

ASSISTED LIVING CONCEPTS INC
Form DEFA14A
June 22, 2012

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. 1)

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

ASSISTED LIVING CONCEPTS, 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:

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:

EXPLANATORY NOTE

Assisted Living Concepts, Inc. (“ALC”) is furnishing this Supplement (this “Supplement”) to amend and supplement the Notice of Annual Meeting, Proxy Statement and form of proxy filed by ALC with the Securities and Exchange Commission on March 23, 2012 with respect to its 2012 annual meeting of stockholders in order to (i) provide information on the reconvening of the 2012 annual meeting, (ii) amend Proposal 1 described in the Proxy Statement to reflect ALC’s decision to reduce the size of the Board of Directors from eight (8) directors to seven (7) directors and its decision not to nominate Laurie A. Bebo for re-election, and (iii) provide certain related information.

On April 26, 2012, Ventas Realty, Limited Partnership, the landlord for certain assisted living facilities operated by ALC, instituted a lawsuit against ALC seeking a declaratory judgment that ALC had breached its obligations under the lease and forfeited its right to possession of the leased premises. Ventas alleges that ALC’s receipt of notices of intent to revoke permits from state regulators with respect to its licenses to operate three assisted living facilities in Georgia and Alabama subject to the lease constitutes a violation of the lease. Subsequently, the Board of Directors determined to investigate possible irregularities in connection with ALC’s lease with Ventas.

On May 3, 2012, the Board of Directors adjourned the 2012 annual meeting.

On May 29, 2012, ALC announced that Laurie A. Bebo is no longer the President, Chief Executive Officer or an employee of ALC, effective immediately, and that Charles H. Roadman, II, M.D., age 68, will serve as interim President and Chief Executive Officer during ALC’s search for a permanent Chief Executive Officer. Dr. Roadman resigned as a member of the Audit Committee of ALC’s Board of Directors on May 29, 2012 as a result of his new role as ALC’s interim President and Chief Executive Officer.

On June 15, 2012, ALC purchased the facilities it had leased from Ventas and settled the above-described lawsuit.

ASSISTED LIVING CONCEPTS, INC.
W140 N8981 Lilly Road
Menomonee Falls, Wisconsin 53051
(262) 257-8888

SUPPLEMENT TO NOTICE OF ANNUAL MEETING

The annual meeting of stockholders of Assisted Living Concepts, Inc. ("ALC"), which was convened on Thursday, May 3, 2012 at 4:00 p.m. Central Time, at W140 N8981 Lilly Road, Menomonee Falls, Wisconsin 53051, was temporarily adjourned in accordance with our Bylaws.

Notice is hereby given that the reconvened annual meeting will be held as follows:

Date:	Monday, July 2, 2012
Time:	4:00 p.m. Central Time
Place:	W140 N8981 Lilly Road, Menomonee Falls, Wisconsin 53051

The record date for determining stockholders entitled to vote at the reconvened annual meeting will remain the close of business on March 9, 2012.

The first proposal submitted to ALC's stockholders for consideration and a vote at the annual meeting is amended to reflect ALC's decision to reduce the size of the Board of Directors from eight (8) directors to seven (7) directors and its decision not to nominate Laurie A. Bebo for re-election. In all other respects the Notice of Annual Meeting dated March 23, 2012 remains unchanged.

Please read this Supplemental Notice of Annual Meeting and the attached Supplement to Proxy Statement in conjunction with the Notice of Annual Meeting and Proxy Statement filed with the Securities and Exchange Commission on March 23, 2012. Whether or not you plan to attend the reconvened annual meeting, please take the time to vote your shares by promptly completing, signing, dating and mailing the enclosed proxy card, rather than the proxy card previously mailed to you, in the postage-paid envelope provided (or, if applicable, by following the instructions supplied to you by your bank or brokerage firm for voting by telephone or via the Internet). Submission of the enclosed proxy card will replace any previously submitted proxy card in connection with the annual meeting.

By Order of the Board of Directors,

Menomonee Falls, Wisconsin
June 22, 2012

Mary T. Zak-Kowalczyk
Vice President and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on July 2, 2012 – this Supplement, the Proxy Statement and 2011 Annual Report are available under the heading "Periodic Reports and Proxy Statements" in the "Investor Relations" section at www.alcco.com.

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SUPPLEMENT TO PROXY STATEMENT

GENERAL INFORMATION

Assisted Living Concepts, Inc. (“ALC”) is furnishing this Supplement (this “Supplement”) to amend and supplement the Notice of Annual Meeting, Proxy Statement and form of proxy filed by ALC with the Securities and Exchange Commission on March 23, 2012 with respect to its 2012 annual meeting of stockholders in order to (i) provide information on the reconvening of the 2012 annual meeting, (ii) amend Proposal 1 described in the Proxy Statement to reflect ALC’s decision to reduce the size of the Board of Directors from eight (8) directors to seven (7) directors and its decision not to nominate Laurie A. Bebo for re-election, and (iii) provide certain related information.

The proxy card enclosed with this Supplement differs from the proxy card previously furnished to you with the Proxy Statement dated March 23, 2012, in that the enclosed proxy card includes the names of seven (7) director nominees, excluding Ms. Bebo. Whether or not you plan to attend the reconvened annual meeting, please take the time to vote your shares by promptly completing, signing, dating and mailing the enclosed proxy card, rather than the proxy card previously mailed to you, in the postage-paid envelope provided (or, if applicable, by following the instructions supplied to you by your bank or brokerage firm for voting by telephone or via the Internet). Submission of the enclosed proxy card will replace any previously submitted proxy card in connection with the annual meeting.

Other than as set forth in this Supplement to Proxy Statement, the Proxy Statement dated March 23, 2012 remains unchanged.

This Supplement to Proxy Statement and the enclosed proxy card are first being mailed to ALC’s stockholders on or about June 22, 2012.

AMENDMENT TO PROPOSAL 1: ELECTION OF DIRECTORS

On June 19, 2012, the Board of Directors approved a decrease in the authorized number of directors from eight (8) directors to seven (7) directors and decided not to nominate Laurie A. Bebo for re-election. As set forth in the Proxy Statement dated March 23, 2012, the other seven (7) individuals nominated by the Board of Directors for election as directors at the annual meeting are Alan Bell, Derek H.L. Buntain, David J. Hennigar, Malen S. Ng, Melvin A. Rhineland, Charles H. Roadman, II, MD and Michael J. Spector.

Proposal 1, as amended, is for stockholders at the reconvened annual meeting to consider and vote upon the election of these seven (7) nominees to the Board of Directors.

In recognition of Dr. Roadman’s assumption of the interim President and Chief Executive Officer roles and expanded responsibilities, in addition to his director compensation, he will receive: (i) a cash payment of \$2,000 per work day, (ii) use of a leased car at a cost to ALC of \$1,735 per month and (iii) use of a furnished apartment in Milwaukee at a cost to ALC of \$5,655 per month.

The Board of Directors unanimously recommends a vote FOR the election of each of the seven (7) nominees named above to serve as directors.

If you submitted or submit the proxy card included with ALC's original Proxy Statement and do not subsequently revoke that proxy, your vote will be counted FOR the seven (7) nominees named on that proxy card other than Ms. Bebo. Your vote on such proxy card will not constitute a vote for Laurie A. Bebo.

NOMINEE INFORMATION

The information regarding Dr. Roadman on page 6 of the original Proxy Statement is replaced with the following:

Name	Principal Occupation, Experience and Qualifications	Director Since
Charles H. Roadman II, MD	Interim President and Chief Executive Officer of ALC since May 29, 2012. Retired President and Chief Executive Officer of the American Health Care Association (1999 to 2004) and former Surgeon General of the U.S. Air Force (1996 to 1999). Prior to November 10, 2006, he was a director of Extencicare Inc. (now Extencicare Real Estate Investment Trust). Dr. Roadman serves as a director and advisor on a number of private corporate boards. He is 68.	2006

Other public company directorships in the last five years: none

Dr. Roadman’s medical background, his experience as chief executive officer of a major health care association, and his continuing involvement in public and private health care issues led the Board to conclude, as of the time of this proxy statement, that he should continue to serve as a director of ALC.

INDEPENDENCE

The first paragraph under the caption “Independence” on page 7 of the original Proxy Statement is replaced with the following:

ALC’s Board of Directors has affirmatively determined that all of ALC’s directors other than Dr. Roadman and Ms. Bebo are “independent” as defined in the corporate governance standards of the New York Stock Exchange. Dr. Roadman is not considered to be independent because he is currently ALC’s interim President and Chief Executive Officer. The Board of Directors has decided not to nominate Laurie A. Bebo for re-election.

COMMITTEES

The second paragraph under the caption “Committees” on page 8 of the original Proxy Statement is replaced with the following:

Audit Committee and Audit Committee Financial Expert. The Audit Committee met four times in 2011. Dr. Roadman resigned as a member of the Audit Committee of ALC’s Board of Directors on May 29, 2012 as a result of his new role as ALC’s interim President and Chief Executive Officer. Current members are Ms. Ng (Chair), Mr. Bell and Mr. Buntain. The Board of Directors has determined that each of the members of the Audit Committee is “independent,” as defined in the corporate governance listing standards of the New York Stock Exchange and Rule 10A-3 under the Securities Exchange Act of 1934 relating to audit committees. The Board of Directors also has determined that all members of the Audit Committee are financially literate and that Ms. Ng qualifies as an “audit committee financial expert” as defined by the Securities and Exchange Commission.

CONTACT FOR QUESTIONS AND ASSISTANCE

If you have any questions or need assistance, please call us at (262) 257-8888, and we will be happy to assist you.

By Order of the Board of Directors,

Menomonee Falls, Wisconsin
June 22, 2012

Mary T. Zak-Kowalczyk
Vice President and Corporate Secretary

Except as specifically updated by the information contained in this Supplement, all information set forth in the original Proxy Statement remains accurate and should be considered in voting your shares. This Supplement does not provide all of the information that is important to your decision in voting at the 2012 annual meeting. This Supplement should be read in conjunction with the original Proxy Statement.

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