MONMOUTH REAL ESTATE INVESTMENT CORP
Form DEF 14A
March 25, 2011

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MONMOUTH REAL ESTATE INVESTMENT CORPORATION

Juniper Business Plaza, 3499 Route 9 North, Suite 3-C

Freehold, New Jersey 07728

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 5, 2011

Notice is hereby given that the Annual Meeting of Shareholders (Annual Meeting) of Monmouth Real Estate Investment Corporation (the Company) will be held Thursday, May 5, 2011, at 4:00 p.m. at the offices of the Company at Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey, for the following purposes:

1.

To elect three Directors, the names of whom are set forth in the accompanying Proxy Statement, each to hold office until the Company s annual meeting of stockholders in 2014 and until his or her successor is duly elected and qualifies;

2.

To consider and vote on a proposal to approve the appointment of PKF LLP as the Company s independent registered public accounting firm for the fiscal year ending September 30, 2011;

3.

To hold an advisory vote on executive compensation;

4.

To hold an advisory vote on whether an advisory vote on executive compensation should be held every one, two or three years; and

5.

To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The books containing the minutes of the last Annual Meeting of Shareholders, and the minutes of all meetings of the Directors since the last Annual Meeting of Shareholders, will be presented at the Annual Meeting for the inspection of the shareholders. Only shareholders of record at the close of business on March 9, 2011 will be entitled to vote at the Annual Meeting and at any adjournments or postponements thereof.

IF YOU ARE UNABLE TO BE PRESENT IN PERSON, SHAREHOLDERS MAY VOTE PRIOR TO THE MEETING USING THE METHODS DETAILED ON PAGE 3 OF THIS PROXY STATEMENT.

BY ORDER OF THE BOARD OF DIRECTORS

EUGENE W. LANDY

March 25, 2011

PRESIDENT AND DIRECTOR

MONMOUTH REAL ESTATE INVESTMENT CORPORATION

Juniper Business Plaza

3499 Route 9 North, Suite 3-C

Freehold, New Jersey 07728

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 5, 2011

SOLICITATION AND REVOCATION OF PROXIES

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Monmouth Real Estate Investment Corporation (the Company) of proxies to be voted at the Annual Meeting of Shareholders of the Company to be held on May 5, 2011, and at any adjournments or postponements thereof, for the purposes listed in the preceding Notice of Annual Meeting of Shareholders (Notice). This Proxy Statement and the accompanying Proxy Card are being distributed on or about March 25, 2011, to shareholders of record on March 9, 2011.

A copy of the Annual Report, including financial statements, was mailed to all shareholders of record on or about February 4, 2011, and is available on the Company s website at www.mreic.com.

INTERNET AVAILABILITY OF PROXY MATERIALS

Under rules adopted by the U.S. Securities and Exchange Commission (SEC), you are able to obtain proxy materials via the Internet, instead of being mailed printed copies of those materials. This will expedite stockholders receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. Please visit the website www.proxyvote.com to view electronic versions of proxy materials and the Company s 2010 Annual Report, and to request electronic delivery of future proxy materials. Have your Proxy Card or notice of internet availability in hand when you access the website and follow the instructions. You will need your 12 digit Control Number which is located on your proxy card or notice of internet availability.

VOTING RIGHTS

Only holders of the Company s $.01 par value common stock (Common Stock) of record as of the close of business on March 9, 2011, are entitled to vote at the Annual Meeting. As of the record date, there were outstanding 34,830,084 shares of Common Stock, each share being entitled to one vote on any matter which may properly come before the Annual Meeting. Said voting right is non-cumulative. The holders of a majority of the outstanding shares of Common Stock shall constitute a quorum. If a quorum is present, a plurality of the votes cast at the Company s Annual Meeting of Stockholders is required to elect a director. Cumulative voting in the election of directors is not permitted. Approval of proposals 2, 3 and 4 require the

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affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting. Abstentions and properly executed broker non-votes are not considered votes cast and will have no effect on the results of the election of directors or on the vote on any of the proposals to be considered at the Annual Meeting.

VOTING METHODS

Shareholders may vote using any of the following methods:

By Telephone or on the Internet

You can vote by calling the toll-free telephone number on your Proxy Card or Notice. Please have your Proxy Card or Notice in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. The website for Internet voting is www.proxyvote.com. Please have your Proxy Card or Notice handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials. Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 p.m. Eastern Daylight Time on May 4, 2011. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, the Company recommends that you follow the voting instructions in the materials you receive. If you vote by telephone or on the Internet, you do not have to return your Proxy Card.

By Mail

If you received your Annual Meeting materials by mail, you may complete, sign and date the Proxy Card or voting instruction card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed Proxy Card but do not indicate your voting preferences, the persons named in the Proxy Card will vote the shares represented by that proxy as recommended by the Board of Directors.

In Person at the Annual Meeting

All shareholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting.

Any shareholder giving the accompanying proxy has the power to revoke it at any time before it is exercised at the Annual Meeting by filing with the Secretary of the Company an instrument revoking it, by delivering a duly executed proxy card bearing a later date, or by appearing at the meeting and voting in person. Shares represented by properly executed proxies will be voted as specified thereon by the shareholder. Unless the shareholder specifies otherwise, such proxies will be voted FOR the proposals set forth in the Notice of Annual Meeting.

The cost of preparing, assembling and distributing this Proxy Statement and form of proxy, and the cost of soliciting the proxies related to the Annual Meeting will be borne by the Company. The Company does not intend to solicit proxies otherwise than by use of the mail, internet and telephone, but certain officers and regular employees of the Company, without additional compensation, may use their personal efforts, by telephone or otherwise, to obtain proxies.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company s articles of incorporation and bylaws provide for a classified board of directors comprised of Class I, II, and III directors. Class II directors are scheduled to be elected at the Annual Meeting to serve until the Company s annual meeting of shareholders in 2014 and until their successors are duly elected and qualify. Three directors, comprising Class II, are to be elected at the Annual Meeting. Due to a vacancy in the Class II directors, the Board of Directors has nominated Mr. Neal Herstik for election as a director to serve as a Class II director until the Company s annual meeting of shareholders in 2014 and until his successor has been elected and shall qualify. Mr. Neal Herstik currently serves as one of the Class I directors. Mr. Herstik has been nominated as a Class II director and he will become a Class II director if he is elected at the Annual Meeting. The three nominees for election as Class II directors are set forth below. In the event any nominee is unable to serve or will not serve as a director before the Annual Meeting, the proxy holders will vote all proxies received by them for any nominee designated by the Company s Board of Directors. In the event that additional persons are nominated for election as Class II directors, the proxy holders intend to vote all proxies received by them for the nominees listed below and against any other nominee. As of the date of this proxy statement, the Company s Board of Directors is not aware of any other individual who may properly be nominated for election as a Class II director at the Annual Meeting or of any nominee who is unable or unwilling to serve as director. The nominees listed below are currently each serving as a director of the Company.

The Company s Board of Directors currently consists of 12 directors, three of whom have terms expiring in 2011. Effective as of the Annual Meeting, it is expected that the number of directors will be reduced to 11, of which three directors will comprise Class II and four directors will comprise each of Classes I and III.

The proxies solicited cannot be voted for a greater number of persons than the nominees named.

INFORMATION REGARDING DIRECTOR NOMINEES

The following information concerning the principal occupation, other affiliations and business experience of each of the three nominees during the last five years has been furnished to the Company by such nominee:

Nominee	Age	Present Position with the Company; Business Experience During Past Five Years; Other Directorships	Director Since
Neal Herstik	52	**Independent Director.** Attorney at Law, Gross, Truss & Herstik, PC (1997 to present). Co-founder and former President, Manalapan-Englishtown Education Foundation, Inc., a non-profit corporation (1995 to 2001). Mr. Herstik s extensive legal experience and experience in the real estate industry are primary among other reasons why Mr. Herstik serves on our Board.	2004
Matthew I. Hirsch	51	**Independent Director**. Attorney at Law (1985 to present); Adjunct Professor of Law, Widener University School of Law (1993 to present). Mr. Hirsch s extensive legal experience and experience in the real estate industry are primary among other reasons why Mr. Hirsch serves on our Board.	2000
Stephen B. Wolgin	57	**Independent Director**. Managing Director of U.S. Real Estate Advisors, Inc. (2000 to present), a real estate advisory services group based in New York. Partner with the Logan Equity Distressed Fund (2007 to present). Director (2007 to present) of UMH Properties, Inc., an affiliated company. Prior affiliations with J.P. Morgan, Odyssey Associates, The Prudential Realty Group, Standard & Poor s Corporation, and Grubb and Ellis. Mr. Wolgin s extensive experience as a real estate and finance consultant and experience in the real estate industry are primary among other reasons why Mr. Wolgin serves on our Board.	2003

At the Annual Meeting, the stockholders of the Company will be requested to elect three Directors, comprising Class II. The affirmative vote of the holders of not less than a majority of the total combined voting power of all classes of stock entitled to vote and present at the Annual Meeting, in person or by proxy, subject to quorum requirements, will be required to elect a Director.

THE COMPANY S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE ELECTION OF THE THREE NOMINEES NAMED ABOVE

INFORMATION CONCERNING CONTINUING DIRECTORS

Class III Directors with Terms Expiring in 2012

Nominee	Age	Present Position with the Company; Business Experience During Past Five Years; Other Directorships	Director Since
Catherine B. Elflein	50	**Independent Director.** Certified Public Accountant. Senior Director Risk Management (2006 to present) at Celgene Corporation; Controller of Captive Insurance Companies (2004 to 2006) and Director Treasury Operations (1998 to 2004) at Calenese Corporation. Ms. Elflein s extensive experience in accounting and finance and risk management are primary among other reasons why Ms. Elflein serves on our Board.	2007
Eugene W. Landy	77	**President and Chief Executive Officer (1968 to present) and Director**. Attorney at Law. Chairman of the Board (1995 to present), President (1969 to 1995) of UMH Properties, Inc., an affiliated company. As our Chairman and Founder, Mr. Landy brings unparalleled experience in real estate investing to our Board.	1968
Michael P. Landy	49	**Chief Operating Officer (2011 to present), Chairman of the Executive Committee (2010 to present) and Director.** Executive Vice President (2009 to 2010), Executive Vice President-Investments (2006 to 2009), and Vice President-Investments (2001 to 2006). Vice President-Investments (2001 to present) of UMH Properties, Inc., an affiliated company. President (1998 to 2001) of Siam Records, LLC. Chief Engineer and Technical Director (1987 to 1998) of GRP Recording Company. Mr. Landy s role as our Chief Operating Officer and extensive experience in real estate investing and operations management are primary among other reasons why Mr. Landy serves on our Board.	2007

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Nominee	Age	Present Position with the Company; Business Experience During Past Five Years; Other Directorships	Director Since
Samuel A. Landy	50	**Director**. Attorney at Law (1985 to present); President (1995 to present), Vice President (1991 to 1995) and Director (1992 to present) of UMH Properties, Inc., an affiliated company. Mr. Landy s extensive experience in real estate investing and REIT leadership are primary among other reasons why Mr. Landy serves on our Board.	1989

Class I Directors with Terms Expiring in 2013

Nominee	Age	Present Position with the Company; Business Experience During Past Five Years; Other Directorships	Director Since
Anna T. Chew	52	**Treasurer and Member of the Executive Committee (2010 to present) and Director.** Chief Financial Officer (1991 to 2010). Certified Public Accountant. Vice President and Chief Financial Officer (1995 to present), Controller (1991 to 1995) and Director (1994 to present) of UMH Properties, Inc., an affiliated company. Ms. Chew s extensive public accounting, finance and real estate industry experience are primary among other reasons why Ms. Chew serves on our Board.	2007
Daniel D. Cronheim	56	**Director**. Attorney at Law (1979 to present). Certified Property Manager (2010). President (2000 to present) of David Cronheim Mortgage Company. Executive Vice President (1997 to present) of Cronheim Management Services, Inc. Executive Vice President (1989 to present) and General Counsel (1983 to present) of David Cronheim Company. Director, Chairman of Compensation Committee and Audit Committee (2000 to present) of Hilltop Community Bank. Mr. Cronheim s extensive experience in real estate management and the mortgage industry are primary among the reasons why Mr. Cronheim serves on our Board of Directors.	1989

Nominee	Age	Present Position with the Company; Business Experience During Past Five Years; Other Directorships	Director Since
Scott L. Robinson	40	**Independent Director.** Managing Partner, Cadence Capital Group, LLC (2008 to present); Director, The REIT Center at New York University (2008 to present); Vice President Citi Markets and Banking (2006 to 2008) at Citigroup; Senior REIT and CMBS analyst at Standard & Poor s, (1998 to 2006). Mr. Robinson s extensive experience in real estate finance and investment are primary among other reasons why Mr. Robinson serves on our Board.	2005
Eugene Rothenberg	78	**Independent Director.** Investor. Retired physician. Director (1977 to present) of UMH Properties, Inc., an affiliated company. Mr. Rothenberg s extensive experience as an investor and in management are primary among other reasons why Mr. Rothenberg serves on our Board.	2007

In addition to the four Class I directors named above, Mr. Neal Herstik currently serves as one of the Class I directors. As noted above, Mr. Herstik has been nominated as a Class II director and will become a Class II director if he is elected at the Annual Meeting. If Mr. Herstik is not elected at the Annual Meeting, he will continue as a Class I director.

Five of the Company s directors are also directors of UMH Properties, Inc. (UMH), a publicly-owned affiliate of the Company which engages in real estate transactions. In addition, the officers and directors of the Company may engage in real estate transactions for their own account, which transactions may also be suitable for the Company. In most respects, the activities of the Company and UMH are not in conflict, but rather complement each other. However, the activities of the officers and directors of the Company on behalf of UMH, or for their own account, may on occasion conflict with those of the Company and deprive the Company of favorable opportunities. It is the opinion of the officers and directors of the Company that there have been no conflicting transactions since the beginning of the last fiscal year.

Committees of the Board of Directors and Meeting Attendance

The Board of Directors had four meetings during the last fiscal year. No Director attended fewer than 75% of the Board of Director meetings and Committee meetings. The Company does not have a policy concerning Directors attendance at the Annual Meeting of Shareholders. Four Directors attended the Company s 2010 Annual Meeting of Shareholders.

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The Company has a standing Audit Committee, Compensation Committee and Nominating Committee of the Board of Directors.

Audit Committee

The Audit Committee s responsibilities include reviewing and overseeing financial reporting, policies and procedures and internal controls, retaining the independent auditor, approving the audit fees, and discussing the independent auditors independence. It also oversees the internal audit function, legal and regulatory compliance and adherence to the Code of Business Conduct and Ethics, establishing procedures for complaints received regarding the Company s accounting, internal accounting controls and auditing matters. In addition, the Audit Committee prepares the Audit Committee Report which is included in the Company s annual proxy statements. The Audit Committee had four meetings during the fiscal year, including an executive session with the independent auditors, in which management did not attend. The Audit Committee operates under the Audit Committee Charter which can be found at the Company s website at www.mreic.com.

The current members of the Company s Audit Committee are Catherine B. Elflein, Matthew I. Hirsch, Scott Robinson, and Stephen B. Wolgin (Chairman). The Board has determined that the members of the Audit Committee are independent as defined by the rules of the SEC and the listing standards of the New York Stock Exchange, and that each of them is able to read and understand fundamental financial statements. The Board has also determined that Stephen B. Wolgin and Catherine B. Elflein are audit committee financial experts within the meaning of the rules of the SEC and are financially sophisticated within the meaning of the rules of the New York Stock Exchange.

Compensation Committee

The Compensation Committee (1) evaluates the President s performance in light of the Company s goals and objectives and determines the President s and other executive officers compensation, which includes base salary and bonus; and (2) administers the Company s 2007 Stock Option and Stock Award Plan (2007 Plan), as amended and restated. The Compensation Committee had one meeting during the last fiscal year. The current members of the Compensation Committee are Matthew I. Hirsch and Stephen B. Wolgin. The Board has determined that the members of the Compensation Committee are independent as defined by the rules of the SEC and the listing standards of the New York Stock Exchange. Our Compensation Committee does not operate under a written charter.

Nominating Committee

The Nominating Committee identifies, considers and recommends candidates to serve as members of the Board and makes recommendations regarding the structure and composition of the Board of Directors and Committees. The Nominating Committee had one meeting during the last fiscal year. The current members of the Nominating Committee are Neal Herstik, Matthew I. Hirsch, and Stephen B. Wolgin. The Board of Directors has determined that each member of

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the Nominating Committee is an independent Director as defined by the rules of the SEC and the listing standards of the New York Stock Exchange. Our Nominating Committee does not operate under a written charter.

The principal function of the Nominating Committee is to review and select candidates for nomination to the Board of Directors. Recommendations with regard to nominees for election to the Board of Directors may be submitted by any stockholder entitled to vote for the election of directors in writing, received by the Secretary of the Corporation at least 90 days but not more than 120 days prior to the first anniversary of the date on which the Company mailed its proxy materials for the prior year's annual meeting of stockholders. Each notice of nomination must set forth (i) the name, age, business address and, if known, residence address of each nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of common stock of the Company which are beneficially owned by each such nominee, and (iv) such other information as required by the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended (Exchange Act).

In connection with the formation of the Nominating Committee, the Company's Board of Directors established certain minimum qualifications for board members, including being at least 21 years old and possessing (1) the ability to read and understand corporate financial statements, (2) relevant business experience and professional skills, (3) high moral character and personal and professional integrity, and (4) the willingness to commit sufficient time to attend to his or her duties and responsibilities as a director of a public corporation. In addition, the Nominating Committee may consider a variety of other qualities and skills, including (i) the ability to exercise independent decision-making, (ii) the absence of conflicts of interest, and (iii) the ability to work effectively with other directors in collectively serving the long-term interests of all shareholders. Nominees must also meet any applicable requirements of SEC regulations, state law, and the Company's articles of incorporation and bylaws.

The Nominating Committee has established a process for identifying and evaluating nominees for director. The Nominating Committee will annually assess the qualifications, expertise, performance and willingness to serve of existing directors. If at this time or at any other time during the year the Board of Directors determines a need to add a new director with specific qualifications or to fill a vacancy on the Board, the Chair of the Nominating Committee will then initiate the search, seeking input from other directors and senior management, considering nominees previously submitted by shareholders, and, if deemed necessary or appropriate, hiring a search firm. An initial slate of candidates satisfying the specific qualifications, if any, and otherwise qualifying for membership on the Board, will then be identified and presented to the Nominating Committee by the Committee Chairman. The Nominating Committee will then prioritize the candidates and determine if the Nominating Committee members, other directors or senior management have relationships with the preferred candidates and can initiate contacts. To the extent feasible, all of the members of the Nominating Committee and the President will interview the prospective candidate(s). Evaluations and recommendations of the interviewers will be submitted to the Nominating Committee for final evaluation. The Nominating Committee will meet to consider such recommendations and to approve the final candidate. The Nominating Committee will evaluate all nominees for director, including nominees recommended by a stockholder, on the same basis.

To date, there are no third parties being compensated for identifying and evaluating candidates.

Independent Director Meeting

The Company s independent directors, as defined under the listing standards of the New York Stock Exchange, have established a policy to meet separately from the other directors in a regularly scheduled executive session at least annually, and at such times as may be deemed appropriate by the Company s independent directors. Any independent director may call an executive session of independent directors at any time. The independent directors had one meeting during the last fiscal year.

Board Leadership Structure and Risk Oversight

The Board believes that the Company and its stockholders are best served at this time by a leadership structure in which a single person serves as Chairman and Chief Executive Officer. Currently, Mr. Eugene Landy serves as Chairman of the Board and Chief Executive Officer. Combining the roles of Chairman and Chief Executive Officer makes clear that the person serving in these roles has primary responsibility for managing the Company s business, under the oversight and review of the Board. Under this structure the Chairman and Chief Executive Officer presides over Board meetings where the Board discusses strategic and business issues. The Board believes that this approach makes sense because the Chief Executive Officer is the individual with primary responsibility for directing the work of other officers and leading implementation of the Company s strategic plans as approved by the Board. The Board has not designated a lead independent director.

The Board reviews the structure of the Board and Company leadership as part of the succession planning process. During 2010, the Board appointed an Executive Committee (the EC) to (1) manage the day to day activities of the Company, (2) assist the President and CEO in the overall management of the Company, and (3) provide for business continuity. The EC operates under a written charter and provides a mechanism for key officers and staff to engage in all facets of the Company. The EC is composed of the Chief Operating Officer (Chairman), Chief Financial Officer, Treasurer, and General Counsel. The EC is subject to the provisions of the Company s bylaws. An EC member may be removed for any reason by the Board. The Board has designated two Directors to interface with the EC. Other Directors may attend meetings by invitation.

The EC has the following duties and responsibilities:

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To manage the day to day business and affairs of the Company which do not require Board action;

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To confer with and assist the President;

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To implement corporate actions after approval by the full Board;

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Review and recommend to the Board investment activities and funding;

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Review strategic plans and the strategic focus of management;

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Review and approve acquisitions, expansions, leasing, and make recommendations in regard thereto for Board approval;

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Engage consultants and advisors at the expense of the Company to assist the EC as it deems necessary in the performance of its functions. The EC shall have the authority to retain and terminate any professionals, consultants and advisors, and to approve all fees and other retention terms;

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To make regular reports to the Board, as appropriate; and

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To review and reassess the adequacy of its charter annually and recommend any proposed changes to the Board for approval.

The Board of Directors oversees the Company s enterprise-wide approach to the major risks facing the Company and oversees the Company s policies for assessing and managing its exposure to risk. The Board periodically reviews these risks and the Company s risk management processes. The Board also considers risk in evaluating the Company s strategy. The Board s responsibilities include reviewing the Company s practices with respect to risk assessment and risk management, and reviewing contingent liabilities and risks that may be material to the Company. The Audit Committee reviews the Company s financial and compliance risks and major legislative and regulatory developments which could materially impact the Company. The Compensation Committee oversees management s assessment of whether the Company s compensation structure, policies and programs create risks that are reasonably likely to have a material adverse effect on the Company.

Shareholder Communications

The Company has established procedures for shareholders to communicate with the Board of Directors on a confidential basis. Shareholders who wish to communicate with the Board or with a particular director may send a letter to the Secretary of the Company at 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728. The mailing envelope must contain a clear notation indicating that the enclosed mailing is a Stockholder-Board Communication or Stockholder-Director Communication . All such letters must identify the author as a stockholder and clearly state whether the intended recipients of the letter are all of the members of the Board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the directors addressed. If a stockholder wishes the communication to be confidential, such shareholder must clearly indicate on the envelope that the communication is Confidential . The Secretary will then forward such communication, unopened, to the intended recipient.

Code of Conduct

The Company has adopted a Code of Business Conduct and Ethics, which applies to all directors, officers, and employees of the Company, including its principal executive officers and principal financial officer. This code is posted on our website at http:www.mreic.com. During 2010, no violations of the Code of Business Conduct and Ethics were reported nor were any waivers granted.

PROPOSAL 2

APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the Company s annual meeting of shareholders, the Company s common shareholders will be asked to consider and vote on a proposal to approve the appointment of PKF LLP (PKF) as the Company s independent registered public accounting firm for the fiscal year ending September 30, 2011. The Company s articles of incorporation and bylaws do not require that its shareholders ratify the appointment of PKF as the Company s independent registered public accounting firm. The Company is asking its common shareholders to ratify this appointment as a matter of good corporate practice. If the Company s common shareholders do not ratify the appointment of PKF, the Company s Audit Committee will reconsider whether or not to retain PKF as the Company s independent registered public accounting firm, but may determine to do so. Even if the appointment of PKF is ratified by the Company s common shareholders, the Audit Committee may change the appointment at any time during the year if it determines that a change would be in the best interest of the Company. The Company expects a representative of PKF to be present at the Annual Meeting either to make a statement or to respond to appropriate questions.

THE COMPANY S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE PROPOSAL TO APPROVE THE APPOINTMENT OF PKF LLP AS THE COMPANY S REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, our shareholders have the opportunity to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers.

Our executive compensation programs are described in detail in this proxy statement in the section titled "Compensation Discussion and Analysis" and the accompanying tables beginning on page 19. These programs are designed to attract and retain talented individuals who possess the skills and expertise necessary to lead the Company. The Company's 2007 Plan, as amended and restated, which is the primary vehicle for providing long-term incentive compensation to our named executive officers, has been previously voted upon and approved by our shareholders.

The Compensation Committee regularly reviews all elements of the compensation paid to our named executive officers. The Committee believes that the Company's present compensation programs, as presented in the Compensation Discussion and Analysis section and the accompanying tables and related narrative disclosure in this proxy statement, promote in the best manner possible our business objectives while aligning the interests of the named executive officers with our shareholders to ensure continued positive financial results. Our results support this conclusion. By adhering to a business plan that has emphasized single tenant industrial properties, secured by long-term net leases, primarily to investment grade tenants, coupled with a

strong balance sheet, the Company has continued to grow and deliver positive results to our shareholders, despite the broad economic downturn of the last several years. The Company remains among the leaders in its REIT sector for total return to shareholders over the last 1, 3 and 5 year periods. The Company is proud of its long-term record of dividends and profitability. The compensation programs for our named executives are a key ingredient in motivating these executives to continue to deliver such results.

The affirmative vote of a majority of the votes cast at the Annual Meeting, in person or by properly executed proxy, subject to quorum requirements, will be required to approve, on an advisory basis, the compensation of our named executive officers. The results of this advisory vote are not binding on the Compensation Committee, the Company or our Board of Directors. Nevertheless, the Board of Directors values input from our shareholders and will consider carefully the results of this vote when making future decisions concerning executive compensation.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION AND THE ACCOMPANYING COMPENSATION TABLES IN THIS PROXY STATEMENT

PROPOSAL 4

ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

As required by Section 14A of the Exchange Act, our shareholders also have the opportunity to vote on the frequency of future shareholder advisory votes on the compensation of our named executive officers, such as Proposal 3 included in this proxy statement. By voting on this Proposal 4, shareholders may recommend whether future advisory votes on executive compensation should be conducted every "one year," "two years" or "three years."

After consideration of this Proposal, the Compensation Committee and the Board of Directors have determined that a vote on the compensation of our named executive officers every three years is the best alternative for the Company. The Board of Directors historically has emphasized long-term strategic planning for the Company and the Compensation Committee has fashioned executive compensation programs that place a greater emphasis on the attainment of long-term growth objectives than on short-term success. An advisory vote every three years is consistent with this long-term growth strategy and also will provide the Company with adequate time to engage shareholders to better understand vote results when considering changes to the Company's executive compensation programs.

The selection of "one year", "two years" or "three years" that receives the greatest number of votes of the total combined voting power of all classes of stock entitled to vote and present at the Annual Meeting, in person or by properly executed proxy, subject to quorum requirements, will indicate the shareholders' preference for the frequency of future votes on the compensation of our

named executive officers and the Board of Directors encourages this input from the shareholders. However, since this vote is not binding on the Board of Directors, the Compensation Committee or the Company, the Board of Directors may decide that it is in the best interest of the Company and the shareholders to hold future advisory votes on the compensation of our named executive officers more or less frequently than as indicated by the shareholder vote on this Proposal 4.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR "THREE YEARS" AS THE FREQUENCY FOR FUTURE NON-BINDING ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists information with respect to the beneficial ownership of the Company s common stock (Shares) as of March 9, 2011 by:

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each person known by the Company to beneficially own more than five percent of the Company s outstanding Shares;

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the Company s directors;

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the Company s executive officers; and

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all of the Company s executive officers and directors as a group.

Unless otherwise indicated, the person or persons named below have sole voting and investment power and that person s address is c/o Monmouth Real Estate Investment Corporation, Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, New Jersey 07728. In determining the number and percentage of Shares beneficially owned by each person, Shares that may be acquired by that person under options exercisable within sixty (60) days of March 9, 2011 are deemed beneficially owned by that person and are deemed outstanding for purposes of determining the total number of outstanding Shares for that person and are not deemed outstanding for that purpose for all other shareholders.

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percentage of Shares Outstanding(2)
Oakland Financial Corporation 34200 Mound Road Sterling Heights, Michigan 48310	2,402,847(3)	6.90%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,241,580(4)	6.44%
Anna T. Chew	388,636(5)	1.11%
Daniel D. Cronheim	79,473	*
Catherine B. Elflein	5,075	*
Neal Herstik	7,527(6)	*
Matthew I. Hirsch	61,102(7)	*
Joshua Kahr	982	*
Eugene W. Landy	1,821,856(8)	5.17%
Samuel A. Landy	321,736(9)	*
Michael P. Landy	313,094(10)	*
Allison Nagelberg	8,587(11)	*
Scott Robinson	7,000(12)	*
Eugene D. Rothenberg	77,325	*
Maureen E. Vecere	139,607(13)	*
Stephen B. Wolgin	30,281(14)	*
Directors and Officers as a group	3,262,281	9.12%

*Less than 1%.

(1)

Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the Company believes that the persons named in the table have sole voting and investment power with respect to all Shares listed.

(2)

Based on the number of Shares outstanding on March 9, 2011, which was 34,830,084.

(3)

Based on amended Schedule 13D as of July 7, 2008, filed with the SEC by Oakland Financial Corporation (Oakland), Liberty Bell Agency, Inc. (Liberty Bell), and Cherokee Insurance Company (Cherokee), as of June 30, 2008, Oakland owns 110,602, Liberty Bell owns 594,813, Cherokee owns 1,574,322, Erie Manufactured Home Properties, LLC (Erie Manufactured Homes), owns 82,542, Apache Ventures, LLC, owns 15,000, and Matthew T. Moroun owns 25,568. This filing with the SEC by Oakland indicates that Oakland shares voting and dispositive power with respect to those Shares with Liberty Bell, Cherokee, Apache Ventures and Erie Manufactured Homes, all of which are wholly-owned subsidiaries of Oakland. Matthew T. Moroun is the Chairman of the board and controlling stockholder of Oakland, Liberty Bell and Cherokee.

(4)

Based on Schedule 13F as of December 31, 2010, filed with the SEC by BlackRock, Inc., as of December 31, 2010, BlackRock, Inc., owns 2,241,580 Shares. This filing with the SEC by BlackRock, Inc. indicates that BlackRock, Inc. has sole voting and dispositive power with respect to those Shares.

(5)

Includes (a) 106,859 Shares owned jointly with Ms. Chew s husband; and (b) 18,677 Shares held for Ms. Chew s benefit in the UMH 401(k) Plan. As a co-trustee of the UMH 401(k) Plan, Ms. Chew has shared voting power over the Shares held by the UMH 401(k) Plan. She, however, disclaims beneficial ownership of all of the Shares held by the UMH 401(k) Plan, except for the 18,677 Shares held by the UMH 401(k) Plan for her benefit. Includes 263,100 Shares issuable upon exercise of stock options. Additionally, the number of shares includes 7,600 shares of restricted stock of which none are currently vested.

(6)

Includes 5,000 Shares issuable upon the exercise of a stock option.

(7)

Includes 61,102 Shares owned jointly with Mr. Hirsch s wife.

(8)

Includes (a) 142,809 Shares owned by Eugene W. Landy s wife; (b) 226,413 Shares held in the Landy & Landy Employees Profit Sharing Plan of which Mr. Landy is a trustee and has shared voting and dispositive power; (c) 187,375 Shares held in the Landy & Landy Employees Pension Plan over which Mr. Landy has shared voting and dispositive power; (d) 13,048 Shares held in Landy Investments Ltd., over which Mr. Landy has shared voting and dispositive power; (e) 111,200 Shares held in the Eugene W. and Gloria Landy Family Foundation, a charitable trust, over which Mr. Landy has shared voting and dispositive power; (f) 18,481 Shares held in Juniper Plaza Associates, over which Mr. Landy has shared voting and dispositive power; and (g) 8,056 Shares held in Windsor Industrial Park Associates, over which Mr. Landy has shared voting and dispositive power. Includes 422,750 Shares issuable upon the exercise of stock options. Excludes 65,000 Shares issuable upon the exercise of a stock option,

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which stock option is not exercisable until January 3, 2012. Additionally, the number of shares includes 17,300 shares of restricted stock of which none are currently vested.

(9)

Includes (a) 20,634 Shares owned by Samuel A. Landy s wife; (b) 86,174 Shares held in custodial accounts for Mr. Landy s minor children under the New Jersey Uniform Transfers to Minors Act with respect to which he disclaims any beneficial interest but he has sole dispositive and voting power; (c) 24,379 Shares in the Samuel Landy Family Limited Partnership; and (d) 42,816 Shares held for Mr. Landy s benefit in the UMH 401(k) Plan. As a co-trustee of the UMH 401(k) Plan, Mr. Landy has shared voting power over the Shares held by the UMH 401(k) Plan. He, however, disclaims beneficial ownership of all of the Shares held by the UMH 401(k) Plan, except for the 42,816 Shares held by the UMH 401(k) Plan for his benefit.

(10)

Includes 6,067 Shares held in Michael P. Landy s 401(k) Plan over which he has sole dispositive power. Includes (a) 14,264 Shares owned by Mr. Landy s wife; and (b) 107,887 Shares held in custodial accounts for Mr. Landy s minor children under the New Jersey Uniform Transfer to Minors Act in which he disclaims any beneficial interest but has power to vote. Includes 119,650 Shares issuable upon the exercise of stock options. Additionally, the number of shares includes 7,600 shares of restricted stock of which none are currently vested.

(11)

Includes 1,153 Shares held in custodial accounts for Ms. Nagelberg s minor children under the New Jersey Uniform Transfer to Minors Act in which she disclaims any beneficial interest but has power to vote. Additionally, the number of shares includes 5,500 shares of restricted stock of which none are currently vested.

(12)

Includes 5,000 Shares issuable upon the exercise of a stock option.

(13)

Includes 3,322 Shares held in custodial accounts for Ms. Vecere s minor children under the New Jersey Uniform Transfer to Minors Act in which she disclaims any beneficial interest but has power to vote. Includes 219 Shares held in Ms. Vecere s 401(k) Plan over which she has sole dispositive power. Includes 128,100 Shares issuable upon the exercise of stock options. Additionally, the number of shares includes 7,600 shares of restricted stock of which none are currently vested.

(14)

Includes 1,538 Shares owned by Mr. Wolgin s wife.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Program

The Compensation Committee (for purposes of this analysis, the Committee) of the Board has been appointed to discharge the Board's responsibilities relating to the compensation of the Company's executive officers. The Committee has the overall responsibility for approving and evaluating the executive officer compensation plans, policies and programs of the Company. The Committee's primary objectives include serving as an independent and objective party to review such compensation plans, policies and programs. Our Compensation Committee does not operate under a written charter.

Throughout this proxy statement, the Company s President and Chief Executive Officer and the other individuals included in the Summary Compensation Table presented below are sometimes referred to in this proxy statement as the named executive officers.

Compensation Philosophy and Objectives

The Compensation Committee believes that a well-designed compensation program should align the goals of the shareholders with the goals of the chief executive officer, and that a significant part of the executive's compensation, over the long term, should be dependent upon the value created for shareholders. In addition, all executives should be held accountable through their compensation for the performance of the Company, and compensation levels should also reflect the executive's individual performance in an effort to encourage increased individual contributions to the Company's performance. The compensation philosophy, as reflected in the Company's employment agreements with its executives, is designed to motivate executives to focus on operating results and create long-term shareholder value by:

establishing a plan that attracts, retains and motivates executives through compensation that is competitive with a peer group of other publicly-traded real estate investment trusts, or REITs;

linking a portion of executives' compensation to the achievement of the Company's business plan by using measurements of the Company's operating results and shareholder return; and

building a pay-for-performance system that encourages and rewards successful initiatives within a team environment.

The Compensation Committee believes that each of the above factors is important when determining compensation levels for named executive officers. The Committee reviews and approves the employment contracts for the President and Chief Executive Officer and other named executive officers, including performance goals and objectives. The Committee annually evaluates performance of the named executive officers in light of those goals and objectives. The Committee considers the Company's performance, relative shareholder return, the total compensation provided to comparable officers at similarly-situated companies, and compensation given to the named executive officers in prior years. The Company uses the annual Compensation Survey published by NAREIT as a guide to setting compensation levels. Participant company data is not presented in a manner that specifically identifies any named individual or company. This survey details compensation by position type with statistical salary and bonus information for each position. The Compensation Committee compares the Company s salary and bonus amounts to the ranges presented for reasonableness. To that end, the Committee believes executive compensation packages provided by the Company to its executive officers should include both base salaries and annual bonus awards that reward corporate and individual performance, as well as give incentives to those executives who meet or exceed established goals.

Role of Executive Officers in Compensation Decisions

The Committee makes all final compensation decisions for the Company's named executive officers. The President annually reviews the performance of the other named executive officers and then presents his conclusions and recommendations to the Committee with respect to base salary adjustments and annual cash bonus and stock option awards. The Committee exercises its own discretion in modifying any recommended adjustments or awards, but does consider the recommendations from the President.

Role of Grants of Stock Options and Restricted Stock in Compensation Analysis

The Committee views the grant of stock options and restricted stock awards as a form of long-term compensation. The Committee believes that the grant of these options promotes the Company's goal of retaining key employees, and aligns the key employee's interests with those of the Company's shareholders from a long-term perspective. The number of options or shares of restricted stock granted to each employee is determined by consideration of various factors including but not limited to the employees title, responsibilities, and years of service.

Role of Employment Agreements in Determining Executive Compensation

Each of the Company's currently employed named executive officers is a party to an employment agreement. These agreements provide for base salaries, bonuses and customary fringe benefits. The key elements of our compensation program for the named executive officers are base salary, bonuses, stock options and perquisites and other benefits. Each of these is addressed separately below. In determining initial compensation, the Compensation Committee considers all elements of a named executive officer s total compensation package in comparison to current market practices and other benefits.

Base Salaries

Base salaries are paid for ongoing performance throughout the year. In order to compete for and retain talented executives who are critical to the Company's long-term success, the Compensation Committee has determined that the base salaries of named executive officers should approximate those of executives of other equity REITs that compete with the Company for employees, investors and business, while also taking into account the named executive officers' performance and tenure and the Company's performance relative to its peer companies within the REIT industry using the NAREIT Compensation Survey described above.

Bonuses

In addition to the provisions for base salaries under the terms of our employment agreements, the President is entitled to receive annual cash bonuses for each calendar year during the term of the agreement, based on the achievement of certain performance goals set by the Compensation Committee. The following are the bonus targets and recommended compensation for the President which the Compensation Committee uses as a guide in determining the bonus, if any:

	Threshold	Target	Outstanding
Growth in market cap	7.5%	12.5%	20%
Bonus	$20,000	$45,000	$90,000
Growth in FFO/share	7.5%	12.5%	20%
Bonus	$20,000	$45,000	$90,000
Growth in dividend/share	5%	10%	15%
Bonus	$30,000	$60,000	$120,000

In May 2015, the FASB issued authoritative guidance on disclosures for entities that calculate net asset value per share for investments. The update aims to remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The update also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Investments that calculate net asset value per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy along with the related required disclosures. This guidance became effective for the RSP Plan beginning January 1, 2016 and will impact disclosures only.

3. Fair Value Measurements

As defined in authoritative guidance related to fair value measurements and disclosure, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy

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gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy defined by the guidance are as follows:

Level 1	Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs include significant unobservable inputs that are used to determine management’s best estimate of fair value from the perspective of market participants.

The asset or liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

It is important to note that the principal market and market participants should be considered from the reporting entity’s perspective, as differences may occur between and among entities with differing activities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

AGL Resources Inc. Common Stock

Shares of the Company’s common stock are valued at the closing price per unit on each business day on the active market in which the securities are traded.

Collective Trust

The collective trust provides participants a stable value investment option that simulates the performance of a guaranteed investment contract and invests primarily in a pool of investments, including contracts that are issued by insurance companies and commercial banks and in contracts that are backed by high quality bonds, bond trusts and bond mutual funds. Depending on the type of underlying investment, fair value is comprised of: i) the expected future cash flows for each contract discounted to present value, ii) the aggregate net asset values of the underlying investments in mutual funds and bond trusts as determined by their quoted market prices and iii) the value of wrap contracts, if any. The fair value of participation units in the collective trust are based on the net asset value of the fund, after adjustments to reflect all funds at fair value, as reported in the audited financial statements of the fund. The fund generally provides for daily redemptions at reported net asset value per share with no advance notification requirements.

Registered Investment Companies

Registered Investment Companies are valued at the net asset value of shares held by the RSP Plan each business day.

The methods described above may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the RSP Plan believes its valuation methods are appropriate and consistent with other market participants, it is possible that different fair value measurements may arise due to the use of different methodologies or assumptions in determining the fair value measurement at the reporting date.

AGL Resources Inc.
Retirement Savings Plus Plan
Notes to Financial Statements

The fair value of the RSP Plan’s investments measured on a recurring basis is categorized in the table below based upon the valuation inputs as of December 31, 2015 and 2014. There were no Level 3 inputs at December 31, 2015 and 2014. There were no transfers between Level 1 and Level 2 during 2015.

	Level 1	Level 2	Total
December 31, 2015			
Registered investment companies	$419,878,685	$—	$419,878,685
AGL Resources Inc. common stock	183,772,254	—	183,772,254
Collective trust	—	62,148,355	62,148,355
Total investments at fair value	$603,650,939	$62,148,355	$665,799,294

	Level 1	Level 2	Total
December 31, 2014			
Registered investment companies	$422,873,648	$—	$422,873,648
AGL Resources Inc. common stock	152,474,113	—	152,474,113
Collective trust	—	60,536,768	60,536,768
Total investments at fair value	$575,347,761	$60,536,768	$635,884,529

4. Plan Termination

Although the Company has not expressed any intent to do so, it has the right under the RSP Plan to discontinue its contributions at any time and to terminate the RSP Plan subject to the provisions of ERISA. In the event of the RSP Plan termination, participants would become 100% vested in their employer contributions and earnings thereon.

5. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated May 29, 2014, that the RSP Plan and related trust are designed in accordance with applicable sections of the IRC. The RSP Plan has been amended since the IRS has made its determination. The RSP Plan administrator and tax counsel believe that the RSP Plan and related trust are designed and are currently being operated in compliance with the applicable requirements of the IRC; and therefore believe the RSP Plan is qualified and the related trust is tax exempt.

U.S. GAAP requires RSP Plan management to evaluate tax positions taken by the RSP Plan and recognize a tax liability (or asset) if the RSP Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The RSP Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Net Transfers In from Related Plan

When the employment status of a participant changes from a position covered by a collective bargaining agreement that participates in the Nicor Gas Thrift Plan ("Thrift Plan") to becoming eligible for the RSP Plan, eligibility for participation shifts from the Thrift Plan to the RSP Plan. When eligibility changes, the account balance of the participant is transferred to the corresponding plan. Amounts transferred from the Thrift Plan to the RSP Plan were $1,775,514 in 2015. Amounts transferred from the RSP Plan to the Thrift Plan were $36,105 in 2015.

7. Related Party Transactions and Party-In-Interest Transactions

ERISA defines a party-in-interest to include fiduciaries or employees of the RSP Plan, any person who provides service to the RSP Plan, and an employee organization whose members are covered by the RSP Plan, a person who owns 50% or more of such an employer or employee association or relative of such persons.

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AGL Resources Inc.
Retirement Savings Plus Plan
Notes to Financial Statements

Notes receivable from participants qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

Fees incurred by the RSP Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the RSP Plan. The Company pays directly any other fees related to the RSP Plan’s operations.

The RSP Plan allows participants to direct investments in the Company’s common stock. At December 31, 2015 and 2014, the RSP Plan held 2,879,991 and 2,797,177 shares, respectively, of the Company’s common stock, with a fair value of $183,772,254 and $152,474,113, respectively. The RSP Plan recorded dividend income of $4,947,952 in 2015 related to the Company’s common stock.

8. Risks and Uncertainties

The RSP Plan invests in various investment securities, including the Company’s common stock. Investment securities, in general, are exposed to various risks such as interest rate, liquidity, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

9. Subsequent Events

The RSP Plan administrator has evaluated subsequent events from the date of the Statements of Net Assets Available for Benefits through June 24, 2016, the date the financial statements were issued. During this period, no material recognizable subsequent events were identified.

10. Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2014:

Net assets available for benefits, per the financial statements	$ 650,234,701
Adjustment from contract value to	1,082,404

fair value for fully benefit-responsive investment contracts	
Net assets available for benefits per the Form 5500	$ 651,317,105

The following is a reconciliation of the net increase before transfers in from related plan per the financial statements to the Form 5500 for the year ended December 31, 2015:

Net increase before transfers in from related plan per the financial statements	$ 29,762,425
Adjustment from contract value to fair value for fully benefit-responsive investment contracts:	
2014	(1,082,404)
Net income per the Form 5500	$ 28,680,021

Supplemental Schedule

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AGL Resources Inc.
Retirement Savings Plus Plan
Schedule H, line 4(i) - Schedule of Assets (Held at end of Year)
As of December 31, 2015 (EIN No. 58-2210952 / Plan Number 003)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost**	(e) Current value
*	AGL Resources Inc	Common Stock		$183,772,254
	Invesco Stable Value Trust	Collective trust		62,148,355
	Money Market Fund	Registered investment company		31,919
	American Euro Pacific	Registered investment company		29,376,168
	Dodge & Cox Income	Registered investment company		32,206,648
	Dodge & Cox International ST	Registered investment company		8,149,205
	Eagle Small Cap Growth FD CL 1	Registered investment company		19,808,941
	Harbor Cap Appreciation Instl Fund	Registered investment company		49,381,688
	Vanguard 2010 Target Retirement	Registered investment company		1,287,249
	Vanguard 2015 Target Retirement	Registered investment company		4,493,765
	Vanguard 2020 Target Retirement	Registered investment company		10,711,078
	Vanguard 2025 Target Retirement	Registered investment company		28,975,732
	Vanguard 2030 Target Retirement	Registered investment company		8,701,994
	Vanguard 2035 Target Retirement	Registered investment company		6,142,294
	Vanguard 2040 Target Retirement	Registered investment company		6,505,768
	Vanguard 2045 Target Retirement	Registered investment company		4,409,439
	Vanguard 2050 Target Retirement	Registered investment company		5,591,032
	Vanguard 2055 Target Retirement	Registered investment company		157,630
	Vanguard 2060 Target Retirement	Registered investment company		129,727
	Vanguard Developed Markets	Registered investment company		9,454,359
	Vanguard Extend Market Index Fund	Registered investment company		28,665,022
	Vanguard Institutional Index Fund	Registered investment company		80,964,663

	Vanguard Target Income Retirement	Registered investment company		1,716,630
	Vanguard Total Bond Market	Registered investment company		14,080,155
	Vanguard/Windsor II Admiral Fund	Registered investment company		45,165,775
	Victory Integrity Small Cap Y	Registered investment company		23,771,804
*	Participant Loans	3.25% to 9.25%	-0-	13,213,254
	Total			$679,012,548

* Denotes party-in-interest investment
** Cost information not required for participant-directed accounts under an individual account plan.

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SIGNATURE

The RSP Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AGL RESOURCES INC.
RETIREMENT SAVINGS PLUS PLAN
(Name of Plan)

Date: June 24, 2016	/s/ Matthew M. Kim
	Matthew M. Kim
	Vice President and Controller;
	Member of the Administrative Committee,
	RSP Plan Administrator

EXHIBIT INDEX

Exhibit Number	Description
23	Consent of BDO USA, LLP

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