

EAST WEST BANCORP INC
Form PRE 14A
April 08, 2008

East West Bancorp, Inc.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 29, 2008

Notice is hereby given that the annual meeting (the "Meeting") of the stockholders of East West Bancorp, Inc. (the "Company") will be held at The Westin Pasadena Hotel, 191 N. Los Robles Avenue, Pasadena, California on May 29, 2008, beginning at 2:00 p.m. for the following purposes:

1. Election of Directors. The election of three persons as directors for terms expiring in 2011; provided that, if proposal No. 2 is adopted, to elect three directors for terms expiring in 2009, and in either case, to serve until his successors are elected and qualified;
2. Board Declassification Proposal. To approve the proposal to amend the Company's Certificate of Incorporation to eliminate the provisions for the classification of the Company's Board of Directors and thereby provide that each person elected a Director at the Meeting and subsequent annual meetings of the Stockholders will be elected to a term of one year and to serve until his or her successors are elected and qualified;
3. Approval of Stock Incentive Plan. Approve the East West Bancorp Inc. 1998 Stock Incentive Plan, as amended;
4. Ratification of Auditors. Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2008; and
5. Other Business. The transaction of such other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Properly signed proxy cards permit the Proxyholder named therein to vote on such other business as may properly come before the Meeting and at any and all adjournments thereof, in their discretion. As of the date of mailing, the Board of Directors of the Company is not aware of any other matters that may come before the Meeting.

Only those stockholders of record at the close of business on March 31, 2008 shall be entitled to notice of and to vote at the Meeting.

YOUR VOTE IS VERY IMPORTANT. STOCKHOLDERS ARE URGED TO SIGN AND RETURN THE ENCLOSED PROXY IN THE POSTAGE PREPAID ENVELOPE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT THEY PLAN TO ATTEND THE MEETING IN PERSON. STOCKHOLDERS WHO ATTEND THE MEETING MAY WITHDRAW THEIR PROXY AND VOTE IN PERSON IF THEY WISH TO DO SO.

By order of the Board of Directors

DOUGLAS P. KRAUSE
Executive Vice President,
General Counsel and Corporate Secretary

Pasadena, California
March 31, 2008

East West Bancorp, Inc.
135 N. Los Robles Avenue, 7thFloor
Pasadena, California 91101
(626) 768-6000

PROXY STATEMENT
For
ANNUAL MEETING OF STOCKHOLDERS
To be held May 29, 2008

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (“Board of Directors” or “Board”) of East West Bancorp, Inc. (the “Company”) for use at its annual meeting (“Meeting”) of stockholders to be held on May 29, 2008, at The Westin Pasadena Hotel, 191 N. Los Robles Avenue, Pasadena, California, at 2:00 p.m. and at any adjournment thereof. This Proxy Statement and the enclosed proxy card (“Proxy”) and other enclosures are first being mailed to stockholders on or about April 14, 2008. Only stockholders of record on March 31, 2008 (“Record Date”) are entitled to vote in person or by proxy at the Meeting or any adjournment thereof. The mailing address of the Company’s principal executive office is 135 N. Los Robles Avenue, 7thFloor, Pasadena, California 91101.

Matters to be Considered

The matters to be considered and voted upon at the Meeting will be:

1. Election of Directors. The election of three persons as directors for terms expiring in 2011; provided that, if proposal No. 2 is adopted, to elect three directors for terms expiring in 2009, and in either case, to serve until his or her successors are elected and qualified. The Board of Directors’ nominees are:
Rudolph I. Estrada
Herman Y. Li
Dominic Ng
 2. Board Declassification Proposal. To approve the proposal to amend the Company’s Certificate of Incorporation to eliminate the provisions for the classification of the Company’s Board of Directors and thereby provide that each person elected a Director at the Meeting and subsequent annual meetings of the Stockholders will be elected to a term of one year and to serve until his or her successors are elected and qualified;
 3. Approval of Stock Incentive Plan. Approve the East West Bancorp Inc. 1998 Stock Incentive Plan, as amended;
-

4. Ratification of Auditors. Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2008; and
5. Other Business. The transaction of such other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Costs of Solicitation of Proxies

This solicitation of Proxies is made on behalf of the Board of Directors of the Company and the Company will bear the costs of solicitation. The expense of preparing, assembling, printing and mailing this Proxy Statement and the materials used in this solicitation of Proxies also will be borne by the Company. It is contemplated that Proxies will be solicited principally through the mail, but directors, officers and employees of the Company may solicit Proxies personally or by telephone. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these proxy materials to their principals. The Company does not intend to utilize the services of other individuals or entities not employed by or affiliated with it in connection with the solicitation of Proxies.

Outstanding Securities and Voting Rights; Revocability of Proxies

The authorized capital stock of the Company consists of 200,000,000 shares of common stock, par value \$0.001 per share ("Common Stock"), of which 63,356,085----- shares were issued and outstanding on the Record Date, and 5,000,000 shares of serial preferred stock, par value \$0.001 per share, of which no shares were issued and outstanding on the Record Date. A majority of the outstanding shares of Common Stock constitutes a quorum for the conduct of business at the Meeting. Abstentions and broker non-votes will be treated as shares present and entitled to vote for purposes of determining the presence of a quorum. Each stockholder is entitled to one vote, in person or by proxy, for each share of Common Stock standing in his or her name on the books of the Company as of the Record Date on any matter submitted to the stockholders.

The Company's Certificate of Incorporation does not authorize cumulative voting. For the election of directors, the persons receiving the highest number of votes "FOR" will be elected. Accordingly, abstentions, broker non-votes and votes "WITHHELD" in the election of directors have no legal effect.

Unless otherwise required by law, the Certificate of Incorporation, or Bylaws, approval of the proposals that may properly come before the Meeting, other than the election of directors, require the affirmative vote of the majority of shares present in person or by proxy at the Meeting and entitled to vote.

A Proxy for use at the Meeting is enclosed. The Proxy must be signed and dated by you or your authorized representative or agent. You may revoke a Proxy at any time before it is exercised at the Meeting by submitting a written revocation to the Secretary of the Company or a duly executed Proxy bearing a later date or by voting in person at the Meeting. Attendance at the Meeting will not in and of itself constitute revocation of a proxy.

Brokers who hold shares of Common Stock for the accounts of their clients (who hold their shares in "street name") may vote such shares either as directed by their clients or in their own discretion if permitted by the stock exchange or other organization of which they are members. Members of the New York Stock Exchange are permitted to vote their clients' proxies in their own discretion as to the election of directors if the clients have not furnished voting instructions within ten days of the meeting. Certain proposals other than the election of directors are "non-discretionary" and brokers who have received no instructions from their clients do not have discretion to vote on those items. When a broker votes a client's shares on some but not all of the proposals at a meeting, the missing votes are referred to as "broker non-votes". There are no broker non-votes on the election of directors (Proposal No. 1) and the ratification of auditors (Proposal No. 4).

Unless revoked, the shares of Common Stock represented by properly executed Proxies will be voted in accordance with the instructions given thereon. In the absence of any instruction in a properly executed Proxy, your shares of Common Stock will be voted:

- “FOR” the election of all three nominees for the Board of Directors;
- “FOR” the amendment of the Company’s Certificate of Incorporation to eliminate the provisions for the classification of the Company’s Board of Directors;
 - “FOR” the approval of the East West Bancorp Inc. 1998 Stock Incentive Plan, as amended; and
- “FOR” the ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for its fiscal year ending December 31, 2008.

The enclosed Proxy confers discretionary authority with respect to matters incident to the Meeting and any other proposals of which management did not have notice at least 45 days prior to the date on which the Company mailed its proxy material for last year’s annual meeting of stockholders. As of the date hereof, management is not aware of any other matters to be presented for action at the Meeting. However, if any other matters properly come before the Meeting, the Proxies solicited hereby will be voted by the Proxyholders in accordance with the recommendations of the Board of Directors.

Important Notice Regarding Availability of Proxy Materials
for the 2008 Annual Meeting of Stockholders to be Held on May 29, 2008

Pursuant to the new Securities and Exchange Commission rules related to the availability of proxy materials, we have chosen to make our Proxy Statement, Annual Report on Form 10-K, and Proxy Card available on the Internet at the “Investor Relations – Electronic Literature” section of our corporate website at www.eastwestbancorp.com.

**BENEFICIAL STOCK OWNERSHIP
OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT**

The following table sets forth the beneficial ownership of Common Stock as of the Record Date by (i) each person known to the Company to own more than 5% of the outstanding Common Stock, (ii) the directors and nominees for director of the Company, (iii) the Chief Executive Officer, Chief Financial Officer and the three other highest compensated executive officers of the Company and its subsidiaries whose total annual compensation in 2007 exceeded \$100,000 (the "Named Executives"), and (iv) all executive officers and directors of the Company and its subsidiaries, as a group:

Name and Address of Beneficial Owner	Common Stock	
	Number of Shares Beneficially Owned (1)(2)	Percent of Class (2)
Wachovia Corporation (3) One Wachovia Center Charlotte, NC 28288	6,708,270	10.59%
FMR LLC (4) 82 Devonshire Street Boston, MA 02109	5,842,221	9.22%
Dominic Ng	1,191,361	1.88%
Wellington Chen	31,208	*
Peggy Cherng	149,198	*
Donald S. Chow	80,111	*
Rudolph I. Estrada	10,906(5)	*
Julia S. Gouw	208,338(6)	*
Andrew S. Kane	-	
Douglas P. Krause	100,387	*
John Lee	301,313(7)	*
Herman Y. Li	42,142	*
Jack C. Liu	24,577	*
Keith W. Renken	58,350	*
All Directors and Named Executive Officers, as a group (12 persons)	2,197,891	3.47%

* Less than 1%.

(1) Except as otherwise noted and except as required by applicable community property laws, each person has sole voting and disposition powers with respect to the shares.

(2) Shares which the person (or group) has the right to acquire within 60 days after the Record Date are deemed to be outstanding in calculating the ownership and percentage ownership of the person (or group). Specifically, the following individuals have the right to acquire the shares indicated after their names upon the exercise of such stock options: Mr. Ng, 816,944; Mr. Chen, 10,072; Ms. Cherng, 20,000; Mr. Chow, 28,605; Mr. Estrada, 5,000; Ms. Gouw, 56,254; Mr. Krause, 20,133; Mr. Li, 20,000; Mr. Liu, 17,000; and Mr. Renken, 40,000. The aggregate number of shares issuable upon the exercise of options currently exercisable held by the directors and officers as a group, is 1,034,008.

(3)

Edgar Filing: EAST WEST BANCORP INC - Form PRE 14A

Based on Schedule 13G filed with the Securities and Exchange Commission on February 11, 2008 by Wachovia Corporation.

(4) Based on Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2008 by FMR LLC.

- (5) 2,414 of these shares are held in the Summit Group Profit Sharing Plan for which Mr. Estrada has voting and investment power.
- (6) 2,000 of these shares are owned by family members for whom Ms. Gouw has voting and investment power; Ms. Gouw disclaims any beneficial interest in such shares.
- (7) 296,830 of these shares are held in the John M. Lee Trust for which Mr. Lee has voting and investment power.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), requires that the Company's directors, executive officers and persons who own more than ten percent of a registered class of the Company's equity securities file with the Securities and Exchange Commission (the "SEC"), and with each exchange on which the Common Stock trades, initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Directors, officers and greater than ten percent holders are required by the SEC's regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely upon a review of copies of reports provided during the fiscal year ended December 31, 2007, the Company believes that all persons subject to the reporting requirements of Section 16(a) filed all required reports on a timely basis.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board of Directors Recommends a Vote "For" All Nominees

Board of Directors and Nominees

The Company's Certificate of Incorporation and Bylaws provide that the number of directors shall be determined from time to time by the Board of Directors but may not be less than five. The Board of Directors is currently composed of nine continuing members. The Bylaws further provide for the division of the directors into three classes of approximately equal size. Three members shall be elected to a three-year term at the Meeting of Stockholders in 2008; provided that, if Proposal No. 2 is approved, members elected at the Meeting and each annual meeting thereafter will serve one-year terms.

The directors proposed for election at the Meeting, Rudolph I. Estrada, Herman Y. Li and Dominic Ng, were appointed to the Board of Directors in 2005, 1998 and 1991, respectively. Messrs. Estrada, Li and Ng have indicated their willingness to serve and, unless otherwise instructed, Proxies will be voted in such a way as to effect, if possible, the election of Messrs. Estrada, Li and Ng. In the event that Messrs. Estrada, Li and Ng should be unable to serve as a director, it is intended that the Proxies will be voted for the election of such substitute nominee, if any, as shall be designated by the Board of Directors. Management has no reason to believe that Messrs. Estrada, Li and Ng will be unavailable to serve on the Board of Directors.

None of the directors, nominees for director or executive officers were selected pursuant to any arrangement or understanding, other than with the directors and executive officers of the Company acting within their capacity as such. There are no family relationships among directors or executive officers of the Company. As of the date hereof, no directorships are held by any director with a company which has a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act, or any company registered as an investment company under the Investment Company Act of 1941, except that Mr. Ng is a director of Mattel, Inc. and Mr. Renken is a director of Willdan Group, Inc.

The following table sets forth certain information with respect to the Board's nominees for director and the current continuing directors of the Company. All directors of the Company are also directors of East West Bank (the "Bank"), the Company's principal subsidiary. Executive officers serve at the pleasure of the Board of Directors, subject to restrictions set forth in their employment agreements. See "ELECTION OF DIRECTORS" and "Employment Agreements and Potential Payments Upon Termination or Change-in-Control".

Name of Director	Age (2)	Year First Elected or Appointed (3)	Current Term to Expire
Nominees for term expiring 2011 (1):			
Dominic Ng	49	1991	2008
Rudolph I. Estrada	60	2005	2008
Herman Y. Li	55	1998	2008
Continuing Directors:			
Andrew S. Kane	55	2007	2009
Jack C. Liu	49	1998	2009
Keith W. Renken	73	2000	2009
Peggy Cherng	60	2002	2010
Julia S. Gouw	49	1997	2010
John Lee	76	2006	2010

(1) Nominees shall be elected to a three-year term expiring in 2011; provided that, if Proposal No. 2 is approved, members elected at the Meeting and each annual meeting thereafter will serve one-year terms.

(2) Age as of March 31, 2008.

(3) Refers to the earlier of the year the individual first became a director of the Company and the Bank.

The principal occupation during the past five years of each director and nominee is set forth below. All directors have held their present positions for at least five years, unless otherwise stated.

Peggy Cherng is Co-Chair of Panda Restaurant Group, which includes more than 1,000 restaurants in the United States, Puerto Rico and Japan. Dr. Cherng holds a Ph.D. in Electrical Engineering and serves on the boards of the National Restaurant Association, Methodist Hospital of Southern California, Children's Hospital Los Angeles and UCLA Anderson School of Management.

Rudolph I. Estrada is a former Presidential appointee serving as Commissioner on the White House Commission on Small Business. He also served as the Los Angeles District Director for the U. S. Small Business Administration. Mr. Estrada is President and CEO of Estradagy Business Advisors, a business and banking advisory group and serves as a professor of business and economics with the California State University system. He serves on the boards of several corporate and non-profit organizations.

Julia S. Gouw is Executive Vice President and Chief Financial Officer of East West Bancorp, Inc. and East West Bank. Prior to joining East West, Ms. Gouw spent over five years as a CPA with KPMG LLP. Ms. Gouw was ranked among the top 10 bank CFOs in the nation by U.S. Banker in January 2006. She serves on the Board of Visitors of the UCLA School of Medicine and on the boards of the Iris Cantor-UCLA Women's Health Center and Huntington Memorial Hospital.

Andrew S. Kane, OBE, currently serves as Vice Chairman, West Coast, Galen Capital Corporation. Previously, he was Chief Executive Officer for HSBC Private Bank in Southern California and also a partner with Arthur Andersen. In 1998 he was awarded the Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II. Mr. Kane currently serves on a number of boards, including Greater Los Angeles United Way and UCLA Medical Center Board of Visitors.

John Lee is Vice Chairman of the Board of East West Bancorp, Inc. and East West Bank. Mr. Lee co-founded Standard Bank in 1980 - a \$923