Great Wolf Resorts, Inc.
Form DEF 14A
April 05, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under Rule 14a-12

GREAT WOLF RESORTS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 19, 2005

We cordially invite you to attend our annual meeting of shareholders to be held at the Blue Harbor Resort & Conference Center, 725 Blue Harbor Drive, Sheboygan, Wisconsin on Thursday, May 19, 2005 at 10:00 a.m., Central Time. At this meeting, you and our other shareholders will be able to vote on the following:

1. The election of all eight directors to serve on our Board of Directors until our annual meeting of shareholders in 2006, or until their successors have been duly elected and qualified; and

2. Any other business that may properly come before our annual meeting including any adjournments or postponements of our annual meeting.

As part of this Notice of Annual Meeting, we attach a proxy statement containing further information about our annual meeting and the proposal described above.

You may either vote in person or by proxy. Please see the attached proxy statement for more details on how you can vote. Even if you plan to attend our annual meeting, we urge you to complete and return promptly the enclosed proxy card in the enclosed self-addressed envelope for your shares to be represented and voted at our annual meeting in accordance with your instructions. Of course, if you attend our annual meeting, you may withdraw your proxy and vote your shares in person.

Only shareholders of record at the close of business on Wednesday, March 30, 2005 will be entitled to vote at our annual meeting or any adjournment of our annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS:

J. MICHAEL SCHROEDER, Secretary

Madison, Wisconsin
April 14, 2005

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PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 19, 2005
GENERAL INFORMATION

Our Board of Directors is soliciting your proxy for use at our annual meeting of shareholders to be held at the Blue Harbor Resort & Conference Center, 725 Blue Harbor Drive, Sheboygan, Wisconsin, on Thursday, May 19, 2005 at 10:00 a.m., Central Time and at any adjournments of our annual meeting. You are invited to attend our annual meeting and vote your shares directly. However, even if you do not attend, you may vote by proxy, which allows you to instruct another person to vote your shares on your behalf at our annual meeting. For this purpose, we enclose one blank proxy card for your use.

The mailing address of our principal executive offices is 122 West Washington Avenue, Madison, Wisconsin 53703.

This proxy statement and the accompanying proxy card and Notice of Annual Meeting are being mailed to our shareholders on or about April 14, 2005.

Purposes of Our Annual Meeting

The purposes of our annual meeting are: (1) to elect eight directors to serve on our Board; and (2) to transact any other business that may properly come before our annual meeting and any adjournments of our annual meeting. Our Board knows of no matters, other than the election of directors, to be brought before our annual meeting.

This Proxy Solicitation

There are two parts to this proxy solicitation: the proxy card and this proxy statement. The proxy card is the means by which you actually authorize another person to vote your shares in accordance with your instructions. This proxy statement provides you information that you may find useful in deciding how to vote.

Proxies are being solicited by and on behalf of our Board, and the solicitation of proxies is being made primarily by the use of the mails. We will bear the cost of preparing and mailing this proxy statement and the accompanying material and the cost of any supplementary solicitations which may be made by mail, telephone or personally by our officers and employees who will not be additionally compensated for their activities. We have retained Equiserve, Inc. to provide administrative and record-keeping assistance in the solicitation of proxies.

No person is authorized to give any information or to make any representation not contained in this proxy statement and, if given or made, you should not rely on that information or representation as having been authorized by us. This proxy statement does not constitute the solicitation of a proxy, in any jurisdiction, from anyone to whom it is unlawful to make such proxy solicitation in that jurisdiction. The delivery of this proxy statement shall not, under any circumstances, imply that there has been no change in the information set forth since the date of this proxy statement.

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VOTING

Record Date for Our Annual Meeting; Who Can Vote at Our Annual Meeting

Our Board has fixed the close of business on Wednesday, March 30, 2005 as the record date for determining which of our shareholders are entitled to receive notice of, and to vote at, our annual meeting. You will be entitled to notice of, and to vote at, our annual meeting and any adjournments of our annual meeting, only if you were a shareholder of record at the close of business on the record date. At the close of business on our record date of March 30, 2005, we had issued and outstanding 30,262,308 shares of our common stock, which are entitled to vote at our annual meeting. See Required Votes.

How to Vote Your Shares and How to Revoke Your Proxy

How to Vote. You may vote your shares at our annual meeting in person, or if you cannot attend our annual meeting in person or you wish to have your shares voted by proxy even if you do attend our annual meeting, you may vote by duly authorized proxy. To vote in person, you must attend the annual meeting and obtain and submit a ballot, which will be provided at the meeting. To vote by proxy, you must complete and return the enclosed proxy card.

By completing and returning the proxy card and by following the specific instructions on the card, you will direct the designated persons (known as proxies) to vote your shares at our annual meeting in accordance with your instructions. Our Board has appointed John Emery and J. Michael Schroeder to serve as the proxies for our annual meeting.

Your proxy card will be valid only if you sign, date and return it before our annual meeting. If you complete all of the proxy card except the voting instructions, then the designated proxies will vote your shares for the election of the eight nominees for directors. If a nominee for election to our Board is unable to serve which we do not anticipate or if any other matters are properly raised at the annual meeting, then either Messrs. Emery or Schroeder as the designated proxies will vote your shares in accordance with his best judgment.

In voting by proxy card as to the election of directors, you may either (1) vote in favor of one or more of the eight nominees or (2) withhold your votes as to one or more of the nominees. Abstentions will be treated as set forth below. You may not vote for persons other than Messrs. Neviaser, Emery, Blutinger, Churchey, Knetter, Silver and Vaccaro and Ms. Nolan in the election of directors.

Even if you plan to attend our annual meeting, we ask you to vote, sign, date and return the enclosed proxy card as soon as possible. If your shares are held in the name of a broker or other intermediary, you may vote and revoke a previously submitted vote only through, and in accordance with, procedures established by the record holder(s) or their agent(s).

How to Revoke a Proxy. If you have already returned your proxy to us, you may revoke your proxy at any time before it is exercised at our annual meeting by any of the following actions:

- by notifying our Secretary in writing that you would like to revoke your proxy,
- by completing a proxy with a later date and by returning it to us at or before the annual meeting, or
- by attending our annual meeting and voting in person. (Note, however, that your attendance at our annual meeting, by itself, will not revoke a proxy you have already returned to us; you must also vote your shares in-person at our annual meeting to revoke an earlier proxy.)

If you choose either of the first two means to revoke your proxy, you must submit either your notice of revocation or your new proxy card to our mailing address listed on page 1 of this proxy statement.

Required Votes

Voting Rights. You are entitled to one vote for each share of our common stock that you hold. Cumulative voting of our shares is not allowed.

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Quorum Requirements. Under Delaware law and our bylaws, a majority of votes entitled to be cast at the annual meeting, represented in person at the annual meeting or by proxy, will constitute a quorum for the consideration of the election of the nominees for directors and for each matter to properly come before our annual meeting.

Vote Required. The eight nominees receiving the highest number of affirmative votes will be elected as directors. This number is called a plurality.

Abstentions and Broker Non-Votes. No specific provisions of our articles of incorporation or bylaws address the issue of abstentions or broker non-votes. Abstentions will not be counted for or against proposals, but will be counted for the purpose of determining the existence of a quorum.

Under applicable Nasdaq National Market, or Nasdaq, rules (the exchange on which our common stock is traded), brokers holding shares for beneficial owners in nominee or street name must vote those shares according to the specific instructions they receive from the beneficial owners. However, brokers or nominees holding shares for a beneficial owner may not receive voting instructions from the beneficial owner and under Nasdaq s rules do not have discretionary voting power on non-routine matters. In these cases, if no specific voting instructions are provided by the beneficial owner, the broker may not vote on non-routine proposals. This results in what is known as a broker non-vote.

Broker non-votes will not be counted as votes cast for a proposal, but will be counted only for or against the purpose of determining the existence of a quorum.

Because the election of directors is a routine matter for which specific instructions from beneficial owners are not required under Nasdaq s rules, no broker non-votes will arise in the context of voting for the nominees for directors.

If you do not vote your shares, your brokerage firm may either (1) vote your shares on routine matters, including this year s election of directors, or (2) leave your shares unvoted.

To be certain that your shares are voted at our annual meeting, we encourage you to provide instructions to your brokerage firm by voting your proxy.

THE ELECTION OF DIRECTORS

Election of Nominees for Directors

At our annual meeting, our shareholders will vote on the election of eight directors.

Our Nominating and Corporate Governance Committee has recommended to our Board as nominees, and our Board has nominated, Bruce D. Neviaser, John Emery, Elan Blutinger, Randy Churchey, Michael M. Knetter, Alissa N. Nolan, Howard Silver and Marc B. Vaccaro for election to our Board. If elected, all of these individuals will serve as directors for a one-year term that will expire at our annual meeting of shareholders in 2006, or until their successors are duly elected and qualified. You will find below a brief biography of each nominee. See also Ownership of Our Common Stock on page 11 for information on their holdings of our common stock.

Craig A. Stark served as our president and a member of our Board from the date of our initial formation in 2004 through March 31, 2005. On March 9, 2005, Mr. Stark notified us of his resignation as our president and member of the Board of Directors of the Company for personal reasons, effective March 31, 2005. Our Nominating and Corporate Governance Committee has recommended not replacing Mr. Stark s seat on our Board at this time.

If any nominee becomes unavailable or unwilling to serve as a director for any reason, the persons named as proxies in the proxy card are expected to consult with our management in voting the shares represented by them and will vote in favor of any substitute nominee or nominees approved by our Board. Our Board has no reason to doubt the availability of any of the nominees for director. Each of the nominees has expressed his or her willingness to serve as a director if elected by our shareholders at our annual meeting.

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Our Board recommends that you vote FOR the election of each nominee for director.

Nominees for Election as Directors (Terms to Expire 2006)

BRUCE D. NEVIASER, age 49

Mr. Neviaser has served as Chairman of the Board since we commenced operations in May 2004. Mr. Neviaser co-founded our predecessor companies and from 1992 until completion of the initial public offering of our common stock, or IPO, served as the Co-Chairman of The Great Lakes Companies, Inc. and its predecessor companies, where he was involved in selecting development sites, designing deal structures and raising capital. Mr. Neviaser has over 20 years of experience in hotel and commercial real estate management, development and acquisition.

Mr. Neviaser was recently appointed to the Advisory Board of the Weinert Center for Entrepreneurship at the University of Wisconsin-Madison School of Business and is an active community leader.

Committees: None

JOHN EMERY, age 40

Mr. Emery has served as our Chief Executive Officer and director since we commenced operations in May 2004. From January 2004 until completion of the IPO, Mr. Emery served as the Chief Executive Officer of The Great Lakes Companies, Inc. From 1995 to December 2003, Mr. Emery served in a number of management positions at Interstate Hotels & Resorts, Inc., a public company and the nation s largest independent third-party hotel management company, most recently as president and chief operating officer. Additionally, from 1995 to November 2002, Mr. Emery served in a number of management positions at MeriStar Hospitality Corporation, a public company and one of the nation s largest hotel real estate investment trusts, most recently as president and chief operating officer. Mr. Emery is a former member of the boards of directors of Interstate Hotels & Resorts and MeriStar Hospitality. He currently serves on the Pamplin College of Business advisory council at Virginia Tech and is executive director of the Stone Circle Foundation, a private, non-profit organization.

Committees: None

ELAN BLUTINGER, age 49

Mr. Blutinger has been a managing director of Alpine Consolidated, LLC, a merchant banking fund that specializes in consolidating fragmented industries, since 1996. Mr. Blutinger served as a director of Hotels.com (NASDAQ: ROOM) from 2001 until its sale in 2003. Mr. Blutinger was a founder and director of Resortquest International (NYSE: RZT) from 1997 until its sale in 2003, a founder and director of Travel Services International (NASDAQ: TRVL) from 1996 until its sale in 2001, and a director of Online Travel Services (LSE: ONT), a U.K.-based online travel and technology company, from 2000 until its sale in 2004.

Mr. Blutinger is a trustee of the Washington International School in Washington, D.C. Mr. Blutinger has served as one of our independent directors since 2004.

Committees: Nominating and Corporate Governance (Chairman)

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RANDY CHURCHEY, age 43	Mr. Churchey has been a private investor since the sale of RFS Hotel Investors, Inc., a public hotel real estate investment trust, in July 2003. From November 1999 until July 2003, Mr. Churchey served as president and chief operating officer and a director of RFS Hotel Investors, Inc. From 1997 through October 1999, Mr. Churchey was senior vice president and chief financial officer of FelCor Lodging Trust, a public hotel real estate investment trust. For nearly 15 years prior to joining FelCor, Mr. Churchey held various positions in the audit practice of Coopers & Lybrand, LLP, where he most recently served as partner and as chairman of the firm s Hospitality and Real Estate practice for the Southwestern United States. Mr. Churchey is a certified public accountant. Mr. Churchey is a director and chairman of the audit committee of Innkeepers USA Trust, a hotel real estate investment trust, and Education Realty Trust, a student housing real estate investment trust. Mr. Churchey has served as one of our independent directors since 2004.
Committees: Audit (Chairman), Compensation	
MICHAEL M. KNETTER, age 44	Mr. Knetter joined the University of Wisconsin-Madison School of Business as its dean in July 2002. From June 1997 to July 2002, Dean Knetter was associate dean of the MBA program and professor of international economics in the Amos Tuck School of Business at Dartmouth College. Dean Knetter has served as a senior staff economist for the President s Council of Economic Advisors for former presidents George H.W. Bush and William Jefferson Clinton and has been a consultant to the International Monetary Fund. Dean Knetter is a research associate for the National Bureau of Economic Research and a Trustee of Lehman Brothers/ First Trust Income Opportunity Fund and the Lehman Brothers Liquid Assets Trust. Dean Knetter has served as one of our independent directors since 2004.
Committees: Nominating and Corporate Governance, Audit	
ALISSA N. NOLAN, age 41	Ms. Nolan is a long time entertainment/attractions industry analyst and development consultant. Since January 2001, she has served as director of strategic planning and development to The Tussauds Group, a visitor attractions company. Prior to joining Tussauds, Ms. Nolan was a director and principal with Economics Research Associates, a specialist advisor to global attractions and leisure developers and leisure investors, from 1993 to 1999. After leaving Economics Research Associates and prior to joining Tussauds, Ms. Nolan served as a private consultant. Ms. Nolan has served as one of our independent directors since 2004.
Committees: Nominating and Corporate Governance, Compensation	

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HOWARD SILVER, age 50

Mr. Silver is the president and chief executive officer of Equity Inns, Inc., a public self-advised and self-administered hotel real estate investment trust. Mr. Silver joined Equity Inns in May 1994 and has served in various capacities including: executive vice president of finance, secretary, treasurer, chief financial officer and chief operating officer. Mr. Silver has been a certified public accountant since 1980. Mr. Silver is a director of Capital Lease Funding, Inc., a public triple net lease real estate investment trust, and serves on its audit committee as chairman, as well as serving on the nomination & investment committees. Mr. Silver is also on the board of managers of GHII, LLC, a national hotel furniture and equipment provider. Mr. Silver has served as one of our independent directors since 2004.

Committees: Audit, Compensation (Chairman)

MARC B. VACCARO, age 41

Mr. Vaccaro has served as a director since we commenced operations in May 2004. Mr. Vaccaro co-founded our predecessor companies and from 1992 until completion of the IPO, served as the Co-Chairman of The Great Lakes Companies, Inc. and its predecessor companies. Mr. Vaccaro has over 16 years of experience in a wide array of commercial property acquisitions, developments and redevelopments, including hotel, shopping center, office and land projects. Mr. Vaccaro holds a Bachelors of Art degree in Economics from the University of Wisconsin. Mr. Vaccaro sits on several foundation boards, including the Menasha Corporations Foundation and the Theda Clark Smith Foundation.

Committees: None

OUR BOARD OF DIRECTORS

Each director serves a one-year term and is subject to annual re-election. One of our directors, Craig A. Stark, resigned as an executive officer of our company and our Board effective March 31, 2005. As a result, our Board currently consists of eight directors, five of whom are independent as determined by our Board under the rules promulgated by the SEC and Nasdaq listing standards. At our annual meeting, as discussed above, our shareholders will vote on the eight nominees for director.

CORPORATE GOVERNANCE

Independence of Our Board of Directors

Rules promulgated by the SEC and the listing standards of Nasdaq require that a majority of our directors be independent directors. Our Board has adopted as categorical standards Nasdaq independence standards to provide a baseline for determining independence. Under these criteria, our Board has determined that the following members of our Board are independent: Elan Blutinger, Randy Churchey, Michael M. Knetter, Alissa N. Nolan and Howard Silver.

Committees and Meetings of Our Board of Directors

Board Meetings. We operate under the general management of our Board as required by our bylaws and the laws of Delaware, our state of incorporation. We were incorporated on May 10, 2004 in anticipation of the IPO. The IPO closed on December 20, 2004. Prior to the IPO, our Board consisted of Messrs. Neviaser, Emery, Vaccaro and Stark. That initial Board took certain actions related to our organization and the IPO by

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consent. Upon the closing of the IPO, Messrs. Blutinger, Churchey, Knetter and Silver and Ms. Nolan became members of our Board. Our Board did not meet during the period from the IPO through December 31, 2004. Also, we do not have an annual meeting attendance policy for directors.

Executive Sessions of Our Non-Management Directors. Beginning at the February 17, 2005 Board meeting, the non-management directors of our Board began meeting in regularly scheduled executive sessions that exclude members of the management team. At each meeting, the non-management directors determine who presides over the meeting s agenda and related discussion topics. The non-management directors may also choose to appoint a Chairman to preside over these meetings, and the Chairman may also rotate from time to time. Shareholders and other interested persons may contact our non-management directors in writing by mail c/o Great Wolf Resorts, Inc., 122 West Washington Avenue, Madison, Wisconsin 53703, Attn: Non-Management Directors. All such letters will be forwarded to our non-management directors.

Audit Committee. Our Board has established an Audit Committee. Commencing with the closing of the IPO, Messrs. Churchey, Knetter and Silver are members of the Audit Committee, with Mr. Churchey serving as its chairman. Our Board has determined that each of the Audit Committee members is independent, as that term is defined under the enhanced independence standards for audit committee members in the Securities Exchange Act of 1934 and rules thereunder, as amended, and under the listing standards of the Nasdaq. Our Board has also determined that Mr. Churchey is an audit committee financial expert within the meaning of SEC rules. The Audit Committee operates under a written charter (which is attached as Appendix A) adopted by our Board. Among other duties, this committee:

- reviews and discusses with management and our independent public accountants our financial reports, financial statements and other financial information;
- makes decisions concerning the appointment, retention, compensation, evaluation and termination of our independent public accountants;
- reviews with our independent public accountants the scope and results of the audit engagement;
- approves all professional services provided by our independent public accountants;
- reviews the independence, experience, performance and independence of our independent public accountants;
- considers the range of audit and non-audit fees;
- reviews the adequacy of our internal accounting and financial controls; and
- reviews any significant disagreements among the company s management and our independent public accountants in connection with preparation of our company s financial statements.

The Audit Committee did not meet during our 2004 fiscal year, which consisted of the period from the IPO through December 31, 2004. For more information, please see Report of the Audit Committee on page 21.

Compensation Committee. Our Board has also established a Compensation Committee. Commencing with the closing of the IPO, Messrs. Churchey and Silver and Ms. Nolan are members of this committee, with Mr. Silver serving as its chairman. Our Board has determined that each of the Compensation Committee members is independent, as that term is defined by the Nasdaq. The Compensation Committee operates under a written charter adopted by our Board in December 2004. A copy of this charter is available on our web site at www.greatwolfresorts.com. Among other duties, this committee:

- determines our executive officers compensation;
- establishes salaries of and awards of performance-based bonuses to our executive officers; and

determines awards of restricted stock and stock option grants to our officers and employees under our 2004 Incentive Stock Plan.

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The Compensation Committee did not meet during our 2004 fiscal year, which consisted of the period from the IPO through December 31, 2004. For more information, please see Compensation Committee Report on Executive Compensation beginning on page 18.

Nominating and Corporate Governance Committee. Our Board has also established a Nominating and Corporate Governance Committee. Commencing with the closing of the IPO, Messrs. Blutinger and Knetter and Ms. Nolan are members of this committee, with Mr. Blutinger serving as its chairman. Our Board has determined that each of the Nominating and Corporate Governance Committee members is independent, as that term is defined by Nasdaq. The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board in December 2004. A copy of this charter is available on our web site at www.greatwolfresorts.com. Among other duties, this committee:

- identifies, selects, evaluates and recommends to our Board candidates for service on our Board;
- oversees the composition of our Board and its committees and makes recommendations to our Board for appropriate changes;
- advises and makes recommendations to our Board on matters concerning corporate governance; and
- oversees an annual evaluation of our Board.

The Nominating and Corporate Governance Committee did not meet during our 2004 fiscal year, which consisted of the period from the IPO through December 31, 2004.

Other Committees. From time to time, our Board may form other committees as circumstances warrant. Those committees will have such authority and responsibility as delegated to them by our Board and consistent with Delaware law.

Availability of Corporate Governance Materials. Shareholders may view our corporate governance materials, including the charters of our Audit Committee, our Compensation Committee and our Nominating and Corporate Governance Committee, our Corporate Governance Guidelines and our Code of Business Conduct and Ethics, on our Internet website under Corporate Governance at www.greatwolfresorts.com.

Director Nominations

Corporate Governance and Nomination Committee. The Nominating and Corporate Governance Committee performs the functions of a nominating committee. The Nominating and Corporate Governance Committee s Charter describes the Committee s responsibilities, including seeking, screening and recommending director candidates for nomination by our Board.

Director Candidate Recommendations and Nominations by Shareholders. The Nominating and Corporate Governance Committee s charter provides that the committee will consider director candidate recommendations by shareholders. Shareholders should submit any such recommendations for the consideration of our Nominating and Corporate Governance Committee through the method described under Communications With Our Board below. In addition, any shareholder of record entitled to vote for the election of directors at the applicable meeting of shareholders may nominate persons for election to the Board of Directors if such shareholder complies with the notice procedures summarized in Shareholders Proposals for Our 2006 Annual Meeting below.

Process For Identifying and Evaluating Director Candidates. The Nominating and Corporate Governance Committee evaluates all director candidates in accordance with the director qualification standards described in our Corporate Governance Guidelines. The committee evaluates any candidate s qualifications to serve as a member of the Board based on the skills and characteristics of individual Board members as well as the composition of the Board as a whole. In addition, the Nominating and Corporate Governance Committee will evaluate a candidate s independence and diversity, age, skills and experience in the context of the Board s needs.

Communications with Our Board

Our Board has approved unanimously a process for shareholders to send communications to our Board. Shareholders can send communications to our Board and, if applicable, to the Nominating and Corporate Governance

Committee or to specified individual directors in writing c/o Great Wolf Resorts, Inc., 122 West

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Washington Avenue, Madison, Wisconsin 53703. All such letters will be forwarded to our Board, the Nominating and Corporate Governance Committee or any such specified individual directors.

Shareholder Proposals for Our 2006 Proxy Materials or Annual Meeting

To be considered for inclusion in next year s proxy statement, shareholder proposals must be received at our executive offices no later than the close of business on December 15, 2005. Proposals should be addressed c/o Great Wolf Resorts, Inc. 122 West Washington Avenue, Madison, Wisconsin 53703 Attn: General Counsel. We will determine whether we will oppose inclusion of any proposal in our proxy statement and form of proxy on a case-by-case basis in accordance with our judgment and the regulations governing the solicitation of proxies and other relevant regulations of the SEC. We will not consider proposals received after December 15, 2005 for inclusion in our proxy materials.

For any proposal that is not intended to be included in our proxy materials, but is instead sought to be presented directly at our 2006 Annual Meeting, our Amended and Restated Bylaws require that such proposal be received at our executive offices located at the address listed above no later than the close of business on January 19, 2006.

In order for a shareholder to nominate a candidate for Director, timely notice of the nomination must be received by the company in advance of the meeting. Ordinarily, such notice must be received not less than 120 days before the first anniversary of the date of the company s proxy statement in connection with the last annual meeting (that is, December 15, 2005 for the 2006 annual meeting of shareholders).

Contributions to Charitable Entities

During 2004, the company did not make any contributions to charitable entities on which one of our directors or executive officers sits as a board member or serves as an executive officer.

Compensation of Directors

Each of our directors who is not an employee of our company or any of our subsidiaries receives an annual fee of $40,000 for services as a director. Non-employee directors receive $1,000 for each board or committee meeting attended in person and $500 for each meeting of the board or a committee attended telephonically, other than committee meetings that occur on the same day as board meetings. The chair of the audit committee receives an additional annual fee of $10,000, and the chair of each other committee receives an additional annual fee of $5,000. Employees of our company or our subsidiaries do not receive compensation for their services as directors.

Upon the consummation of the IPO, we made grants of stock options to independent directors under our 2004 Incentive Stock Plan, and intend to make future grants under this plan. On the date of the closing of the initial public offering, each independent director received options to purchase 7,500 shares of our common stock at an exercise price equal to the IPO price of $17.00 per share. The compensation committee, in administering the 2004 Incentive Stock Plan, has provided that: (1) each independent director who is initially elected to our board of directors will receive options to purchase 7,500 shares of our common stock on the date of such initial election and (2) independent directors will receive options to purchase 5,000 shares of our common stock on the date of each annual meeting of stockholders at which the independent director is re-elected to our board of directors. The exercise price will be equal to 100% of the fair market value of our common stock on the date of the grant. The options granted to independent directors will be exercisable in three equal annual installments beginning on the first anniversary of the date of the grant of the option, subject to accelerated vesting as described below.

THE EXECUTIVE OFFICERS

Mr. Emery is an executive officer and director and his biographical information is set forth under The Election of Directors. The names, positions, business experience, terms of office and ages of our other executive officers are as follows:

KIMBERLY K. SCHAEFER, age 39	Ms. Schaefer has served as our Chief Operating Officer since March 2005. Prior to that, she served as our Chief Brand Officer since we commenced operations in May 2004. From May 1997 until completion of the IPO, Ms. Schaefer served as Senior Vice President of Operations of The Great Lakes Companies, Inc. and its predecessor companies. At Great Lakes, Ms. Schaefer was involved in site selection and brand development and oversaw all resort operations. Ms. Schaefer has over 15 years of hospitality experience and holds a Bachelor of Science degree in Accounting from Edgewood College in Madison, Wisconsin. Ms. Schaefer is also involved with charitable work and sits on the advisory board for Edgewood College Business School. Ms. Schaefer is a certified public accountant.
JAMES A. CALDER, age 42	Mr. Calder has served as our Chief Financial Officer since we commenced operations in May 2004. From September 1997 to April 2004, Mr. Calder served in a number of management positions with Interstate Hotels & Resorts, Inc., a public company, and its predecessor company, serving most recently as chief financial officer. Additionally, from October 2001 to November 2002, Mr. Calder served as chief accounting officer of MeriStar Hospitality Corporation, a public company. From May 1995 to September 1997, Mr. Calder served as senior vice president and corporate controller of ICF Kaiser International, Inc., a public consulting and engineering company. Prior to that time, from 1984 to May 1995, Mr. Calder worked for Deloitte & Touche LLP in various capacities, serving most recently as senior manager for the real estate industry. Mr. Calder holds a Bachelor of Science degree in Accounting from The Pennsylvania State University. Mr. Calder is a certified public accountant and is president and treasurer of the Thomas W. Hetrick Memorial Scholarship Fund, a private, non-profit organization.
HERNAN R. MARTINEZ, age 52	Mr. Martinez has served as our Executive Vice President of Development since we commenced operations in May 2004. During April 2004, Mr. Martinez served as Executive Vice President of Development of The Great Lakes Companies, Inc. From September 2002 to April 2004, Mr. Martinez was principal for Urbana Partners, a real estate advisory and development company serving international, private and institutional investors. From June 2000 to August 2002, Mr. Martinez served as chief operating officer for American Skiing Company Resort Properties and Executive Vice President of its parent American Skiing Company, a public company. Mr. Martinez holds a Diploma in Architecture from the University of Buenos Aires, Argentina, a Post-Graduate Diploma in Urban Development Planning, Development Planning Unit from the University College, London, U.K. and a Masters of Business Administration from Stanford University.

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J. MICHAEL SCHROEDER, age 37	Mr. Schroeder has served as our General Counsel and Corporate Secretary since we commenced operations in May 2004. From November 1999 until completion of the IPO, Mr. Schroeder served in several senior management positions for The Great Lakes Companies, Inc., most recently as Senior Vice President and General Counsel. From September 1993 to November 1999, Mr. Schroeder was associated with several law firms in New York, New York and Greenwich, Connecticut where he specialized in real estate, real estate finance and corporate law, with a focus on the hospitality industry. Mr. Schroeder holds a Juris Doctor degree from Duke University School of Law and a Bachelor of Science degree in Finance from the University of Colorado.
ALEXANDER P. LOMBARDO, age 36	Mr. Lombardo has served as our Treasurer since August 2004. From August 1998 to August 2004, Mr. Lombardo served in a number of positions with Interstate Hotels & Resorts, Inc., a public company, and its predecessor company, serving most recently as vice president of finance. Additionally, from August 1998 to December 2002, Mr. Lombardo served in a number of positions with MeriStar Hospitality Corporation, a public company, serving most recently as assistant treasurer. From August 1996 to August 1998, Mr. Lombardo served as cash manager of ICF Kaiser International, Inc., a public company. Mr. Lombardo holds a Bachelor of Business Administration degree from James Madison University.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under federal securities laws, our directors, executive officers and any persons beneficially owning more than 10% of a registered class of our equity securities are required to report their ownership and any changes in that ownership to the SEC and to Nasdaq. These persons are also required by SEC rules and regulations to furnish us with copies of these reports. Precise due dates for these reports have been established, and we are required to report in this proxy statement any failure to timely file these reports by those due dates by our directors and executive officers during 2004.

Based solely upon our review of the reports and amendments to those reports furnished to us or written representations from our directors and executive officers that these reports were not required from those persons, we believe that all of these filing requirements were satisfied by our directors and executive officers during 2004.

OWNERSHIP OF OUR COMMON STOCK

We summarize below the beneficial ownership of our common stock, as of April 1, 2005 except where noted, by (1) each person or group beneficially owning more than five percent (5%) of our company s common stock, (2) each of our directors and our director nominee, (3) each of our named executive officers and (4) all of our directors, our director nominee and our named executive officers as a group. A person generally beneficially owns shares if he or she, directly or indirectly, has or shares either the right to vote those shares or dispose of them. Unless otherwise indicated in the accompanying footnotes, all of the shares of our common stock listed below are owned directly, and the indicated person has sole voting and investment power.

	Shares Beneficially Owned	
Name of Beneficial Owner	**Number**	**Percentage**
Bruce D. Neviaser(1)	1,821,443	6.0%
John Emery(2)	483,077	1.6
Elan Blutinger	5,000	*
Randy Churchey	10,000	*
Michael M. Knetter	1,500	*
Alissa N. Nolan		
Howard Silver		
Marc B. Vaccaro(3)	1,553,839	5.1
James A. Calder(4)	4,379	*
Hernan R. Martinez	4,379	*
Kimberly K. Schaefer(5)	821,457	2.7
J. Michael Schroeder	90,367	*
Alexander P. Lombardo		
All directors and executive officers as a group (13 persons)	4,795,441	15.8%

* Less than one percent of the outstanding shares of common stock.

(1) Includes (a) 45,248 shares held by DNEV, LLC for which Mr. Neviaser shares voting and investment power, and (b) 125,699 shares held by Neviaser Enterprises, LLC., of which Mr. Neviaser is the managing member and possesses sole voting and investment power over the shares.

(2) In addition, our deferred compensation plan holds 117,647 shares to pay obligations owed to Mr. Emery pursuant to the plan.

(3) Includes (a) 19,907 shares held by MV LLC, of which Mr. Vaccaro is the managing member and possesses sole voting and investment power over the shares, (b) 75,000 shares held by The Marc B. Vaccaro Grantor Retained Authority Trust, of which Mr. Vaccaro is the sole trustee and possesses sole voting and investment power and (c) 75,000 shares held by The Astrid G. VanZon Grantor Retained Annuity Trust, of which Astrid G. VanZon, Mr. Vaccaro s spouse, is the sole trustee and possesses sole voting and investment power. Mr. Vaccaro disclaims beneficial ownership of the 75,000 shares held by The Astrid G. VanZon Grantor Retained Annuity Trust.

(4) In addition, our deferred compensation plan holds 11,765 shares to pay obligations owed to Mr. Calder pursuant to the plan.

(5) Includes 33,009 shares held jointly with Ms. Schaefer s spouse.

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Equity Compensation Plan Information

This table provides certain information as of December 31, 2004 with respect to our equity compensation plans:

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,656,300(1)	$17.00(1)	1,724,220
Equity compensation plans not approved by security holders	0	N/A	0
Total	1,656,300	$17.00	1,724,220

(1) Under our 2004 Incentive Stock Plan, we grant incentive stock options and/or nonqualified stock options to employees and directors. The Plan authorizes us to grant up to 3,380,520 options, stock appreciation rights or shares of our common stock. Each option entitles the holder to purchase one share of common stock at the specified option price. The options vest over a three-year period and expire after ten years. For all options granted to date, the exercise price was equal to the fair market value of the underlying stock on the date of grant. As of December 31, 2004, we have granted 1,656,300 stock options, all at an exercise price of $17.00. No options were exercisable during the period from December 21, 2004 through December 31, 2004.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Formation Transactions

Since 1999, directors and officers of The Great Lakes Companies, Inc. and its predecessor companies, which we refer to as Great Lakes, including Messrs. Lund, Neviaser, Stark and Vaccaro and Ms. Schaefer, personally guaranteed certain loans made in connection with our resorts. Pursuant to such guarantees, such directors and officers, along with Great Lakes, each jointly and severally guaranteed the repayment of the outstanding debt on the loans in their entirety. In connection with our formation transactions, the application of the net proceeds from the IPO to repay a portion of the underlying debt and the refinancing of the remainder of this debt, these individuals were removed as guarantors from approximately $193.8 million of guarantees as of December 20, 2004.

Pursuant to separate transition services agreements, we provide certain services to each of Great Lakes Hospitality Partners, LLC and Great Lakes Housing Partners, LLC (the entities that succeeded to Great Lakes non-resort development and management business), and these entities provide certain services to us. These services will continue for a period not to exceed two years from the date of completion of the formation transactions, which was December 20, 2004. These services include, among others, administrative services, corporate services, accounting services, financing services, legal services, tax services, information technology services, human resources services, payroll services and operational services. These services are provided by the parties to the transition services agreements as and if any such service is reasonably requested to be performed during the two-year period of the agreements. The fees for these services will be determined as each such service is provided from time to time and will generally be equal to the cost of such services had the services been provided by an unaffiliated third party. The agreements also provide for customary expense reimbursement. Further, each party may terminate the agreement if the other party thereto defaults in the performance of its material obligations under, or breaches any of its warranties set forth in, the agreements, subject to a 30-day cure period.

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Messrs. Lund, Neviaser, Stark and Vaccaro and Ms. Schaefer, each of whom was a shareholder of Great Lakes, entered into indemnity agreements with us pursuant to which they made certain representations and warranties to us relating to the formation transactions and the status of the properties operated by the resort-owning entities. Pursuant to these indemnity agreements, these shareholders agreed to indemnify us for a period of one year if those representations and warranties are not accurate. These representations and warranties relate, among other things, to the following matters concerning Great Lakes:

current capital structure;

compliance with laws and possession of required authorizations;

possession of all required consents and approvals;

no breach of organizational documents or material agreements;

no material tax dispute or claim;

no payment of brokers or finders fees;

no bankruptcy events;

material legal proceedings;

reasonable insurance coverage for properties;

liens and options and rights with respect to underlying properties;

no labor disputes or unfair labor practices;

ownership of real property and improvements thereto;

no material environmental liabilities;

no material defect in the condition of the properties;

accuracy of financial statements;

no material undisclosed liabilities, contracts or liabilities;

no damage or loss to its underlying properties in excess of $1 million; and

ownership of intellectual property rights.

In addition, these shareholders agreed to indemnify us for a period of one year against liabilities or obligations relating to claims asserted under federal or state securities laws arising out of the offer or sale of condominiums on or before the closing of the formation transactions by the management company or any affiliated entity of the management company. With respect to each shareholder, the maximum indemnification obligation under these agreements will not exceed 35% of the value of the number of shares of our common stock received by that shareholder in the formation transactions. The maximum amount of the indemnification obligations under these agreements will equal approximately $45.2 million in the aggregate. These shareholders may fulfill the indemnity obligations under the agreements solely through the delivery of shares of our common stock that they own, valued at the time of delivery, or with an equivalent amount of cash. However, if any of these shareholders chooses to fulfill the indemnity obligation under the agreement through the delivery of shares, the maximum number of shares such shareholder will be obligated to deliver is 35% of the number of shares such shareholder received in the formation transactions. In connection with the closing of our IPO, Messrs. Lund and Neviaser received personal loans from an affiliate of Citigroup Global Markets Inc. These loans are full-recourse and secured by a pledge of all the shares of our common stock received by such individual in the formation transactions. While some of these shares may be released from the pledge over time, they may not be available as an alternative means to satisfy an indemnification obligation under the agreements.

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Business Relationships Between Our Company and Our Directors

Prior to the consummation of the IPO, our predecessor entity regularly used an aircraft owned by LVNCS, LLC, an entity owned by Messrs. Vaccaro, Neviaser and Emery and two of our former employees. During 2004, our predecessor entity paid an aggregate of $235,000 for the lease of the aircraft for company business. These payments represented approximately 78% of the entity s revenue for 2004. The entity that owns the aircraft also has one employee for whom our predecessor entity provided payroll and benefit services during 2004, the costs of which were reimbursed by the entity. We believe that the costs our predecessor entity incurred for use of this aircraft were substantially less than the costs that it would have incurred for the use of a similar aircraft owned by an independent third party. We intend to continue to use this aircraft in the future.

Transactions with Our Management

None.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the annual base salary and other compensation paid in 2004 to our Chief Executive Officer and our four other most highly compensated executive officers, whom we refer to as our named executive officers. All compensation amounts include amounts paid by us or by our predecessor entities prior to the IPO.

					Long Term Compensation Awards			
		Annual Compensation		Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying Options/ SARs (#)	LTIP Payouts ($)	All Other Compensation ($)
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**					
John Emery *Chief Executive Officer*	2004	354,230	2,000,000(1)	0	0	350,000	0	0
Craig A. Stark *President*	2004	194,231(2)	0	0	0	200,000	0	0