

DIAMOND HILL INVESTMENT GROUP INC  
Form DEFA14A  
May 18, 2009

**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
- 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

**Diamond Hill Investment Group, 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)(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):

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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:

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## **Introductory Note**

Diamond Hill Investment Group, Inc. (the Company) is filing this Schedule 14A to update information provided in its definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission (the SEC) on April 9, 2009 (the Proxy Statement) concerning participants in its solicitation of proxies and a potential nomination by a shareholder.

## **Information Regarding Intention of Shareholder to Nominate Directors at Annual Meeting**

On April 2, 2009, the Company received a letter from a purported shareholder informing it of the shareholder's intention to nominate two director candidates at the Company's 2009 Annual Meeting of Shareholders (the Annual Meeting). The individuals named in the letter were Tim Eriksen and Harry Long. On May 5, 2009, Cedar Creek Partners, LLC, a shareholder of the Company for which Mr. Eriksen has asserted he serves as the Managing Member, filed a preliminary proxy statement with the SEC stating its intention to nominate at the Annual Meeting the individuals listed below to serve as directors of the Company. The biographical information set forth below with respect to Cedar Creek Partners, LLC's candidates was provided in its preliminary proxy statement and the Company neither confirms nor denies the accuracy or completeness of such information.

Tim Eriksen, age 40. He is the President of Eriksen Capital Management, LLC, an investment advisory firm he founded in 2005, and the Managing Member of Cedar Creek Partners, LLC, a private fund. From 2004 to 2005, he was a private investor and also wrote a bimonthly newsletter for Walker's Manual covering unlisted and micro-cap stocks. From 1999 to 2004 he worked for Peter Kiewit Sons. Mr. Eriksen received his B.A. degrees in History and Political Studies from The Master's College in 1991 and his M.B.A from Texas A&M University in 1997.

Doug Beach, age 40. Doug Beach is The Managing Partner of Beach, Freeman, Lim & Cleland. He has been an Advisory Director to Cedar Creek Partners, LLC, a private fund, since 2006. From 1990 to 1995 he worked in the Tax department at BDO Seidman, LLP. From 1995 to 2002, he was a Partner at RBZ, LLP, where he served as Partner-in-charge of the Tax Department. He has a CPA, and is a member of the California Society of Public Accountants. He serves on the Board for Special Olympics Southern California, and is a member of both the finance and audit committees. He has a B.A. from the University of California at Los Angeles.

Steve Kirchmeier, age 40. Steve Kirchmeier is the co-Founder of Everbridge (formerly 3n Global). He has served on the Board of Directors of Everbridge since 2002. He has been an Advisory Director to Cedar Creek Partners, LLC, a private fund, since 2006. He was CEO of Starwest Public Communications from 1998 to 2002. He was Director of Taxation at PMC Global Inc. from 1996 to 1998, and Senior Tax Manager at BDO Seidman, LLP from 1990 to 1996. He received a Masters of Accounting from the University of Southern California in 1991, and a B.A. in Accounting and Management from The Master's College in 1990.

Although the Company has been informed of Cedar Creek Partners, LLC's intention to nominate the above persons, to be candidates they must be nominated at the Annual Meeting. Thus, their candidacy is contingent upon Cedar Creek Partners, LLC attending the meeting and nominating them for election as directors.

## **Certain Information Regarding Participants in the Company's Proxy Solicitation for its Annual Meeting**

### *Company Participants*

The participants, as such term is defined in Schedule 14A, in the Company's proxy solicitation for its Annual Meeting (the Participants) are as follows: David R. Meuse (Director); David P. Lauer (Director); Dr. James G. Mathias (Director); Donald B. Shackelford (Director); Diane D. Reynolds (Director); Lawrence E. Baumgartner (Director); R. H. Dillon (Director, President and Chief Executive Officer); and James F. Laird (Secretary, Treasurer and Chief Financial Officer). Information regarding the Participants, in addition to the information disclosed below, is provided in the Company's Proxy Statement.

The business address of each Participant is 325 John H. McConnell Boulevard, Suite 200, Columbus, Ohio 43215.

Other than Mr. Baumgartner and Mr. Lauer who are retired, the principal employer and business address of such employer for each director is set forth below.

Dr. James G. Mathias  
Tipp City Veterinary Hospital & Wellness Center  
4900 South County Road 25A  
Tipp City, Ohio 45371

Diane D. Reynolds  
Taft Stettinius & Hollister  
21 East State Street 12th Floor  
Columbus, Ohio 43215

David R. Meuse  
Stonehenge Financial Holdings, Inc.  
191 West Nationwide Blvd., Suite 600  
Columbus, Ohio 43215

Donald Shackelford  
Fifth Third Bank  
21 East State Street, Suite 1400  
Columbus, Ohio 43215

*Criminal Convictions of Participants*

No Participant has been convicted within the last ten years in a criminal proceeding (excluding traffic violations and similar misdemeanors).

*Arrangements Between the Company and the Participants*

Mr. Dillon is party to an employment agreement with the Company. As described in more detail in the Proxy Statement, this agreement may require the Company to make certain payments to Mr. Dillon in the event of a change in control of the Company. Further detail regarding the employment agreement is included in the Proxy Statement under the caption Employment Agreement with Mr. Dillon.

Except as may otherwise be described in the Company's Proxy Statement, to the best of the Company's knowledge, neither any Participant nor any associate of any Participant, is a party to any transaction or series of transactions since January 1, 2008 (i) to which the Company or any of its subsidiaries was or is to be a party (ii) in which the amount involved exceeded \$120,000, and (iii) in which any Participant or associate thereof had, or will have, a direct or indirect material interest. Furthermore, except as may otherwise be described in the Proxy Statement, to the best of the Company's knowledge, no Participant or associate thereof has entered into any agreement or understanding with any person respecting any future employment by the Company or any of the Company's affiliates or any future transaction to which the Company or any of its affiliates will be a party.

Except as may otherwise be described in the Proxy Statement, to the best of the Company's knowledge, there are no contracts, arrangements or understandings by any of the Participants or any associate thereof within the past year with any person with respect to the Company's securities, including, but not limited to, joint ventures, loan or option agreements, puts or calls, guarantees against loss or guarantees of profit, or the giving or withholding of proxies. Except as may otherwise be described in the proxy statement, to the best of the Company's knowledge, no Participant nor any associate thereof has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon at the Annual Meeting.

*Participant Transactions in Company Securities*

The following table lists all purchases and sales of the Company's securities consummated by each Participant since April 1, 2007.

<b>Participant</b>	<b>Date</b>	<b>Shares</b>	<b>Purchased/Sold</b>	<b>Transaction Description</b>
David R. Meuse	1/18/2008	428	Purchased	Stock Grant Director Compensation
David R. Meuse	12/30/2008	(5,000)	Sold	Charitable Gift
David R. Meuse	2/23/2009	807	Purchased	Stock Grant Director Compensation
David R. Meuse	3/4/2009	1,000	Purchased	Open Market Purchase
David P. Lauer	1/18/2008	428	Purchased	Stock Grant Director Compensation

<b>Participant</b>	<b>Date</b>	<b>Shares</b>	<b>Purchased/Sold</b>	<b>Transaction Description</b>	
David P. Lauer	2/23/2009	807	Purchased	Stock Grant	Director Compensation
Dr. James G. Mathias	1/18/2008	428	Purchased	Stock Grant	Director Compensation
Dr. James G. Mathias	2/23/2009	807	Purchased	Stock Grant	Director Compensation
Donald B. Shackelford	1/18/2008	428	Purchased	Stock Grant	Director Compensation
Donald B. Shackelford	2/23/2009	807	Purchased	Stock Grant	Director Compensation
Diane D. Reynolds	1/18/2008	428	Purchased	Stock Grant	Director Compensation
Diane D. Reynolds	2/23/2009	807	Purchased	Stock Grant	Director Compensation
Lawrence E. Baumgartner	5/22/2008	189	Purchased	Stock Grant	Director Compensation
Lawrence E. Baumgartner	2/23/2009	807	Purchased	Stock Grant	Director Compensation
R. H. Dillon	4/12/2007	23	Purchased	Company Match	401k Plan
R. H. Dillon	5/11/2007	24	Purchased	Company Match	401k Plan
R. H. Dillon	6/12/2007	24	Purchased	Company Match	401k Plan
R. H. Dillon	7/12/2007	26	Purchased	Company Match	401k Plan
R. H. Dillon	8/10/2007	31	Purchased	Company Match	401k Plan
R. H. Dillon	9/12/2007	28	Purchased	Company Match	401k Plan
R. H. Dillon	10/12/2007	26	Purchased	Company Match	401k Plan
R. H. Dillon	11/9/2007	28	Purchased	Company Match	401k Plan
R. H. Dillon	12/12/2007	31	Purchased	Company Match	401k Plan
R. H. Dillon	1/2/2008	3,500	Purchased	Exercise of Stock Option	
R. H. Dillon	1/11/2008	30	Purchased	Company Match	401k Plan
R. H. Dillon	1/18/2008	25,000	Purchased	Stock Grant	Employee Compensation
R. H. Dillon	2/12/2008	31	Purchased	Company Match	401k Plan
R. H. Dillon	2/23/2009	15,809	Purchased	Stock Grant	Employee Compensation
R. H. Dillon	3/12/2008	30	Purchased	Company Match	401k Plan
R. H. Dillon	4/11/2008	30	Purchased	Company Match	401k Plan
R. H. Dillon	5/12/2008	25	Purchased	Company Match	401k Plan
R. H. Dillon	6/12/2008	26	Purchased	Company Match	401k Plan
R. H. Dillon	7/11/2008	29	Purchased	Company Match	401k Plan
R. H. Dillon	8/12/2008	25	Purchased	Company Match	401k Plan
R. H. Dillon	9/12/2008	24	Purchased	Company Match	401k Plan
R. H. Dillon	10/10/2008	33	Purchased	Company Match	401k Plan
R. H. Dillon	11/12/2008	46	Purchased	Company Match	401k Plan
R. H. Dillon	12/12/2008	37	Purchased	Company Match	401k Plan
R. H. Dillon	1/12/2009	42	Purchased	Company Match	401k Plan
R. H. Dillon	2/12/2009	55	Purchased	Company Match	401k Plan
R. H. Dillon	3/12/2009	68	Purchased	Company Match	401k Plan
R. H. Dillon	4/9/2009	55	Purchased	Company Match	401k Plan
R. H. Dillon	5/12/2009	61	Purchased	Company Match	401k Plan

<b>Participant</b>	<b>Date</b>	<b>Shares</b>	<b>Purchased/Sold</b>	<b>Transaction Description</b>
James F. Laird	4/4/2007	(4,400)	Sold	Open Market Sale
James F. Laird	4/5/2007	(2,500)	Sold	Open Market Sale
James F. Laird	4/9/2007	(1,546)	Sold	Open Market Sale
James F. Laird	4/10/2007	(1,554)	Sold	Open Market Sale
James F. Laird	4/12/2007	18	Purchased	Company Match 401k Plan
James F. Laird	5/11/2007	19	Purchased	Company Match 401k Plan
James F. Laird	6/12/2007	19	Purchased	Company Match 401k Plan
James F. Laird	6/19/2007	10,000	Purchased	Exercise of Stock Option
James F. Laird	7/12/2007	21	Purchased	Company Match 401k Plan
James F. Laird	8/9/2007	10,000	Purchased	Exercise of Stock Option
James F. Laird	8/10/2007	25	Purchased	Company Match 401k Plan
James F. Laird	8/29/2007	(63)	Sold	Open Market Sale
James F. Laird	8/30/2007	(1,746)	Sold	Open Market Sale
James F. Laird	8/31/2007	(1,531)	Sold	Open Market Sale
James F. Laird	9/11/2007	(2,310)	Sold	Open Market Sale
James F. Laird	9/12/2007	(1,300)	Sold	Open Market Sale
James F. Laird	9/12/2007	22	Purchased	Company Match 401k Plan
James F. Laird	9/13/2007	(500)	Sold	Open Market Sale
James F. Laird	9/20/2007	(130)	Sold	Open Market Sale
James F. Laird	9/21/2007	(2,370)	Sold	Open Market Sale
James F. Laird	10/12/2007	21	Purchased	Company Match 401k Plan
James F. Laird	11/9/2007	22	Purchased	Company Match 401k Plan
James F. Laird	11/12/2007	5,000	Purchased	Exercise of Stock Option
James F. Laird	11/19/2007	5,000	Purchased	Exercise of Stock Option
James F. Laird	12/12/2007	25	Purchased	Company Match 401k Plan
James F. Laird	1/11/2008	24	Purchased	Company Match 401k Plan
James F. Laird	1/18/2008	5,500	Purchased	Stock Grant Employee Compensation
James F. Laird	2/12/2008	30	Purchased	Company Match 401k Plan
James F. Laird	3/12/2008	26	Purchased	Company Match 401k Plan
James F. Laird	4/11/2008	26	Purchased	Company Match 401k Plan
James F. Laird	5/12/2008	22	Purchased	Company Match 401k Plan
James F. Laird	6/12/2008	22	Purchased	Company Match 401k Plan
James F. Laird	7/11/2008	25	Purchased	Company Match 401k Plan
James F. Laird	8/12/2008	21	Purchased	Company Match 401k Plan
James F. Laird	9/12/2008	21	Purchased	Company Match 401k Plan
James F. Laird	10/1/2008	(805)	Sold	Payment of Option Exercise Price by Delivering Shares
James F. Laird	10/1/2008	2,500	Purchased	Exercise of Stock Option
James F. Laird	10/10/2008	29	Purchased	Company Match 401k Plan
James F. Laird	11/12/08	40	Purchased	Company Match 401k Plan
James F. Laird	12/12/08	32	Purchased	Company Match 401k Plan
James F. Laird	1/12/09	34	Purchased	Company Match 401k Plan
James F. Laird	2/12/09	45	Purchased	Company Match 401k Plan
James F. Laird	2/23/2009	6,140	Purchased	Stock Grant Employee Compensation



<b>Participant</b>	<b>Date</b>	<b>Shares</b>	<b>Purchased/Sold</b>	<b>Transaction Description</b>
James F. Laird	3/12/2009	56	Purchased	Company Match 401k Plan
James F. Laird	4/9/2009	45	Purchased	Company Match 401k Plan
James F. Laird	5/12/2009	50	Purchased	Company Match 401k Plan

To the Company's knowledge, no associate of any Participant engaged in any transaction in the Company's shares since April 1, 2007.

**Certain Information Regarding Company's Proxy Solicitation for its Annual Meeting**

As of May 18, 2009, the Company has incurred approximately \$28,000 in costs and expenditures in furtherance of, or in connection with, its proxy solicitation for its Annual Meeting and expects to ultimately incur total costs and expenditures of approximately \$35,000 in furtherance of, or in connection with, its proxy solicitation for its Annual Meeting. All such expenditures will be borne by the Company. The Company has not retained any persons solely for the purpose of soliciting proxies.