

Edgar Filing: Eight Dragons Co. - Form 10-Q

Eight Dragons Co.  
Form 10-Q  
November 12, 2015  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-Q

(Mark one)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2015

- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-28453

EIGHT DRAGONS COMPANY  
(Exact name of registrant as specified in its charter)

Nevada  
(State of Incorporation)

000-28453  
(Commission File Number)

75-2610236  
(IRS Employer ID Number)

6404 International Parkway  
Suite 1350  
Plano, Texas 75093  
(Address of Principal Executive Offices)(Zip Code)

(214) 420-8367  
(Registrant's Telephone Number, Including Area Code)

4925 Greenville Avenue  
Suite 1400  
Dallas, Texas 75206  
(Former name or former address, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):  
YES  NO

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: November 4, 2015: 362,200.

Transitional Small Business Disclosure Format (check one): YES  NO

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Eight Dragons Company

Form 10-Q for the Quarter ended September 30, 2015

Table of Contents

	Page
<b>PART I – FINANCIAL INFORMATION</b>	
Item 1. Financial Statements (unaudited)	3
Condensed Balance Sheets as of September 30, 2015 (unaudited) and December 31, 2014	3
Condensed Statements of Operations for the three months and nine months ended September 30, 2015 and 2014 (unaudited)	4
Condensed Statements of Cash Flows for the nine months ended September 30, 2015 and 2014 (unaudited)	5
Notes to Condensed Financial Statements (unaudited)	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosures About Market Risk	16
Item 4. Controls and Procedures	17
<b>PART II – OTHER INFORMATION</b>	
Item 1. Legal Proceedings	17
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	17
Item 3. Defaults Upon Senior Securities	17
Item 4. Mine Safety Disclosures	17
Item 5. Other Information	17
Item 6. Exhibits	17
<b>SIGNATURES</b>	<b>18</b>

## Part I

## Item 1 - Financial Statements

EIGHT DRAGONS COMPANY  
Condensed Balance Sheets

	September 30, 2015 Unaudited	December 31, 2014
<b>ASSETS</b>		
Current Assets		
Cash on hand and in bank	\$ —	\$ 1,004
Total Current Assets	—	1,004
Total Assets	\$ —	\$ 1,004
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Liabilities		
Current Liabilities		
Notes payable to controlling stockholder	\$ 965,480	\$ 909,308
Accrued interest payable to controlling stockholder	713,708	644,237
Accrued expenses	—	—
Total Current Liabilities	1,679,188	1,553,545
Long-Term Liabilities	—	—
Total Liabilities	1,679,188	1,553,545
Commitments and Contingencies		
Shareholders' Deficit		
Preferred stock - \$0.0001 par value. 50,000,000 shares authorized None issued and outstanding		
	—	—
Common stock - \$0.0001 par value. 100,000,000 shares authorized. 362,200 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively		
	36	36
Additional paid-in capital	31,690,302	31,690,302
Accumulated deficit	(33,369,526)	(33,242,879)
Total Shareholders' Deficit	(1,679,188)	(1,552,541)

Total Liabilities and Shareholders' Deficit	\$	—	\$ 1,004
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The accompanying notes are an integral part of these condensed financial statements.

EIGHT DRAGONS COMPANY  
 Condensed Statements of Operations and Comprehensive Loss  
 Three and Nine months ended September 30, 2015 and 2014  
 (unaudited)

Three Months Ended  
 September 30,  
 2015

Revenues

Expenses

General and  
 administrative

expenses 8,054

Loss from  
 operations (8,054)

**President and Chief Operating Officer Compensation**

The Company retained the William Mercer consulting firm to advise as to appropriate compensation for Mr. Spira and other senior upon recommendations in the Mercer study, Mr. Spira and the Company entered into an Employment Agreement, dated September 25, 2014. Mr. Spira is to act as the Company's President and Chief Operating Officer from June 25, 2014, until June 25, 2016, at an annual base salary of \$1,000,000, which may be increased annually at the discretion of the Board of Directors.

**Table of Contents**

Under the Employment Agreement Mr. Spira received the following grants of stock and stock options:

Grant Date	# Class A Common Shares	Stock Grants		Restrictions on Vesting
		Grant Price per share	Vesting Date	
06/22/2001	175,000	\$ 10.36	06/22/2001	None
09/05/2001	43,333	\$ 12.70	06/25/2002	(1)
09/05/2001	21,667	\$ 12.70	06/25/2003	(2)

Grant Date	# of Options on Class A Common Shares	Stock Option Grants			
		Grant Price per share	Vesting Date	Applicable Plan	Exercisable Until
09/05/2001	164,712	\$ 13.01	03/06/2002	1992	9/5/2011
09/05/2001	51,449	\$ 13.01	03/06/2002	1996	9/5/2011
09/05/2001	51,113	\$ 13.01	06/26/2002	1996	9/5/2011
09/05/2001	2,375	\$ 12.70	06/26/2002	1997	9/5/2011
09/05/2001	25,557	\$ 13.01	06/26/2003	1996	*(3)
09/05/2001	1,188	\$ 12.70	06/26/2003	1997	*(3)

- (1) Company must achieve restructure savings goal in annual plan, earn \$1.14 per share, excluding special charges, and Board annual incentive.
- (2) Company must attain annual incentive goals and Board must declare an annual incentive.
- (3) September 5, 2011, or if Company does not achieve FY 2002 annual incentive goals, six months plus one day following last determined FY 2003 goals were not met or date of Mr. Spira's termination.

Any options that have not vested shall become immediately vested upon Mr. Spira's death or permanent and total disability or his termination cause or a change in control of the Company.

Mr. Spira is not eligible to receive any other compensation, incentives or benefits, including incentives under the Annual Incentive Supplemental Executive Retirement Plan benefits. Apportion of the compensation paid to Mr. Spira in excess of \$1,000,000 was not permitted and, therefore, under I.R.C. Section 162(m) was not deductible by the Company.

**Impact of Section 162 of the Internal Revenue Code**

The Revenue Reconciliation Act of 1993 amended I.R.C. Section 162 to eliminate the deductibility of certain compensation over \$1,000,000 for the Chief Executive Officer and other Named Executive Officers. In 2000, the Company's shareholders reapproved compensation plans that were approved in 1994 for the Company's Chairman and Chief Executive Officer and President and Chief Operating Officer that allow the Company to pay for tax purposes amounts in excess of \$1,000,000 that are performance-based and that are payable to each individual under these compensation plans.

**Summary**

The Committee will continue to review the Company's executive compensation programs to assure that such programs are consistent with the goal of increasing shareholder value.

Scott S. Cowen (Chairman)  
 Stephen R. Hardis  
 Harriet Mouchly-Weiss  
 Charles A. Ratner

**Table of Contents**

**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

This report provides information concerning the Audit Committee of the Board of Directors and fees paid to Ernst & Young LLP, the independent auditors.

The Audit Committee is comprised entirely of independent directors, as required by Sections 303.01(B) and 303.01(B)(3) of the New York Stock Exchange listing standards.

The Audit Committee oversees and monitors the Company's financial reporting process and has reviewed and discussed with the Company's management the audited financial statements for the year ended February 28, 2002; discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61 (as amended by Statement on Auditing Standards No. 90); reviewed the written letter from Ernst & Young LLP required by Independence Standards Board Standard No. 1; and discussed with Ernst & Young LLP its

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the year ended February 28, 2002, be included in the Company's 2002 Annual Report on Form 10-K for filing with the SEC.

**Audit and Non-Audit Fees**

**Audit Fees**

The aggregate fees incurred for professional services rendered for the audit of the Company's annual financial statements for the fiscal year ended February 28, 2002, were \$759,591.

**Financial Information Systems Design and Implementation Fees**

No aggregate fees were incurred for financial information systems design and implementation services (as defined by Rule 2-01(c) of Regulation S-X promulgated by the SEC) rendered to the Company by Ernst & Young LLP for the fiscal year ended February 28, 2002.

**All Other Fees**

The aggregate fees incurred for services rendered to the Company by Ernst & Young LLP, other than those services covered in the sections captioned "Audit Fees" and "Financial Information Systems Design and Implementation Fees," for the fiscal year ended February 28, 2002, of which \$811,459 was for audit-related services and \$2,012,060 was for non-audit services. Audit-related services generally include statutory audits, business acquisitions, accounting consultations and SEC registration statements.

In making its determination regarding the independence of Ernst & Young LLP, the Audit Committee considered whether the provisions covered in the sections herein regarding "Financial Information Systems Design and Implementation Fees" and "All Other Fees" were consistent with maintaining such independence.

Stephen R. Hardis, Chairman  
Scott S. Cowen  
Harriet Mouchly-Weiss  
Jerry Sue Thornton

**Shareholder Return Performance Presentation**

The following graph compares the yearly percentage change of the cumulative total shareholder return on the Company's Class A Common Stock against the cumulative total return of the S&P 500 Composite Index and the Peer Group Index for the five fiscal years ended February 28, 2002. The Peer Group Index takes into account companies with the following attributes, among others, that are similar to those of the Company: distribution of nondurable consumer products, sales, market capitalization and customer demographics.



**Table of Contents**

	<u>2/97</u>	<u>2/98</u>	<u>2/99</u>	<u>2/00</u>	<u>2/01</u>	<u>2/02</u>
American Greetings	\$ 100	\$ 150	\$ 79	\$ 62	\$ 48	\$ 51
Peer Group	\$ 100	\$ 137	\$ 119	\$ 87	\$ 108	\$ 130
S & P 500	\$ 100	\$ 135	\$ 162	\$ 181	\$ 166	\$ 150

Shareholder returns assume \$100 was invested in each of the Company's Class A Common Shares, the S&P 500 Composite Index at February 28, 1997, and that all dividends were reinvested.

**\*Companies included in the Peer Group Index:**

Alberto Culver Co	Hasbro Inc	Luxtottica Group SPA ADR	Premark International Inc
Clorox Co	Kellwood Co	Mattel Inc	Russell Corp
Dial Corp	Lancaster Colony Corp	Newell Co	Scotts Co
Enesco Group Inc	Liz Claiborne Inc	Perrigo Co	Stanley Works

The Peer Group Index has changed since last year. Fruit of the Loom, Inc. was in last year's Peer Group Index but has been omitted from this year's Peer Group Index because it filed for Chapter 11. Paragon Trade Brands, Inc. was in last year's Peer Group Index but has been omitted from this year's Peer Group Index because it was acquired by Tyco International Ltd. Sunbeam Corp. and Warnaco Group, Inc. were in last year's Peer Group Index but have been omitted from this year's Peer Group Index because they both filed for Chapter 11.

**Table of Contents****Security Ownership of Management**

At the close of business on February 28, 2002, the non-employee directors, the Named Executive Officers and the directors and officers beneficially owned and had sole voting and dispositive power (except as otherwise indicated) of the Common Shares of the Company as follows in the following table:

Name	Title of Class	Amount & Nature of Beneficial Ownership
<b>Non-Employee Directors</b>		
Scott S. Cowen	Class A Common	34,200 <sup>(2)(6)</sup>
	Class B Common	12,402 <sup>(2)(6)</sup>
Stephen R. Hardis	Class A Common	27,800 <sup>(2)(6)</sup>
	Class B Common	5,667 <sup>(6)</sup>
Jack Kahl	Class A Common	7,000
	Class B Common	3,206
Harriet Mouchly-Weiss	Class A Common	31,400 <sup>(2)</sup>
	Class B Common	1,602
Charles A. Ratner	Class A Common	7,000
	Class B Common	3,206
Harry H. Stone	Class A Common	33,400 <sup>(2)</sup>
	Class B Common	51,404 <sup>(1)(2)</sup>
Jerry Sue Thornton	Class A Common	7,000 <sup>(6)</sup>
	Class B Common	3,206 <sup>(6)</sup>
<b>Executive Officers</b>		
Morry Weiss*	Class A Common	79,300 <sup>(2)(6)</sup>
	Class B Common	1,617,882 <sup>(1)(2)(3)(6)(7)</sup>
James C. Spira*	Class A Common	482,561 <sup>(2)</sup>
	Class B Common	1,501 <sup>(2)</sup>
Jeffrey Weiss	Class A Common	72,434 <sup>(2)</sup>
	Class B Common	72,423 <sup>(2)</sup>
William R. Mason	Class A Common	67,970 <sup>(2)</sup>
	Class B Common	9,000 <sup>(2)</sup>
William S. Meyer	Class A Common	66,500 <sup>(2)</sup>
	Class B Common	34,600 <sup>(2)</sup>
All Directors & Executive Officers as a group (23 including the above)	Class A Common	1,638,752 <sup>(2)(6)</sup>
	Class B Common	2,070,016 <sup>(2)(3)(4)(5)(6)</sup>

\* Also serves as a director of the Company less than 0.01% of class outstanding

(1)

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These shares are subject to a Shareholders Agreement, dated November 19, 1984, which provides that shareholders who are permitted to offer Class B Common Shares to the other signatory shareholders and then to the Company before transferring Class B Common Shares to a group consisting of certain family members, family trusts, charities and the Company. The Shareholders Agreement terminates in 2014, unless extended.

**Table of Contents**

- (2) Includes the following shares for the following individuals who under Rule 13d-3 of the Securities Exchange Act are deemed to be owners of those shares by having the right to acquire ownership thereof within 60 days pursuant to outstanding stock options:

**Non-Employee Directors**

Scott S. Cowen	Class A Common	33,400
	Class B Common	10,800
Stephen R. Hardis	Class A Common	25,800
	Class B Common	
Jack Kahl	Class A Common	7,000
	Class B Common	
Harriet Mouchley-Weiss	Class A Common	31,400
	Class B Common	
Charles A. Ratner	Class A Common	7,000
	Class B Common	
Harry H. Stone	Class A Common	33,400
	Class B Common	10,800
Jerry Sue Thornton	Class A Common	7,000
	Class B Common	

**Executive Officers**

Morry Weiss	Class A Common	79,200
	Class B Common	591,300
James C. Spira	Class A Common	242,561
	Class B Common	
Jeffrey Weiss	Class A Common	72,300
	Class B Common	61,650
William R. Mason	Class A Common	66,500
	Class B Common	9,000
William S. Meyer	Class A Common	66,500
	Class B Common	34,600
All Directors & Executive Officers as a group	Class A Common	1,382,761
	Class B Common	925,123

- (3) Excludes 149,749 Class B Common Shares (3.24%) owned by Morry Weiss's wife and children. Mrs. Weiss and the children are named in the Shareholders' Agreement. Mr. Weiss disclaims beneficial ownership of these shares.
- (4) Includes the following shares, which under Rule 13d-3 of the Securities Exchange Act are deemed to be beneficially owned: 4,000 Class A Common Shares (>0.01%) and 3,711 Class B Common Shares (0.08%) held for the benefit of certain officers as participants in the Stock Fund of the American Greetings Retirement Profit Sharing and Savings Plan. Each officer has voting power with respect to the shares allocated to his or her account, but such officers do not have the dispositive power or right to acquire ownership of those shares.
- (5) Certain of these shares are subject to the Shareholders' Agreement discussed in Note (1) on the previous page.

**Table of Contents**

- (6) Excludes the following shares, which under Rule 13d-3 of the Securities Exchange Act are not deemed to be beneficially owned by the following individuals. Such shares are held for the benefit of these individuals in the Company Stock Fund of the American Greetings Executive Compensation Plan. These individuals have neither voting power with respect to the shares allocated to their accounts, nor do they have any dispositive power or right to acquire ownership of those shares within 60 days:

Morry Weiss	Class A Common	4,784
	Class B Common	23,716
Scott S. Cowen	Class A Common	20
	Class B Common	1,602
Stephen R. Hardis	Class A Common	113
	Class B Common	4,645
Jerry Sue Thornton	Class A Common	41
	Class B Common	3,206
All Directors & Executive Officers as a group	Class A Common	9,298
	Class B Common	36,880

- (7) Excludes 432,859 Class B Common Shares held in trust with respect to which Mr. Weiss disclaims beneficial ownership.

**Table of Contents**

**Security Ownership of Certain Beneficial Owners**

The following table presents certain information regarding shareholders who are known to the Company to be beneficial owners of more than 5% of the Company's voting securities as of the close of business on April 29, 2002:

Name	Title of Class	Amount & Nature of Beneficial Ownership	Percentage of Total Outstanding
Morry Weiss	Class A Common	79,300	0.1%
One American Road Cleveland, Ohio	Class B Common	1,617,882 <sup>(1)(2)(3)(5)(6)</sup>	12.8%
American Greetings Corporation	Class A Common	840,711	6.5%
Retirement Profit Sharing and Savings Plan Vanguard Fiduciary Trust Company 300 Vanguard Blvd Malvern, Pennsylvania	Class B Common	900,000 <sup>(4)</sup>	7.0%
Ariel Capital Management, Inc.  200 East Randolph Chicago, Illinois	Class A Common  Class B Common	 12,675,000	 100%
Brandes Investment Partners, L.P.  12750 Hugh Bluff Dr San Diego, California	Class A Common  Class B Common	 4,750,000	 37.5%
The Irving I. Stone Limited Liability Co. One American Road Cleveland, Ohio	Class A Common  Class B Common	 1,818,182	 14.2%

(1) These shares are subject to a Shareholders' Agreement. See footnote (1) to the table under Security Ownership of Management. Mr. Weiss is a party to the Shareholders' Agreement and a Trustee under Irving I. Stone's irrevocable trust, Morry Weiss's wife, Judith A. Weiss, is a beneficial owner of more than five percent of the Class B Common Shares. Similarly, as parties to the Shareholders' Agreement, Mrs. Stone and each of Mr. Weiss's children (Gary, Jeffrey, Zev and Elie) may be deemed to be a beneficial owner of more than five percent of the Class B Common Shares.

(2) Includes the following shares for the following individual who under Rule 13d-3 of the Securities Exchange Act of 1934 is deemed to be a beneficial owner of those shares by having the right to acquire ownership thereof within 60 days pursuant to outstanding stock options:

Morry Weiss	Class A Common	79,200	0.1%
	Class B Common	591,300	4.6%

(3) See footnote (3) to the table under Security Ownership of Management.

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- (4) The American Greetings Retirement Profit Sharing and Savings Plan currently holds these shares for the benefit of the plan participants who have elected to invest in Company stock. These participants have voting power over the shares allocated to their accounts. The Administrative Committee of the plan has power to vote any shares not voted by the participants. The Administrative Committee has disposed of plan shares. Plan shares are held in custody by the plan trustee, Vanguard Fiduciary Trust Company, Malvern, PA.
- (5) Excludes the following shares, which under Rule 13d-3 of the Securities and Exchange Act are not deemed to be beneficially owned by the following individuals. Such shares are held for the benefit of these individuals in the Company Stock Fund of the American Greetings Deferred Compensation Plan. These individuals have neither voting power with respect to the shares allocated to their accounts nor do they have the dispositive power or the right to acquire ownership of those shares within 60 days:

Morry Weiss	Class A Common	4,784
	Class B Common	23,716

- (6) See footnote (7) to the table under Security Ownership of Management.

18

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**Table of Contents**

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**CAUTIONARY STATEMENT**

Certain statements contained in the President's letter, the Proxy Statement and the Annual Report to Shareholders are forward-looking statements. Various factors could cause actual results to differ materially from these statements, including a weak retail environment, loss of market share, increased competition, introduction of competing products by other firms, retailers' bankruptcies and consolidations, inventory reductions, retail industry sales, competitive terms of sale offered by the Company to customers to expand or maintain business, lack of acceptance of new products by consumer or retailers and interest rate and foreign exchange fluctuations. Other factors, which are not all-inclusive, include: changes in demand for the Company's goods and services; competitive factors in the industries in which the Company competes; the ability to realize anticipated synergies and other cost savings in connection with acquisitions and corporate restructuring; and the timing, impact and success of future acquisitions, as well as economic conditions in the various markets served by the Company's operations. For more information, see the risks discussed in the Company's filings with the SEC.

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**Shareholder Proposals**

Shareholders may submit proposals on matters appropriate for shareholder action, consistent with regulations of the SEC. If a shareholder presents a proposal at next year's Annual Meeting, it must be received by the Secretary of the Company (at One American Road, Cleveland, Ohio) no later than January 19, 2003, in order to be considered timely for inclusion in the Company's Proxy Statement and form of proxy relating to the Annual Meeting.

**Auditors**

The firm of Ernst & Young LLP and its predecessors have been the independent auditors of the Company since its incorporation in 1997. The Company contemplates no change. Representatives of Ernst & Young LLP will be present at the Annual Meeting and will have the opportunity to make a statement if they want to do so. They will also be available to respond to appropriate questions.

**Other Business**

The management knows of no other matters to be acted upon at the meeting, but if any such matters properly come before the meeting, the persons voting the proxies will vote them according to their best judgment.

By Order of the Board of Directors

JON G. ...

**PLEASE EXECUTE AND RETURN THE  
ENCLOSED PROXY CARD PROMPTLY WHETHER  
OR NOT YOU EXPECT TO ATTEND THE  
ANNUAL MEETING OF SHAREHOLDERS.**



**Table of Contents**

[AMERICAN GREETINGS LOGO]

American Greetings Corporation  
One American Road  
Cleveland, Ohio 44144

[RECYCLED PAPER LOGO]

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**Table of Contents**

**Notice of Annual Meeting**

The Annual Meeting of Shareholders of American Greetings Corporation ( Company ) will be held at the Headquarters, One American Road, Cleveland, Ohio, on Friday, June 28, 2002, at 2:30 P.M. Cleveland time. Your proxy card for voting at the Annual Meeting is enclosed.

We encourage you to read the Annual Report and Proxy Statement and vote your shares. Per your request, Report and Proxy Statement are available over the Internet at **www.votefast.com**.

Your vote is important. We encourage you to vote over the Internet at **www.votefast.com**, by telephone at **1-800-542-1160**, or by returning your proxy card in the envelope provided.

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**Table of Contents**

**Important Notice Regarding Delivery of Shareholder Documents**

The Securities and Exchange Commission recently approved a rule that allows us to send a single set of our Annual Report and Proxy Statement to any household at which two or more shareholders reside if we believe the shareholders are members of the same family. This process is called "householding". This reduces the volume of duplicate information received by each household and helps to reduce our costs. Each shareholder will continue to receive a separate proxy card or voting instruction card. If you wish to have this service, you do not need to do anything. We will household your documents until you notify us otherwise. However, if you would prefer to receive multiple copies, please contact National City Bank at 1-800-440-4400. You may opt-out of householding at any time by contacting National City Bank and your request will be effective immediately.

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**ELECTRONIC ACCESS TO FUTURE DOCUMENTS  
NOW AVAILABLE**

In the future, American Greetings Corporation expects to provide its Annual Reports and Proxy Statements over the Internet. If you give your consent to receive these documents via the Internet, we will advise you when these documents are available on the Internet. Once you give your consent, it will remain in effect until you notify the Corporation that you wish to resume mail delivery of the Annual Reports and Proxy Statements. Even though you give your consent, you will retain the right to request copies of these documents at any time by mail.

To give your consent, follow the prompts when you vote by telephone or over the Internet. If you are voting by proxy card, check the appropriate box located at the bottom of the attached card.

**AMERICAN GREETINGS CORPORATION**

**Proxy Solicited on Behalf of the Board of Directors of  
the Company for the June 28, 2002 Annual Meeting**

The undersigned hereby constitutes and appoints Jim Spira and Morry Weiss and each of them, his or her true and lawful agents and attorneys-in-fact, with full power of substitution in each, to represent the undersigned at the Annual Meeting of Shareholders of American Greetings Corporation to be held at the Company's World Headquarters located at One American Road, Cleveland, Ohio, at 2:30 p.m., Cleveland time, on Friday, June 28, 2002, and any adjournments thereof, on all matters coming before said meeting.

(1) **Election of Directors**, Nominees: (01) Stephen R. Hardis, (02) James C. Spira and (03) Morry Weiss to a three year term expiring at the year 2005 Annual Meeting or until their successors are duly elected and qualified

FOR all nominees (except as marked to the contrary)  WITHHOLD AUTHORITY to vote

**(INSTRUCTION: If you wish to withhold authority to vote for any individual nominee, strike a line through the nominee's name.)**

(2) Transacting such other business as may properly come before the meeting or any adjournments thereof

I consent to access future Annual Reports and Proxy Statements over the Internet rather than to receive copies by mail.

*(Continued, and to be signed by the shareholder)*

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**Table of Contents**

**Vote by Telephone**

Have your proxy card available when you call the **Toll-Free number 1-800-542-1160** using a Touch-Tone phone. You will be prompted for your control number and then you can follow the simple instructions that will be presented to you to record your vote.

**Vote by Internet**

Have your proxy card available when you access the website **www.votefast.com**. You will be prompted to enter your control number and then follow the simple prompts that will be presented to you to record your vote.

**Vote by Mail**

Please mark, sign and date your proxy card and return it in the postage-paid envelope provided or return it to: Stock Transfer Dept. (A) Bank, P.O. Box 92301, Cleveland, Ohio 44193-0900.

**Vote by Telephone**  
Call **Toll-Free** using a  
Touch-Tone phone  
1-800-542-1160

**Vote by Internet**  
Access the website and  
cast your vote  
**www.votefast.com**

**Vote by Mail**  
Return your proxy  
in the **Postage-paid**  
envelope provided

Vote 24 hours a day, 7 days a week!

Your telephone vote or Internet vote must be received by 11:59 p.m. eastern daylight time on June 27, 2002 to be counted in the election.

**If you vote by telephone or by Internet, please do not send your proxy by mail.**

**Your Control Number is:**

If voting by mail, Proxy must be signed and dated below.

Please fold and detach card at perforation before mailing

*(Continued from other side)*

**You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE. If you sign and return this card but do not mark any boxes on the other side, the Proxies will cast your vote in accordance with the Board of Directors' recommendations. If you do not return this card, Proxies cannot vote your shares unless you sign and return this card.**

Attend Meeting

Dated \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature if held jointly

NOTE: Please sign exactly as name appears here. If you are a joint owner, each should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full name and address of the person for whom you are signing.