such key executives. The 162(m) Committee and 162(m) Sub-Committee each held two (2) meetings in 2004.

Compensation of Directors

As a current officer of the Company, Mr. Joyce receives no remuneration for serving on the Board of Directors. Each of the independent Directors receives an annual fee of \$45,000, except for the Lead Director who receives \$75,000, and a meeting fee of \$1,000 for each of the Board of Directors and Committee meetings attended, except for the Finance and Audit Committee meetings where attendees receive \$3,000 per meeting. In addition, Committee Chairpersons receive: (i) \$15,000 for any Committee chaired by the Lead Director; (ii) \$20,000 for the Chairman of the Finance and Audit Committee; and (iii) \$10,000 for the chair of the Compensation Committee, unless that Chairperson is also the Lead Director. No fee is paid to the Chairman of the NCGC. All Directors are reimbursed for out-of-pocket expenses. For the fiscal year ended December 31, 2004, independent Directors of the Company received the above-described Directors' fees from the Company aggregating \$710,238. Each newly elected independent Director is also granted an option to purchase 20,000 shares of Class A Common Stock. In addition, on the first business day following each annual meeting of our stockholders, each continuing independent Director will be granted an option to purchase 15,000 shares of Class A Common Stock. Certain independent Directors of the Company received one-time cash payments in 2004 for special services provided to the Company in 2003 and 2004 primarily relating to the Company's search for Board candidates and for services on a special committee, totaling in the aggregate \$50,000.

CORPORATE GOVERNANCE

The Company has a Nominating and Corporate Governance Committee (the "NCGC"). The functions of the NCGC include: (i) identifying and recommending to the Board individuals qualified to serve as Directors of the Company; (ii) recommending Directors to serve on committees of the Board; (iii) advising the Board with respect to matters of Board composition and procedures; (iv) developing and recommending to the Board a set of corporate governance principles applicable to the Company and the Board and overseeing corporate governance matters generally; and (v) overseeing the annual evaluation of the Board and the Company's management. All of the members of the Board, other than Mr. Joyce, serve on the NCGC, and each is an independent Director under the Nasdaq listing standards, as currently in effect. The NCGC met three (3) times during 2004.

The NCGC is governed by a written charter, a current copy of which is available on our corporate website at www.knight.com in the Corporate Governance section. The Board has also adopted a set of written Corporate Governance Guidelines recommended by the NCGC, which is also available on our corporate website. A copy of the charter, along with the Corporate Governance Guidelines, is also available in print to stockholders upon request, addressed to Corporate Communication and Investor Relations at Knight Trading Group, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310.

Nomination Process

The NCGC believes that the minimum qualifications for serving as a Director of the Company are that a nominee demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of the Company and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In

this regard, the NCGC examines a candidate's specific experiences and skills, time availability in light of other

commitments, potential conflicts of interest and independence from management and the Company. Annex A to our Nominating and Corporate Governance Committee Charter lists criteria for nomination to our Board. Also, our Corporate Governance Guidelines list specific qualification rules for all of our Board members and nominees.

The NCGC, through its Nomination Sub-Committee, identifies potential nominees by asking current Directors and executive officers to notify the Nomination Sub-Committee if they become aware of persons meeting the criteria described above. The NCGC also, from time to time, engages firms that specialize in identifying director candidates. As described below, the Committee will also consider candidates recommended by stockholders.

Once a person has been identified by the Nomination Sub-Committee as a potential candidate, the NCGC may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the NCGC determines that the candidate warrants further consideration, the Nomination Sub-Committee contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Nomination Sub-Committee requests information from the candidate, reviews the person's accomplishments and qualifications, and conducts one or more interviews with the candidate. In certain instances, the Nomination Sub-Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons who may have greater first-hand knowledge of the candidate's accomplishments and qualifications. Once the Nomination Sub-Committee has completed its work, it provides the NCGC with all information regarding the candidate. The NCGC's evaluation process does not vary based on whether or not a candidate is recommended by a stockholder.

In December 2004, Mr. Lazarowitz, chairman of our Nomination Sub-Committee, suggested that the NCGC consider Mr. Milde as a candidate for nomination to the Board due to his strong management and technological background. After a review of his qualifications, the NCGC recommended that Mr. Milde be considered for election to the Board of Directors. The Board of Directors followed the NCGC recommendation and has nominated Mr. Milde for election to the Board of Directors at this Annual Meeting.

Corporate Governance Guidelines

The NCGC is responsible for overseeing the Corporate Governance Guidelines and reporting and making recommendations to the Board concerning governance matters. Among other matters, the Corporate Governance Guidelines include the following items concerning the Board of Directors: (i) independent Directors will comprise a majority of the Board; (ii) disqualifying factors preventing a Board candidate or member from serving or continuing to serve on the Board, absent a waiver by a majority of the Board; and (iii) qualifications for non-employee and employee Board members.

Nominations of Directors by Stockholders

The NCGC will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the NCGC will take into consideration the needs of the Board and the qualifications of the candidate. To have a candidate considered by the NCGC, a stockholder must submit the recommendation in writing and must include the following information (as more fully described in the Company's Amended and Restated By-Laws): (i) the name of the stockholder and evidence of the person's ownership of Company stock, including the number of shares owned; and (ii) the name of the candidate, the candidate's resume or a listing of his or her qualifications to be a Director of the Company, and the person's consent to be named as a Director if selected by the NCGC and nominated by the Board.

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

The stockholder recommendation and information described above must be sent to the Corporate Secretary at Knight Trading Group, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310 and must be received by the Corporate Secretary not less than 90 days, nor more than 120 days, prior to the anniversary date of the Company's most recent annual meeting of stockholders.

Stockholder Communications

The Board has established a process to receive communications from stockholders. Stockholders may contact any member (or all members) of the Board, any Board committee or any chair of any such committee by mail. To communicate with the Board of Directors, any individual or group of Directors or Board committee members, correspondence should be addressed to the Board of Directors or any such individual Directors or group or Board committee members by either name or title. All such correspondence should be sent to the Corporate Secretary at Knight Trading Group, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310. To communicate with any of our Directors electronically, stockholders may send an electronic message to boardofdirectors@knight.com.

All communications received as set forth in the preceding paragraph will be opened by the office of our General Counsel for the sole purpose of determining whether the contents represent a message to our Directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group of Directors or Board committee members, the General Counsel's office will make sufficient copies of the contents to send to each Director who is a member of the group or committee to which the envelope or e-mail is addressed.

Executive Officers

Executive officers serve at the discretion of the Board of Directors. The following table sets forth certain information concerning the executive officers of the Company as of March 21, 2005 (none of whom has a family relationship with another executive officer):

<u>Name</u>	<u>Age</u>	<u>Position</u>
Thomas M. Joyce	50	Chairman of the Board and Chief Executive Officer
Gregory C. Voetsch	43	Executive Vice President, Head of Sales
Derek N. Stein	43	Executive Vice President, Chief Administrative and Technology Officer
John B. Howard	35	Senior Managing Director and Chief Financial Officer
Thomas M. Merritt	41	Senior Managing Director, Chief Legal Officer and Corporate Secretary

For selected biographical information with respect to Mr. Joyce, please see "Nominees For Election as Directors" beginning on page 4. Selected biographical information with respect to all other executive officers is set forth hereafter.

Gregory C. Voetsch (43), Executive Vice President, Head of Sales of the Company, has over 20 years of experience in the securities industry. Mr. Voetsch has been with the Company since September 2002. Prior to joining the Company, Mr. Voetsch was a Managing Director and Head of Nasdaq Sales Trading at Salomon Smith Barney, Inc. since 1997. He was also Co-Head of U.S. Sales Trading from 1999 to 2001. Previously, he was a Nasdaq Sales Trader at Salomon Smith Barney. Mr. Voetsch also spent ten years at Jefferies & Co. as an Equities Sales Trader.

Derek N. Stein (43), Executive Vice President, Chief Administrative and Technology Officer, has nearly 20 years experience in the securities and financial services industries. Mr. Stein has been with the Company since April 2001. From 1993 to March 2001, Mr. Stein served as a Senior Director at Merrill Lynch & Co. responsible for the management and coordination of its institutional global services organization, infrastructure investments and e-commerce operations. Before that, Mr. Stein was a management consultant in the Financial Services Industry Group of Ernst & Young, focusing on the capital markets and banking sectors. Mr. Stein is also a CPA and Chartered Accountant. Mr. Stein received a bachelor of commerce degree in 1982, and a graduate degree in finance in 1984, from the University of Witwatersrand, South Africa.

John B. Howard (35), Senior Managing Director and Chief Financial Officer of the Company, has nearly 15 years of experience in the securities and financial services industries. Mr. Howard has been Chief Financial Officer of the Company since May 2003. Prior to his appointment, Mr. Howard was the Acting Chief Financial Officer since February 2003 and Group Controller for the Company since April 2002, a position in which he also served from July 1998 to April 2000. From April 2000 to April 2002, he was the Chief Financial Officer for Knight Securities International Ltd. Mr. Howard was a Senior Manager in the Securities Industry Practice at the accounting firm of Price Waterhouse LLP from 1991 to 1998. Mr. Howard is a CPA. He received a B.S. in Accounting from Lehigh University in 1991.

Thomas M. Merritt (41), Senior Managing Director, Chief Legal Officer and Corporate Secretary, has over 8 years of experience in the securities industry. Mr. Merritt has been with the Company since June 2000. From December 1996 to June 2000, Mr. Merritt served as an enforcement attorney with NASD in New York. Prior thereto, Mr. Merritt was an Assistant County Attorney in Suffolk County, New York and was in private practice. Mr. Merritt received a B.S. degree in Business Administration in 1986 from SUNY at Albany and J.D. in 1989 from Hofstra University School of Law.

Executive Compensation

The following table sets forth information regarding compensation paid for each of the last three completed years for Thomas M. Joyce, the Company's Chairman of the Board and Chief Executive Officer, and the company's four other most highly paid executive officers (together with the Chief Executive Officer, the Named Executive Officers):

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Other Annual Compensation(3) (\$)	Long-Term Compensation		
		Salary (\$)	Bonus(1)(2) (\$)		Restricted Stock Awards (\$)(4)(5)(6)(7)	Securities Underlying Options(8)(9)	All Other Compensation(10) (\$)
Thomas M. Joyce(11)							
Chairman of the Board and Chief Executive Officer	2004	750,000	5,112,500	67,997	3,137,500		8,000
	2003	750,000	4,450,000	19,322	3,845,000	92,810	8,000
Executive Officer	2002(11)	437,500	2,053,500	22,831	2,252,499	2,082,297	
Gregory C. Voetsch							
Executive Vice President, Head of Sales	2004	260,417	2,712,500		2,037,718		8,000
	2003	250,000	2,952,500		1,697,511		7,500
Derek N. Stein							
Executive Vice President, Chief Administrative and Technology Officer	2004	250,000	1,269,500		580,500		8,000
	2003	250,000	1,331,500		1,072,639		8,000
2002	250,000	752,500			250,000	8,000	
John B. Howard							
Senior Managing Director and	2004	241,667	677,500		222,500		8,000
	2003	200,000	545,000		366,938		8,000
	2002(12)						

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

Chief Financial Officer

Thomas M. Merritt

Senior Managing Director, Chief	2004	175,000	255,000	45,000	8,000
	2003(12)				
Legal Officer and Corporate Secretary	2002(12)				

- (1) Includes cash bonuses paid to the Named Executive Officers in 2005, 2004 and 2003 pursuant to the Company's Executive Incentive Plan (the "EIP"), as described herein, but earned with respect to 2004, 2003 and 2002, respectively.
- (2) Includes cash bonuses paid pursuant to the EIP. Also includes amounts that have been deferred under the Knight Trading Group, Inc. Voluntary Deferred Compensation Plan as well as cash awards granted outside of the EIP.
- (3) For 2004, the amount represents reimbursement for car service, including \$32,945 for the reimbursement for the payment of taxes, for Mr. Joyce. For 2002 and 2003, the amount represents reimbursement for the payment of taxes on the car service provided to Mr. Joyce.

- (4) The value on the date of grant of restricted stock awards issued pursuant to the EIP.
- (5) Includes restricted stock granted to the Named Executive Officers in 2005, 2004 and 2003 pursuant to the EIP awards earned with respect to 2004, 2003 and 2002, respectively.
- (6) As of December 31, 2004, the Named Executive Officers held the following numbers of shares of restricted stock, having the following values as of such date (using the Class A Common Stock closing price of \$10.95 on such date): (i) Mr. Joyce held 372,637 shares of restricted stock with an aggregate value of \$4,080,375; (ii) Mr. Voetsch held 305,349 shares of restricted stock with an aggregate value of \$3,343,572; (iii) Mr. Stein held 97,483 shares of restricted stock with an aggregate value of \$1,067,439; (iv) Mr. Howard held 34,970 shares of restricted stock with an aggregate value of \$382,922; and (v) Mr. Merritt held 809 shares of restricted stock with an aggregate value of \$8,859. These amounts do not include awards granted in January 2005 related to 2004 compensation as described in (5) above.
- (7) Restricted stock awards generally vest in equal installments on each of the first three anniversaries of the grant date, subject to acceleration upon a change of control. Certain awards made in 2003 required that specific performance criteria be met in order for such awards to vest. A portion of Mr. Joyce's 2003 award vested in August 2004.
- (8) The number of shares covered by options to purchase the Company's Class A Common Stock granted during the applicable year.
- (9) Includes stock options granted to the Named Executive Officers in 2004 and 2003 pursuant to the EIP awards earned with respect to 2003 and 2002, respectively.
- (10) Represents contributions by the Company on behalf of each of the Named Executive Officers of the Company under the Company's 401(k) defined contribution plan.
- (11) Named Executive Officer was only an employee of the Company for part of the year. Mr. Joyce became Chief Executive Officer of the Company on May 30, 2002.
- (12) Individual was not an executive officer during this year. Mr. Voetsch and Mr. Howard became executive officers in February 2003. Mr. Merritt became an executive officer in August 2004.

Year-End Option Values

No option grants were made to Named Executive Officers in 2004 relating to 2004 compensation.

The following table sets forth certain information concerning stock options exercised during 2004 and the number and value of unexercised stock options held by each of the Named Executive Officers on December 31, 2004. All share and per share amounts have been adjusted for the Company's two-for-one stock split during May 1999.

Aggregate Options Exercised in 2004 and Option Values at December 31, 2004

Name	Shares Acquired on Exercise(1)	Value Realized (2) (\$)	Number of Shares Underlying Unexercised Options at December 31, 2004		Value of Unexercised In-the- Money Options at December 31, 2004(3)	
			Exercisable	Unexercisable	Exercisable (\$)	Unexercisable (\$)
Thomas M. Joyce			2,002,477	172,643	9,818,269	551,635
Gregory C. Voetsch	120,000	648,100	301,188	342,364	2,064,641	2,228,598
Derek N. Stein			222,157	88,577	991,510	495,752
John B. Howard			104,784	25,625	417,594	168,856
Thomas M. Merritt			35,834	11,666	157,038	78,512

(1) The number of shares underlying options exercised in 2004 by the Named Executive Officer.

(2) The difference between the market price of the Company's Class A Common Stock on the exercise date and the option exercise price multiplied by the number of shares acquired upon exercise.

(3) Computed by subtracting the option exercise price from the closing price per share of the Company's Class A Common Stock of \$10.95 as reported by the Nasdaq National Market on December 31, 2004 and multiplying this amount by the number of exercisable and unexercisable options. This may not represent the amount that will actually be realized by the Named Executive Officer.

Management Contracts and Change in Control Agreements

The Company has entered into an employment agreement with Mr. Joyce under which Mr. Joyce is employed as Chief Executive Officer and President of the Company (Mr. Joyce voluntarily resigned as President of the Company in January 2005). The agreement was effective as of May 30, 2002 and continues through May 31, 2005, unless earlier terminated. Either party may terminate the employment agreement, with or without cause. Under this agreement, Mr. Joyce's compensation will be determined by the Compensation Committee pursuant to the EIP for the years after 2003. Mr. Joyce is provided with such fringe benefits and insurance coverages as are made available to other senior executives of the Company, and the Company also provides Mr. Joyce with a car and driver for his commute to the Company's offices.

If Mr. Joyce's employment is terminated by the Company other than for cause or other than by reason of his death, disability, or if Mr. Joyce resigns for good reason (as defined in his employment agreement), Mr. Joyce will be entitled to full vesting of his stock options and restricted stock awards previously granted to him and a cash payment equal to \$500,000. In the event Mr. Joyce's employment is terminated by reason of his death, by the Company on account of his disability, by Mr. Joyce without good reason or by the Company for cause, Mr. Joyce will not be

Edgar Filing: KNIGHT TRADING GROUP INC - Form DEF 14A

entitled to such payments, vesting and/or grants.

Other Employment Agreements. - 7.00 5.58 Exercised in 2000..... (13,000) 5.00 - 5.00 5.00 Expired in 2000..... (69,355) 14.00 - 15.44 14.10 Forfeited in 2000..... (60,000) 7.00 - 7.00 7.00 -----
 ----- Shares under warrants and warrants exercisable at December 31, 2000..... 215,000 \$ 3.60 - \$13.88 \$10.06 =====
 ===== Had compensation cost for the Company's five stock option plans and stock purchase warrants been determined based on the fair value at the grant date of awards in 2000, 1999 and 1998, consistent with the provisions of SFAS 123, the Company's net income (loss) and income (loss) per share would have been reduced (increased) to the pro forma amounts indicated below: 2000 1999 1998 -----
 ----- Net income (loss), as reported..... \$988,301 \$2,143,649 \$(3,318,015) Net income (loss), pro forma..... \$536,501 \$1,721,787 \$(3,576,561) Basic income (loss) per share -- as reported... \$ 0.18 \$ 0.37 \$ (0.55) Diluted income (loss) per share -- as reported..... \$ 0.17 \$ 0.37 \$ (0.55) Basic income (loss) per share -- pro forma.... \$ 0.10 \$ 0.30 \$ (0.59) Diluted income (loss) per share -- pro forma... \$ 0.09 \$ 0.30 \$ (0.59) The Company used the Black-Scholes option pricing model to determine the fair value of grants made in 2000, 1999 and 1998. The following assumptions were applied in determining the pro forma compensation cost: 2000 1999 1998 -----
 ----- Risk-free interest rate..... 5.94 5.57 5.63 Expected option term..... 4 years 3-4 years 3 years Expected price volatility..... 62% 67% 57% Dividend yield..... -- -- -- F-13 36 37
STRATASYS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) 13. EXPORT SALES Export sales were as follows for the years ended December 31: 2000 1999 1998 -----
 Europe..... \$ 6,657,860 \$ 6,348,845 \$ 5,866,235 Asia Pacific..... 8,642,917 11,070,532 7,131,958
 Other..... 3,305,884 2,333,956 1,020,244 ----- \$18,606,661 \$19,753,333 \$14,018,437
 =====
14. QUARTERLY RESULTS (UNAUDITED) FIRST SECOND THIRD FOURTH QUARTER
 QUARTER QUARTER QUARTER ----- 2000 Net sales..... \$9,298,007 \$9,023,247 \$ 9,001,518
 \$ 8,287,775 Gross profit..... 5,905,715 5,951,616 5,421,570 4,669,563 Net income..... 375,764 326,894 171,481
 114,162 Income per common and common equivalent share: Basic..... 0.07 0.06 0.03 0.02 Dilutive..... 0.06 0.06
 0.03 0.02 1999 Net sales..... \$7,603,144 \$8,864,395 \$10,359,357 \$10,760,042 Gross profit..... 5,193,050 5,631,785
 7,048,107 6,802,096 Net income (loss)..... (193,013) 212,928 964,587 1,159,147 Income (loss) per common and common equivalent
 share: Basic..... (0.03) 0.04 0.17 0.20 Dilutive..... (0.03) 0.04 0.17 0.20 F-14 37 38
STRATASYS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) STRATASYS, INC. AND SUBSIDIARIES SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS COLUMN A COLUMN B COLUMN C COLUMN D COLUMN E
BALANCE AT ADDITIONS- DEDUCTIONS BALANCE BEGINNING CHARGED FROM AT END DESCRIPTION OF PERIOD TO INCOME RESERVES OF PERIOD ----- 2000 Reserve for bad debts and allowances..... \$300,000 \$
 1,489 \$ 37,229 \$264,260 ===== Reserve for sales returns and other allowances.....
 \$120,833 \$1,766,397 \$1,693,131 \$194,099 ===== 1999 Reserve for bad debts and allowances.....
 \$279,508 \$ 29,920 \$ 9,428 \$300,000 ===== Reserve for sales returns and other
 allowances..... \$129,833 \$ 100,000 \$ 109,000 \$120,833 ===== 1998 Reserve for
 bad debts and allowances..... \$462,461 \$ 30,000 \$ 212,953 \$279,508 ===== Reserve for sales
 returns and other allowances..... \$ 52,000 \$ 583,080 \$ 505,247 \$129,833 =====
 F-15 38 39
SIGNATURES In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. STRATASYS, INC. By: /s/ S. SCOTT CRUMP
 ----- S. Scott Crump President Dated: March 28, 2001 In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. /s/ S. SCOTT CRUMP Chairman of the Board of March 28, 2001 ----- Directors, President, Chief S. Scott Crump Executive Officer, Treasurer, (Principal Executive Officer) /s/ THOMAS W. STENOIEN Chief Financial Officer March 28, 2001 ----- (Principal Financial and Thomas W. Stenoien Accounting Officer) /s/ RALPH E. CRUMP Director March 28, 2001 ----- Ralph E. Crump /s/ CLIFFORD H. SCHWIETER Director March 28, 2001 ----- Clifford H. Schwieter /s/ ARNOLD J. WASSERMAN Director March 28, 2001 ----- Arnold J. Wasserman /s/ GREGORY L. WILSON Director March 28, 2001 ----- Gregory L. Wilson /s/ CAMERON TRUESDELL Director March 28, 2001 ----- Cameron Truesdell