

Edgar Filing: FRONTIER AIRLINES INC /CO/ - Form DEF 14A

FRONTIER AIRLINES INC /CO/  
 Form DEF 14A  
 July 18, 2003

**SCHEDULE 14A INFORMATION**

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 (definitive proxy to be filed on or about July 22, 2002)
- Confidential, for Use of Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

FRONTIER AIRLINES, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2), or Item 22(a)(2) of Schedule 14A
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11,

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee 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:

	03/98	03/99	03/00	03/01	03/02
Frontier Airlines, Inc.	100.00	263.20	316.80	487.60	732.80
NASDAQ Market Index	100.00	134.38	269.98	111.68	104.56
Peer Group Index	100.00	74.89	70.71	80.20	71.20

**Equity Compensation Plan Information**

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The following table sets forth certain information regarding the Company's Employee Stock Option Plan, as amended, which was approved by the Company's shareholders, as well as equity compensation plans approved by the Company's shareholders.

Plan Category	Number of Shares to be Issued on Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options (\$)	Nu Avail Issua Com
Plans approved by shareholders (1)	2,430,815	\$10.28	
Plans not approved by shareholders	N/A	N/A	

(1) Figures reflect the total options outstanding and available for issuance under the Company's 1994 Stock Option Plan. Of the outstanding options listed, 1,168,815 are immediately exercisable at a weighted average price of \$10.01. These figures also include the warrants granted to Samuel D. Addoms on April 1, 2002 pursuant to the Director Compensation Agreement that took effect upon his resignation as Chief Executive Officer. See the section above entitled "Samuel D. Addoms Severance Agreement." The Director Compensation Agreement was entered into without shareholder approval.

### Section 16(a) Beneficial Ownership Reporting Compliance

In October 2002, Mr. Tate failed to timely report the award of options for 30,000 shares of common stock. This failure was inadvertent and Mr. Tate reported this grant of options on a Form 4 filed in February 2003. In January 2003, Mr. McClellan failed to timely report the award of options for 30,000 shares of common stock. This failure was inadvertent and Mr. McClellan reported this grant of options on a Form 4 filed in February 2003. These failures resulted from the change in requirements for reporting grants of options imposed by the Sarbanes-Oxley Act, which previously could be reported at the end of the fiscal year on Form 5.

### SHAREHOLDER PROPOSALS

Shareholders are entitled to submit proposals on matters appropriate for shareholder action consistent with regulations of the Securities and Exchange Commission and the Company's bylaws. If a shareholder wishes to have a proposal appear in the Company's proxy statement for next year's meeting, under the regulations of the Securities and Exchange Commission the proposal must be received by the Company's corporate secretary at 7001 Tower Road, Denver, Colorado 80249-7312 on or before October 19, 2004.

### INDEPENDENT PUBLIC ACCOUNTANTS

KPMG LLP has acted as independent public accountants for the Company continuously since 1994. A representative of KPMG LLP will be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

KPMG LLP was selected by the Board of Directors to perform the audit function for fiscal year 2003. No independent public accountant has yet been selected to perform the audit function for fiscal year 2004. It is expected that the Audit Committee will approve the engagement of an auditor at a meeting to be held in September 2003, or subsequent thereto.

### Audit and Non-Audit Fees

The following table presents fees for audit services and other professional services provided to the Company for fiscal 2003:

	Amount
	<u>(\$)</u>
Audit Fees (1)	336,200

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Financial Information Systems Design and Implementation Fees	-
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### All Other Fees:

Audit Related	-
Non-Audit Related(2)	47,400

- (1) Audit Fees consist of \$275,000 for the audit and quarterly reviews of the financial statements and accounting and financial reporting consultations and research in connection with the audits and reviews, \$55,200 for audits required by governmental or regulatory bodies, and \$6,000 for consents and assistance with and review of registration statements filed with the SEC.
- (2) Tax Fees include professional services provided for tax compliance and tax advice on proposed or completed transactions.

The Audit Committee of the Board of Directors has considered whether the non-audit related services provided by KPMG LLP during fiscal 2003 are compatible with maintaining the independence of KPMG