

IHOP CORP
Form DEF 14A
April 17, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

IHOP CORP

(Name of Registrant as Specified In Its Charter)

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

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- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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- o Fee paid previously with preliminary materials.
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IHOP CORP.

April 16, 2007

Dear Fellow IHOP Shareholders:

Please join us at our annual meeting of shareholders on May 8, 2007, where we will ask you to vote on the election of three Class I directors and the ratification of the selection of our independent registered public accounting firm, Ernst & Young, LLP. The meeting will take place at our offices located at 450 N. Brand Boulevard, Glendale, California 91203.

In addition to the formal items of business at our Annual Meeting, we will review the major Company developments over the past year and share with you some of our plans for the future. You will have an opportunity to ask questions and express your views to the senior management of IHOP Corp. Members of the Board of Directors and representatives of Ernst & Young LLP, are expected to be present.

Whether or not you are able to attend the Annual Meeting in person, it is important that your shares be represented. You can vote your shares using the Internet or a toll-free telephone number, or by completing and returning the enclosed proxy card by mail. Instructions on each of these voting methods are outlined in the enclosed Proxy Statement. Please vote as soon as possible. The enclosed Proxy Statement is being first sent or given to shareholders on or about April 16, 2007.

We look forward to seeing you on May 8th.

Sincerely yours,

Julia A. Stewart
Chairman and Chief Executive Officer

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 8, 2007**

To the Shareholders of IHOP Corp.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the Meeting or the Annual Meeting) of IHOP Corp., a Delaware corporation (the Company), will be held at the Company s offices located at 450 N. Brand Boulevard, Glendale, California 91203, on Tuesday, May 8, 2007, at 10:00 a.m., Pacific Daylight Time, for the following purposes:

- (1) To elect three Class I directors;
- (2) To ratify the appointment of Ernst & Young LLP, as the Company s independent registered public accounting firm for the year ending December 31, 2007; and
- (3) To transact such other business as may properly come before the Meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 12, 2007, the record date for the Meeting, are entitled to notice of, and to vote at, the Meeting and any adjournment thereof. A list of such shareholders will be available for examination at the principal executive offices of the Company located at 450 N. Brand Boulevard, Glendale, California 91203, at least ten days prior to the Meeting.

To assure that your interests will be represented, whether or not you plan to attend the Meeting, please complete, sign and date the accompanying proxy card and promptly return it in the pre-addressed envelope provided, which requires no postage if mailed in the United States, or you may vote your shares using the Internet or a toll-free telephone number. Instructions for voting using the Internet or by toll-free telephone number are included on the proxy card.

All shareholders are cordially invited to attend the Meeting in person. If you attend the Meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

By Order of the Board of Directors,

Mark D. Weisberger
Secretary

April 16, 2007
Glendale, California

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Voting on Matters before the Annual Meeting

Q: What am I voting on?

A: There are two items that shareholders are asked to vote on at the 2007 Annual Meeting:

Proposal 1: Election of three Class I directors.

Proposal 2: The ratification of the appointment of Ernst & Young LLP, as the Company's independent public accountants for the year ending December 31, 2007.

Q: Who is entitled to vote?

A: Only shareholders of record at the close of business on March 12, 2007 (the Record Date), will be entitled to receive notice of, and to vote at, the Meeting. As of the Record Date, there were outstanding 17,444,995 shares of Common Stock, par value \$.01 per share (the Common Stock), of the Company. Each shareholder of record is entitled to one vote for each share of Common Stock held by such holder and may vote such shares either in person or by proxy. The presence in person or by proxy of 8,722,498 shares of common stock will constitute a quorum at the Meeting.

Q: How do I cast my vote?

A: If you hold your shares as a registered shareholder, you can vote in person at the Annual Meeting or you can vote by mail, telephone or on the Internet.

If your stock is held through a broker or bank, you will receive voting instructions from your bank or broker describing how to vote your stock. The availability of telephone or Internet voting will depend upon the bank's or broker's voting processes.

Whichever method you use, each valid proxy received in time will be voted at the Annual Meeting by the persons named on the proxy card in accordance with your instructions. To ensure that your proxy is voted, it should be received by the close of business on May 4, 2007.

If you submit a proxy card without giving instructions, your shares will be voted as recommended by the Board of Directors.

Mellon Investor Services has been engaged as the independent inspector of election to tabulate shareholder votes at the Meeting.

Q: How does the Board of Directors recommend voting?

A: The Board of Directors recommends voting **FOR** Frank Edelstein, Caroline W. Nahas, and Gilbert T. Ray, to serve as Class I directors;

The Audit Committee of the Board of Directors recommends voting **FOR** ratification of the appointment of Ernst & Young, LLP as the Company's independent registered public accounting firm.

Q: How will my stock be voted on other business brought up at the Annual Meeting?

A: By signing and submitting your proxy card or voting your shares using the Internet or the toll-free telephone number, you authorize the persons named on the proxy card to use their discretion in voting on any other matter brought before the Annual Meeting. The Company does not know of any other business to be considered at the Annual Meeting.

Q: Can I change my vote or revoke my proxy?

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A: Yes. You can change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by executing a later-voted proxy by telephone, mail or the Internet or by voting by ballot at the Meeting.

Q: Will abstentions or broker non-votes affect the voting results?

A: Assuming a quorum is present, directors will be elected by a plurality of the votes cast in the election of directors. Other matters submitted for shareholder approval will be decided by the vote of the holders of a majority of the stock represented and entitled to vote at the Meeting. Abstentions and broker non-votes will be counted and will have the same effect as no votes.

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Q: What is the date of distribution of this Proxy Statement and the proxies solicited hereby?

A: We are sending this Proxy Statement and the proxies to our shareholders beginning on or about April 16, 2007.

Q: Who will bear the costs of this proxy solicitation?

A: The Board of Directors of the Company is soliciting your proxy for use at the Annual Meeting, and at any adjournment thereof. The Company will bear the cost of this proxy solicitation, including the reimbursement of banks and brokers for their reasonable expenses of sending out proxy materials to the beneficial owners of our common stock. In addition, officers of the Company may solicit proxies in person or by mail, telephone, e-mail or fax.

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Where to Find More Information on IHOP Corp.

Documents Filed with the Securities and Exchange Commission (SEC)

- This Proxy Statement is accompanied by the Company's 2006 Annual Report, which includes the Company's consolidated financial statements for the year ended December 31, 2006.
- You can obtain any of the documents that we file with the SEC (including a copy of our 2006 Annual Report on Form 10-K) by contacting us or the SEC (see below for information on contacting the SEC). To obtain documents from us, please direct requests in writing or by telephone to:

IHOP Corp.
450 N. Brand Boulevard
Glendale, California 91203
Phone: (818) 240-6055
Attention: Corporate Secretary

We will send you the requested documents without charge, excluding exhibits. If you would like to request documents from us, including any documents we may subsequently file with the SEC prior to the Meeting, please do so by May 1, 2007, so that you will receive them before the Meeting. Alternatively, you may view these documents at the Investor Info section of our web site at <http://www.ihop.com>.

- In addition, you may review reports, proxy statements and other information we have filed with the SEC through the SEC's EDGAR web site (<http://edgar.sec.gov>) or these materials may be reviewed and copied at the SEC's Public Reference Room at 450 Fifth Street N.W., Washington, D.C. 20549. You may call 1-800-732-0330 for further information on the Public Reference Room.

Additional Information

There are a number of other sources for additional information on IHOP Corp., including:

- The New York Stock Exchange. Reports and other information on the Company can be reviewed at the office of the New York Stock Exchange at 20 Broad Street, New York, NY 10005.
- The IHOP Corp. web site. Our web site at <http://www.ihop.com> provides ongoing information about the Company and its performance along with copies of the charters of our board committees, and our corporate governance guidelines and ethics policies. In addition, the Investor Info section of the web site includes links to the Company's filings with the SEC and transcripts of investor conference calls with management. Please note that information contained on our web site does not constitute part of this Proxy Statement.

IMPORTANT NOTE:

You should rely only on the information contained in this Proxy Statement to vote on the proposals at the Annual Meeting. We have not authorized anyone to provide you with information that is different from what is contained in this Proxy Statement. This Proxy Statement is dated April 16, 2007. You should not assume that the information contained in this Proxy Statement is accurate as of any date other than such date, and the mailing of this Proxy Statement to shareholders shall not create any implication to the contrary.

Security Ownership of Certain Beneficial Owners

The following table sets forth the only persons who, to the knowledge of management, owned beneficially on February 28, 2007, more than 5% of the outstanding shares of the Company's Common Stock.

Name and Address	Shares Owned	Percent of Class	%
Southeastern Asset Management, Inc. Longleaf Partners Small-Cap Fund, and O. Mason Hawkins Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, TN 38119	3,467,100	(1) 20.9	%
MSD Capital, L.P. MSD SBI, L.P. 645 Fifth Avenue, 21st Floor New York, New York 10022	2,100,100	(2) 12.0	%
Neuberger Berman, Inc. Neuberger Berman, LLC Neuberger Berman Management, Inc. Neuberger Berman Genesis Fund 605 Third Avenue New York, New York 10158	1,534,588	(3) 8.8	%
Third Point LLC Daniel S. Loeb 390 Park Avenue New York, NY 10022	1,250,000	(4) 7.2	%
Barclays Global Investors, NA Barclays Global Fund Advisors 45 Fremont Street San Francisco, CA 94105 Barclays Global Investors, Ltd. Murray House 1 Royal Mint Court London, EC3N 4HH	909,762	(5) 5.2	%
Barclays Global Investors Japan Trust and Banking Company Limited Ebisu Prime Square Tower 8th Floor 1-1-39 Hiroo Shibuya-Ku Tokyo 150-0012 Japan Barclays Global Investors Japan Limited Ebisu Prime Square Tower 8th Floor 1-1-39 Hiroo Shibuya-Ku Tokyo 150-8402 Japan			

(1) In Amendment No. 4 to a Schedule 13G, dated February 12, 2007, jointly filed by Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund and Mr. O. Mason Hawkins, such persons report that, at December 31, 2006, Southeastern Asset Management, Inc. possessed sole power to vote