

SECURITIES AND EXCHANGE COMMISSION

**FORM DEF 14A**

Definitive proxy statements

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**FILER**

**FLORIDA EAST COAST INDUSTRIES INC**

CIK: **740796** | IRS No.: **592349968** | State of Incorpor.: **FL** | Fiscal Year End: **1231**  
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SIC: **4011** Railroads, line-haul operating

Business Address  
*1650 PRUDENTIAL DR  
JACKSONVILLE FL 32207  
9043966600*

SCHEDULE 14 A 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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

FLORIDA EAST COAST INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

\$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2)

\$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3)

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

FLORIDA EAST COAST INDUSTRIES, INC.  
1650 Prudential Drive  
Jacksonville, FL 32207

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held May 22, 1996

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of the Stockholders of Florida East Coast Industries, Inc. (Industries) will be held at the Radisson River Walk Hotel at St. Johns Place, 5th Floor, Topsider Room, 1515 Prudential Drive, Jacksonville, Florida, on Wednesday, May 22, 1996, at 10:30 A.M., Eastern Daylight Saving Time, for the following purposes, namely:

1. To elect a Board of nine (9) directors for the ensuing year and until their successors are duly elected and qualified.
2. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Stockholders of record at the close of business on April 5, 1996, are entitled to notice of and to vote at the meeting. The transfer books will not be closed for this meeting.

All Stockholders who find it convenient to do so are cordially invited and urged to attend the meeting in person. The holders of a majority of the outstanding shares entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum.

Industries' Proxy Statement is submitted herewith and contains important information regarding the matters to be acted on at the Annual Meeting. The Annual Report to Stockholders for the year ended December 31, 1995, has either been mailed previously or is enclosed herewith.

By Order of the Board of Directors

T.N. Smith  
Secretary

Dated: Jacksonville, Florida  
April 12, 1996

WHETHER YOU INTEND TO ATTEND THE MEETING OR NOT, PLEASE SIGN AND RETURN THE PROXY ENCLOSED WITH THIS NOTICE AT YOUR EARLIEST CONVENIENCE. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED.

FLORIDA EAST COAST INDUSTRIES, INC.  
1650 Prudential Drive  
Jacksonville, Florida 32207

#### PROXY STATEMENT

This Proxy Statement is being mailed or otherwise furnished to Stockholders on or about April 12, 1996, in connection with the solicitation by the Board of Directors of Florida East Coast Industries, Inc. (Industries), a Florida corporation, of proxies to be voted at the Annual Meeting of Stockholders of Industries to be held on May 22, 1996, and at any adjournment thereof (the Annual Meeting).

The address of Industries is 1650 Prudential Drive, Jacksonville, Florida 32207, and the telephone number is 904/396-6600.

#### MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

At the Annual Meeting, the Stockholders of Industries will elect

directors to serve for the ensuing year.

#### SOLICITATION AND REVOCATION OF PROXIES

The enclosed proxy is being solicited by Order of the Board of Directors of Industries for use in connection with the Annual Meeting of Industries' Stockholders to be held May 22, 1996. The expense of printing and mailing this Proxy Statement will be borne by Industries. In addition to solicitation of proxies by mail, Industries may reimburse brokers and other nominees for the expenses of forwarding proxy materials to the beneficial owners of stock held in their names. Directors, officers, and employees of Industries may solicit proxies on behalf of the Board of Directors personally, by mail, by telephone, or by telegraph, but it is estimated that the expense of any such solicitation will be nominal, and that no compensation will be paid specifically for such solicitation.

A proxy may be revoked by a Stockholder at any time prior to its being voted by written notice to the Secretary of Industries or by attendance and voting in person at the Annual Meeting by ballot. If a proxy is properly signed and is not revoked by the Stockholder, the shares it represents will be voted at the meeting in accordance with the instructions of the Stockholder. If no instructions are given, proxies will be voted in favor of the election of the nominees as directors.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors of Industries has designated April 5, 1996, as the record date for the determination of Stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. As of that date, Industries had 9,360,000 shares authorized, 9,271,361 shares issued, and 9,051,987 shares outstanding of Common Stock, which is its only voting security. Of the 9,271,361 shares issued and outstanding, 219,374 represent treasury shares. The outstanding, excluding treasury shares, were held by approximately 817 Stockholders on March 1, 1996.

The following table sets forth information as of March 1, 1996, with respect to persons known to Industries to be the beneficial owners of more than 5% of its outstanding Common Stock:

Names and Addresses -----	Nature of Beneficial Ownership -----	No. of Shares -----	Percent of Class (1) -----
Nemours Foundation (2) P.O. Box 1380 Jacksonville, FL 32201	Sole Voting & Dispositive Power	450,224	5.0%
St. Joe Industries, Inc. (3) P.O. Box 1380 Jacksonville, FL 32201	Sole Voting & Dispositive Power	4,902,304 (4)	54.5%

Heine Securities Corp. (5)  
51 J.F.K. Parkway  
Short Hills, NJ 07078

Sole Voting &  
Dispositive  
Power 911,300 10.1%

- 
- (1) All percentages shown are rounded to the nearest one-tenth of one percent.
  - (2) As of March 1, 1996, the following persons were directors of the Nemours Foundation: Jacob C. Belin, Alfred duPont Dent, H.H. Peyton, J.F. Porter, W.T. Thompson, Winfred L. Thornton, and corporate director, NationsBank of Florida, represented by J.S. Lord. In such capacities, these directors collectively share voting and dispositive power with respect to Industries' Common Stock owned by the Nemours Foundation and, as such, may be deemed to be beneficial owners of that stock.
  - (3) As of March 1, 1996, the following persons were directors of St. Joe Industries, Inc.: Jacob C. Belin, E.C. Brownlie, R.E. Nedley, Winfred L. Thornton, and C.F. Zellers, Jr. In such capacities, all directors collectively share dispositive and voting power with respect to Industries' Common Stock owned by St. Joe Industries, Inc. All directors may be deemed to be beneficial owners of Industries' Common Stock owned by St. Joe Industries, Inc.
  - (4) By virtue of its ownership of approximately 54.5% of the outstanding Industries' Common Stock, St. Joe Industries, Inc., may be deemed to be not only an "affiliate" but also a "parent" of Industries.
  - (5) Mr. Michael F. Price is President of Heine Securities Corporation ("HSC"), in which capacity he exercises voting control and dispositive power over these securities. Mr. Price, therefore, may be deemed to have indirect beneficial ownership over such securities. Mr. Price advises he has no interest in dividends or proceeds from the sale of such securities, owns no such securities for his own account, and disclaims beneficial ownership of all the securities reported herein by HSC.

#### GENERAL INFORMATION FOR STOCKHOLDERS

Proxy Statement Proposals. Each year the Board of Directors submits to the Stockholders at the Annual Meeting its nominations for election of directors.

Other proposals may be submitted by the Board of Directors or Stockholders for inclusion in the Proxy Statement for action at the Annual Meeting. Any proposal submitted by a Stockholder for inclusion in the 1997 Annual Meeting Proxy Statement must be submitted in writing and must be received by Industries no later than January 3, 1997. Any such proposals, as well as any questions related thereto, should be directed to the Corporate Secretary.

Shares Present at 1995 Meeting - At the 1995 Annual Meeting, 84% of the outstanding shares of Industries' Common Stock were present. Of the total

shares voted at that meeting, 99% were voted for each nominee and 1% was withheld from the vote for each nominee.

### PROPOSAL I - ELECTION OF DIRECTORS

At the Annual Meeting, nine (9) directors of Industries are to be elected to serve until the next annual election and until their successors are duly elected and qualified.

#### Vote Required

Stockholders of Industries are entitled to one vote for each share held by them and have the right to cumulate their votes for the election of directors. Each Stockholder is entitled to as many votes as equals the number of his shares, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for or among any two or more of them, as he may see fit. The directors elected shall be those nine (9) persons who receive the greatest number of votes. Management reserves the right to distribute the votes represented by a proxy among one or more of the nominees named below unless contrary instructions are contained in the proxy.

#### Nominees

Information concerning the nine (9) nominees for election as directors, including their principal occupations or employment, the name and principal business or organizations in which such occupations or employment were carried on, positions with Industries and directorships with other companies filing with or regulated by the Commission is contained in the following materials.

The Board knows of no reason why any nominee for director would be unable to serve as a director. If any nominee should, for any reason, be unable to serve, the shares represented by all valid proxies will be voted for the election of such other person(s) as the Board of Directors may designate, or the Board may reduce the number of directors to eliminate the vacancy.

Name, Director Since, Age	Principal Occupation or Employment for the Past Five Years - Positions with Industries - Other Directorships
-----	-----
Jacob C. Belin Director since 1984 Age 81	Former Chairman of the Board, St. Joe Paper Company. Director, St. Joe Paper Company and St. Joe Industries Inc. Trustee, Alfred I. duPont Trust.
J. Nelson Fairbanks Director since 1989 Age 60	President and Director, U.S. Sugar Corporation.

David M. Foster  
Director since 1995  
Age 61

Attorney, Rogers, Towers, Bailey, Jones & Gay for the last five years. Director, Sun Bank of North Florida, N.A. Director, Gate Petroleum and subsidiaries. Director, Ponte Vedra Polo Club, Inc.

Allen C. Harper  
Director since 1994  
Age 51

Chairman/CEO, Esslinger-Wooten-Maxwell, Inc., Realtors, and President, First Reserve, Inc. (1984-present). Director, Tri-County Railroad Authority (1989-present).

John H. Mercer, Jr.  
Director since 1984  
Age 82

Retired President, John Mercer Terminal Warehouse Company.

R.E. Nedley  
Director since 1995  
Age 57

President, St. Joe Paper Company (1991-present). Vice President, St. Joe Paper Company (1982-1991). Director, St. Joe Paper Company and St. Joe Industries, Inc. (1982-present).

J.J. Parrish, III  
Director since 1993  
Age 42

President, Jesse J. Parrish, Inc. Vice President and Director, Nevins Fruit Company. Director and Treasurer, Parrish Medical Center. Director, Barnett Bank of Central Florida.

W.L. Thornton  
Director since 1984  
Age 67

Chairman of the Board and Chief Executive Officer, Industries. Chairman and President, Industries prior to May 1995. Chairman and Director, St. Joe Paper Company and St. Joe Industries, Inc. Trustee, Alfred I. duPont Trust.

Carl F. Zellers, Jr.  
Director since 1984  
Age 63

President and Chief Operating Officer, Industries. Prior to May 1995, Vice President, Industries. President, Florida East Coast Railway and Gran Central Corporation. Director, St. Joe Paper Company and St. Joe Industries, Inc.

The Board of Directors met four times in 1995. All members of the Board of Directors attended at least 75% of the total number of Board meetings and meetings held by committees on which each served.

In accordance with Industries' By-Laws, the Board of Directors elects from its members the Executive, Audit, and Compensation Committees. The Executive Committee, when the Board of Directors is not in session, has authority to manage the affairs, business, and property of Industries, and is composed of the Chairman (W. L. Thornton), President (C. F. Zellers, Jr.), and J. C. Belin.

The Audit Committee has three (3) members (J. H. Mercer, Jr.,

J. J. Parrish, III, and A. C. Harper) and provides general oversight with respect to the accounting principles employed in financial reporting, the adequacy of Industries' internal accounting controls, and overseeing investment policies and procedures. No member of the Audit Committee may be a member of the Executive Committee or an officer or full-time employee of Industries or any subsidiary or affiliated company. During 1995, the Audit Committee held three meetings.

The Compensation Committee has three (3) members (J. N. Fairbanks, A. C. Harper, and D. M. Foster). The Committee establishes and executes compensation policy and programs for Industries' Executives. For the 1995 compensation and performance review, the Compensation Committee held two meetings.

In 1995, the Board appointed a Special Committee of three (3) members (J. J. Parrish, III, D. M. Foster, and A. C. Harper) and charged the Committee with the responsibility of reviewing certain assets of the Company prior to recommending to the Board their future and best use. The Special Committee, with the approval of the Board, has engaged Goldman, Sachs & Company as its financial advisor and Morris, Nichols, Arsht & Tunnell as its legal counsel. All actions and recommendations of the Special Committee are subject to the approval of the Board of Directors.

Industries has no Nominating Committee.

Non-management directors are entitled to a quarterly retainer fee of \$1,000, a fee of \$650 for each Board meeting attended, and a fee of \$200 for each Audit or Compensation Committee meeting attended. Members of the Special Committee are entitled to a fee of \$850 for each Special Committee meeting and a per diem rate of \$200 for each day or part of a day during which any member devotes more than casual time in conducting Industries' business. Management directors are entitled to a fee of \$450 for each Board meeting attended. Members of the Executive Committee receive no fee for meetings of that committee. In addition to these standard fees, directors are reimbursed for transportation and other reasonable expenses incident to attendance at Board and committee meetings.

#### EXECUTIVE COMPENSATION

The following table sets forth the annual compensation for Industries' Executive Officers whose 1995 total annual compensation exceeded \$100,000, as well as the total compensation paid to those Executives for the past three years. Industries paid no bonuses nor had any stock award or option programs.

#### Summary Compensation Table

Name and Principal Position	Year	Salary(\$)	Other Annual Compensation (\$)	All Other Compensation (\$)
W.L. Thornton	1995	180,000 (a)	8,160 (b)	1,800 (c)



Chairman and CEO	1994	159,550 (a)	5,580 (b)	1,800 (c)
	1993	154,900 (a)	5,790 (b)	1,800 (c)
C.F. Zellers, Jr. President and COO	1995	157,500	3,332 (b)	5,010 (c)
	1994	133,260	3,700 (b)	4,400 (c)
	1993	129,370	1,670 (b)	4,340 (c)

- 
- (a) This amount represents 100% of Mr. Thornton's salary. Under arrangement approved by the Board of Directors of both St. Joe Paper Company and Florida East Coast Industries, Inc., Mr. Thornton's salary and expenses are paid by St. Joe Paper Company, with 20% of salary, fringe benefits, and common expenses being billed to and paid by Industries as compensation for his services as Chairman and CEO of Industries. Any expenses incurred for the exclusive benefit of either Industries or St. Joe Paper Company are borne 100% by the benefiting corporation.
- (b) These amounts include life insurance premiums and the personal use of vehicles owned by Industries.
- (c) These amounts represent Industries' matching contribution to a 401(k) Plan and directors' fees. Mr. Thornton was not a participant in the 401(k) Plan of Industries in 1995.

#### Compensation Committee Report

The Compensation Committee of the Board of Directors (the "Committee") has the responsibility of establishing and administering compensation policies, plans, and programs for the Company and its subsidiaries ("the Company"). The Committee and senior management initiated a comprehensive review of management compensation during 1994 upon approval by the Board and implemented a new program in 1995.

The study included an evaluation of existing compensation policies; a review of compensation plans and practices prevailing at other companies; and an analytical review of the costs and benefits of the proposed programs. The philosophy and programs resulting from the study's analysis are outlined below and were developed through the active involvement of management and the Committee.

#### Executive Compensation Philosophy

The Committee adopted a compensation philosophy for the Company's management to serve as guiding principles for program design and administration. The overriding philosophy is that compensation should be tied directly to the Company's stated business objectives and to the sustained creation of stockholder value. The Committee believes that stockholder interests and the Company's compensation programs should be closely aligned and integrated. Therefore, the performance measures used to determine compensation levels have been demonstrated to be primary, sustainable drivers of stockholder value among other publicly-held companies including

companies having transportation interests.

The Company's performance compensation program consists of two components: (1) Base Salary and (2) Award Opportunity. Each of these components and its respective role in total direct compensation, as well as the basis for determining the compensation of the Chairman and Chief Executive Officer, is described below.

(1) Base Salary

Pursuant to the compensation philosophy of emphasizing risk-oriented pay to encourage superior performance and consistent with the Company's business strategy of controlling fixed costs, annual salary adjustments will be determined by several factors, including: the Company's performance, the individual's contribution to that performance, the individual's future potential, and competitive pay levels.

The 1994 study concluded that base salaries of the Company's senior executives were not reflective of the responsibilities and performance of the incumbents and recommended they be increased an average of approximately 9% in 1995, and an additional 10% in 1996 to more closely reflect competitive pay levels. Pursuant to the philosophy outlined above, the Committee also believes incentives should be provided to encourage superior performance and results, and awards granted those executives contributing to these goals.

In keeping with these recommendations, the senior executives were granted the 1995 increases in base salaries effective January 1, 1995; however, in meeting in late-1995, the Committee suggested that the recommended 1996 changes in base salaries for executives, other than the CEO and the COO not be implemented, but rather that the CEO be authorized to grant a one-time payment to those persons up to the amount of annual increase they otherwise would have received, and recommended the CEO and COO be granted a one-time payment equal to the suspended increase in base salary.

The Board approved these recommendations.

(2) Award Opportunity

In fiscal 1995, seventeen (17) senior executives were eligible to participate in the Company's annual incentive program. Each participant was assigned a Target Award Opportunity equal to the individual's level of responsibility. Target award levels range from 25% to 35% of annual base salary. The CEO and COO target was 35% and the target for the three other most highly-compensated officers was 25%. Actual award levels vary depending upon the degree of achievement relative to specified Company and individual performance objectives and can range in total from 0% to 100% of target levels.

Performance awards under the program are contingent upon both Company and individual performance for the year. Only those individuals who receive a satisfactory or better performance rating in their annual performance reviews are eligible to receive an annual Award Opportunity. The Company's performance

relates directly to operating profit. Specific performance objectives have been set by the Committee in relation to the Company's fiscal budget. For the CEO, COO, and certain other officers, Company performance governs their entire Performance Award amount. For other participants, their individual performance rating determines up to 60% of their award.

As example of the application of actual awards under this performance program, a covered executive earning \$100,000 having an assigned target Company Award Opportunity level of 25% has the opportunity to be awarded an actual award of \$12,500 if the "Threshold" Company objective is met or an actual award of \$25,000 if the "Target" Company objective is met.

No performance award was payable for 1995 since Company performance fell below the "Threshold" level.

#### Non-deductible Compensation

The Senior Management Incentive Plan, if earned, will be fully deductible for federal income tax purposes since it is not possible at this time for any executive officer's compensation to total more than \$1 million.

#### CEO Compensation

The Company's CEO, Mr. W.L. Thornton, is also the CEO of St. Joe Paper Company and is employed under an arrangement approved by each Board which provides that the Company will bear 20% of base salary. Base salary had been the sole basis of compensation for the CEO and other executive officers through 1994.

As discussed in (1) Base Salary, the Committee recommended that the base salary of the CEO be increased in 1995 to a level of \$180,000 and to \$200,000 in 1996, and the Board authorized the \$180,000 salary effective January 1, 1995. Also as discussed above, the Committee recommended and the Board approved a proposal under which the CEO's salary will remain the same in 1996 and a one-time payment of \$20,000 be granted subject to the arrangement with St. Joe Paper Company.

Since Company performance fell below the "Threshold" level necessary to trigger any incentive award, no such award was granted the CEO for 1995 performance. Any performance award granted in the future to the CEO under the incentive plan will be based solely on that portion of base salary paid by the Company under its arrangement with St. Joe Paper Company.

The Committee believes that the philosophy described above will help to ensure that executive officers are rewarded appropriately for their services and the Committee is satisfied that the strategy supports corporate objectives and shareholder interests; however, additional changes can and will be considered if and when deemed appropriate within the context of these objectives and interests.

The Compensation Committee is appointed by the Board of Directors and

is composed entirely independent of non-employee directors having no interlocking relationship as defined by the Securities and Exchange Commission.

J. Nelson Fairbanks, Chairman  
D. M. Foster, Member  
Allen C. Harper, Member

### Stock Performance Graph

The following graph sets forth the cumulative total shareholder return (assuming reinvestment of dividends) to Florida East Coast Industries, Inc.'s shareholders during the five-year period ended December 31, 1995, as well as an overall stock market index (Russell 1000) and FEC Industries' peer group index of ten (10) railroads, consisting of Burlington Northern, Inc., Canadian Pacific, Ltd., Conrail, Inc., CSX Corp., Illinois Central Corp., Kansas City Southern Industries, Inc., Norfolk Southern Corp., Southern Pacific Rail Corp., Union Pacific Corp., and Wisconsin Central Transportation Corp.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN\*  
FLORIDA EAST COAST INDUSTRIES, RUSSELL 1000 INDEX, AND  
VALUE LINE RAILROADS INDEX  
(Performance Results Through 12/31/95)

NAME	1990	1991	1992	1993	1994	1995
Florida East Coast Ind.	\$100.00	\$ 90.16	\$110.13	\$151.26	\$149.86	\$159.14
Russell 1000 Index	\$100.00	\$133.03	\$145.05	\$159.77	\$153.04	\$202.94
Railroads	\$100.00	\$147.99	\$164.32	\$205.96	\$172.11	\$241.98

Assumes \$100 invested at the close of trading 12/90 in FLORIDA EAST COAST INDUSTRIES common stock, Russell 1000 Index, and Railroads.

\*Cumulative total return assumes reinvestment of dividends.

Source: Value Line, Inc.

Factual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein.

### Industries' Employee Benefit Plan

#### Salaried Employees Deferral Plan

On October 19, 1983, Industries adopted a deferred compensation plan (the "Plan"), which became effective January 1, 1984. Pursuant to the Plan, Industries annually matches voluntary contributions made by participants to a trust maintained for participants in an amount equal to \$1,200 for the first \$1,200 contributed by the participants, and \$.25 per \$1 for any amount contributed by a participant in excess of \$1,200. Participants may elect to make their contributions through a written salary reduction agreement with Industries, but the amount, subject to matching contributions, may not exceed

6% of their total before tax compensation per year, as defined in the Plan, and the total amount of contributions by participants to the trust per year may not exceed 10% after tax compensation, as defined in the Plan. Any salaried employee who has completed 90 days of service and is not represented by an organization recognized by Industries for purposes of collective bargaining is eligible to participate, assuming that in any given Plan year such employee has performed at least 1,000 hours of service. Each participant's account under the Plan is invested in either one of four mutual funds or Industries' Common Stock as determined by the participant. In 1995, Industries contributed \$32,900 to the Plan on behalf of the fifteen (15) Executive Officers as a group.

#### Hourly Employee Salary Deferral Plan

On April 1, 1995, Industries adopted a deferred compensation plan (the Plan) for hourly-waged employees. Participants may elect to make contributions through a payroll deduction agreement with Industries, but the amount may not exceed 6% of their total before tax compensation per year, as defined in the Plan, and the total amount of contributions by participants to the trust per year may not exceed 10% after tax compensation, as defined in the Plan. Any hourly or salaried employee who has completed 90 days of service and is represented by an organization recognized by Industries for purposes of collective bargaining or is represented by an individual employee operating agreement is eligible to participate after 1,000 hours of service. Each participant's account under the Plan is invested in either one of four mutual funds or Industries' Common Stock as determined by the participant. The Plan is not subject to matching contributions by the Company.

#### Security Ownership of Management

Shown below is information concerning beneficial ownership of Industries' Common Stock for each director and for all directors and officers as a group as of March 1, 1996. Under rules of the Commission, "beneficial ownership" is deemed to include shares for which the individual, directly or indirectly, has or shares voting and/or dispositive power:

Names	Nature of Beneficial Ownership	No. of Shares	Percent of Class (1)
J.C. Belin	Shared Voting/ Dispositive Power	5,352,528 (2)	59.5%
J.N. Fairbanks			
D.M. Foster			
A.C. Harper			
J.H. Mercer, Jr.	Sole Voting/ Dispositive Power	100	

R.E. Nedley	Shared Voting/ Dispositive Power	4,902,304 (3)	54.5%
J.J. Parrish, III			
W.L. Thornton	Sole Voting/ Dispositive Power	5,850	0.1%
	Shared Voting/ Dispositive Power	5,352,528 (2)	59.5%
C.F. Zellers, Jr.	Sole Voting/ Dispositive Power	2,219	
	Shared Voting/ Dispositive Power	4,902,304 (3)	54.5%
9 directors & officers as a group	Sole Voting/ Dispositive Power	10,168	0.1%
	Shared Voting/ Dispositive Power	5,352,528 (4)	59.5%

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(1) All percentages shown are rounded to the nearest one-tenth of one percent. Where no percentage is shown, the amount of Industries' Common Stock owned by the beneficial owner listed is less than one-half of one-tenth of one percent (4,526 shares) of all outstanding Industries' Common Stock.

(2) Includes 4,902,304 shares or 54.5% of Industries' Common Stock owned by St. Joe Industries, Inc., and 450,224 shares or 5.0% of Industries' Common Stock owned by the Nemours Foundation.

(3) Includes 4,902,304 shares or 54.5% of Industries' Common Stock owned by St. Joe Industries, Inc., of which Messrs. Zellers and Nedley are directors.

(4) Includes the 4,902,304 and 450,224 listed as beneficially owned by Messrs. Belin and Thornton, and the 4,902,304 listed as beneficially owned by Messrs. Zellers and Nedley, however, reports the same number of shares beneficially owned by these persons only once.

#### RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

The firm of KPMG Peat Marwick LLP has been Industries' accountant of record since September 1990, and Industries is expected to select that firm for the audit of the current fiscal year's records. It is expected that a representative of KPMG Peat Marwick LLP will be present at the Annual Meeting to answer Stockholders' questions and will be given an opportunity to make a statement.

#### OTHER MATTERS

The Board of Directors does not know of any other business to be

presented at the Annual Meeting; however, if any other matters come before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote pursuant to the proxies in accordance with their judgment in such matters.

By Order of the Board of Directors

T.N. Smith

Secretary

Dated: April 12, 1996

FLORIDA EAST COAST INDUSTRIES, INC.

THIS PROXY IS SOLICITED BY THE BOARD FOR THE  
MAY 22, 1996, ANNUAL MEETING OF STOCKHOLDERS

The undersigned hereby appoints J.C. Belin, T.N. Smith, and G.P. West and each of them Proxies with power of substitution to vote all shares of stock of Florida East Coast Industries, Inc., which the undersigned is entitled to vote at the Annual Meeting of Stockholders of Florida East Coast Industries, Inc., to be held at the Radisson River Walk Hotel at St. Johns Place, 5th Floor, Topsider Room, 1515 Prudential Drive, Jacksonville, Florida, on Wednesday, May 22, 1996, at 10:30 A.M., Eastern Daylight Saving Time, and at any adjournment or adjournments thereof, with discretionary authority, as provided in the Proxy Statement.

1. THE ELECTION OF DIRECTORS FOR all nominees listed below  
(except as marked to the contrary below) ( )

WITHHOLD AUTHORITY to vote for all  
nominees listed below ( )

(INSTRUCTION: To withhold authority to vote for any individual nominee, print that nominee's name below.)

J. BELIN, N. FAIRBANKS, D. FOSTER, A. HARPER, J. MERCER, JR., R. NEDLEY,  
J. PARRISH, III, W. THORNTON, C. ZELLERS, JR.

- 
2. For the transaction of such other business as may properly come before the meeting.

Please sign exactly as name appears.  
If stock is held in name of joint holders, each should sign. If you are signing as a trustee, executor, etc., please so indicate.

DATED: \_\_\_\_\_, 1996

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SIGNATURE

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SIGNATURE IF HELD JOINTLY

Please mark, sign, date, and mail  
this card promptly in the postage  
prepaid return envelope provided.