
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): February 1, 2005

ALICO, INC.

(Exact Name of Registrant as Specified in Charter)

FLORIDA
(State or Other Jurisdiction
of Incorporation)

0-261
(Commission File Number)

59-0906081
IRS Employer
Identification No.)

**POST OFFICE BOX 338,
LA BELLE, FLORIDA**
(Address of Principal Executive Offices)

33975
(Zip Code)

Registrant's telephone number, including area code: (863) 675-2966

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (!7 C.F.R. 230.425)
 - .. Soliciting Material pursuant to Rule 14a-12 under the Exchange Act (17 C.F.R. 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14D-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 C.F.R. 240.13e-4(c))
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ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.

On February 1, 2005 the Company received a letter from directors Richard C. Ackert, William L. Barton, Larry A. Carter, Stephen M. Mulready and Thomas E. Oakley resigning as directors of the board of Alico and indicating that they declined to stand for reelection as directors at the annual meeting of the Alico stockholders. Each of the resigning directors was a member of the Special Committee of independent directors of the Alico board that was reviewing a possible restructuring of the Company involving Atlantic Blue Trust, Inc. ("ABT"). ABT withdrew its request that the Company consider the possible restructuring on January 31, 2005. In addition to serving on the Special Committee of Independent Directors, at the time of their resignations all of the resigning directors were members of the Audit, Compensation, Nominating and Investment Committees. Thomas E. Oakley also served on the Executive Committee.

In a letter delivered to John R. Alexander, Chairman of the board of Alico and Chairman and Chief Executive Officer of ABT, the resigning directors asserted grievances with ABT relating to, among other things, ABT's request that the Alico Special Committee consider the payment of a special dividend in connection with its consideration of a possible restructuring, the suggestion by Mr. Alexander that the Nominating Committee of the Alico Board consider the nomination of a member of ABT's board of directors to fill the vacancy on the Alico board created by the retirement of Alico's current Chief Executive Officer, W. Bernard Lester, the composition of management of Alico if a restructuring transaction were consummated with ABT and Mr. Alexander's request that he serve as interim Chief Executive Officer of Alico following Mr. Lester's retirement. The letter set forth certain demands the resigning directors made of ABT, as conditions to their continued service, which would have required ABT to agree that, until after the 2006 Annual Meeting of Shareholders, ABT would not acquire any additional shares of Alico common stock and would not take any action to remove the resigning directors from their positions on the Alico board. The letter also outlined the resigning directors' requirement that Alico agree to engage an executive search firm to identify a replacement for Mr. Lester, permit the independent directors on Alico's board to hire their own legal, financial and other advisors to assist them in their capacities as directors and adopt bylaw provisions relating to record dates and advance notice of stockholder proposals and director nominations which would have the effect of restricting the rights of all stockholders to propose nominees at the annual meeting of stockholders or to take action outside of a meeting called by the Alico board. The letter cited ABT's refusal to agree to all of these demands in total as the basis for the directors' resignations.

John R. Alexander indicated that he regretted that the resigning directors had decided that they were no longer willing to continue to serve as directors unless ABT agreed to give up the basic rights enjoyed by all Alico stockholders. Mr. Alexander indicated that, while ABT was willing to agree to remain below 50% ownership until after the 2006 Annual Meeting of Shareholders and to support most of the other requests presented by the Special Committee directors, ABT was unwilling to agree to the demand from these directors that, regardless of what actions they may take in the future, ABT would agree to keep them in office as Alico directors until after the 2006 annual meeting. Mr. Alexander indicated further that ABT is committed to the proposition that Alico should have a majority of independent directors, but believes that directors should serve subject to the stockholder oversight provided by the law and was thus unwilling to exempt these directors from such oversight. Mr. Alexander has reiterated ABT's and the Company's commitment to good corporate governance.

In light of the foregoing resignations, the annual meeting of stockholders previously scheduled for February 11, 2005 has been postponed until such a date as a new slate of directors could be proposed. The Company intends to set a new record date and provide additional information with respect to the rescheduled annual meeting in a revised proxy statement to be filed with the Securities and Exchange Commission and distributed to stockholders as promptly as practicable after a new slate of directors is proposed.

The Company has issued a press release regarding the resignation of the Special Committee directors and the allegations contained in their letter, a copy of which is attached as an exhibit to this Current Report on Form 8-K. A copy of the letter from the resigning directors to Mr. Alexander is also filed as an exhibit to this Current Report on Form 8-K .

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

The following exhibits are included with this Report:

Exhibit 99.1 Letter from the Special Committee directors, dated February 1, 2005.

Exhibit 99.2 Company Press Release issued February 2, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 2, 2005

ALICO, INC.
(Registrant)

By: /s/ W. BERNARD LESTER

W. Bernard Lester
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit 99.1 Letter from The Special Committee directors, dated February 1, 2005.

Exhibit 99.2 Company Press Release issued February 2, 2005.

February 1, 2005

Mr. John R. Alexander
Chairman of the Board of Directors
Alico, Inc.
640 South Main Street
La Belle, Florida 33935

Dear Mr. Alexander:

We are all of the independent members (the "Independent Directors") of the Board of Directors (the "Board") of Alico, Inc. (the "Company"). We are also nominees for reelection to the Board at the Company's Annual Shareholders' Meeting scheduled for February 11, 2005 (the "2005 Meeting").

Each of us hereby resigns from the Board effective immediately. Each of us also declines to stand for election at the 2005 Meeting and will not serve if elected at the 2005 Meeting or otherwise appointed.

We are resigning as a result of our disagreement with your actions, individually as Chairman of the Board and in your representative capacity on behalf of Atlantic Blue Trust, Inc., the holder of 48% of the outstanding stock of the Company ("ABT"). Specifically, after you and ABT took actions we considered inconsistent with proper corporate governance, you and ABT have further declined to implement the five proposals advanced by all of us intended to establish an effective management team for the Company, to mitigate the prospect of undue influence by ABT as the principal stockholder of the Company and to provide procedural protections to the status and decision-making processes of the Independent Directors.

By way of background, in August 2004, ABT requested that the Company consider a restructuring of the Company, including the possibility of a merger with ABT and the payment of a special dividend (the "ABT Transaction"). In response to ABT's request, the Board formed a special committee of the Board (the "Special Committee") consisting of all of the Independent Directors to analyze these requests.

Each of us believed an ABT Transaction had the potential to provide value to the Company and all of its shareholders. Accordingly, the Special Committee engaged in a process that we believed to be critical to arrive at the conclusion which in our business judgment was in the best interests of all shareholders as to whether to move forward with any ABT Transaction. As part of this process, the Special Committee:

1. devoted substantial time to the consideration of an ABT Transaction, including holding twelve formal meetings of the Special Committee;
2. retained and regularly consulted with independent financial and legal advisors as well as an outside real estate advisory firm;

3. caused the outside real estate advisory firm to undertake a strategic assessment of the uses and value of the Company's land holdings, an assessment we thought to be essential in establishing the desirability and terms of any ABT Transaction;
4. considered an alternative transaction proposal received from National Land Partners, LLC ("National Land"), which included meeting with you, other representatives of ABT and representatives of National Land to explore the feasibility of such an alternative transaction;
5. conducted meetings with you and other representatives of ABT in an effort to advance our consideration of ABT's request to evaluate an ABT Transaction; and
6. initiated legal and financial due diligence relating to an ABT Transaction.

However, in the course of that process, the Special Committee became concerned that ABT had asked the Company to consider an ABT Transaction, in substantial part, to advance the interests of the owners of ABT and to the possible detriment of the non-ABT stockholders of the Company. In particular, we became very concerned by ABT's insistence early in the process on the payment of a special dividend by the Company structured in a manner that would have the effect of further increasing the ABT owners' shareholdings in the Company in connection with an ABT Transaction. In addition, we became concerned that the following events, among others, reflected a disregard by you and ABT for the principles of good corporate governance and independent professional management of the Company, which we previously believed existed:

1. your recent efforts to circumvent the Board's Nominating Committee procedures to nominate an ABT director to fill the vacancy on the Board created by the retirement of W. Bernard Lester;
2. the proposal by ABT that you, John D. Alexander and Baxter Troutman (all of whom are affiliates of ABT) constitute a substantial part of the senior management team at the Company following consummation of an ABT Transaction; and
3. your repeated insistence while the ABT Transaction was under consideration that you serve for a period of two or more years as "interim" Chief Executive Officer ("CEO") following the retirement of W. Bernard Lester, notwithstanding our repeated declarations of objection to such an arrangement and our alternative proposal that the Board establish an interim "Operating Committee" on which we proposed you would serve with two Independent Directors while an independent search was undertaken for a permanent successor to Mr. Lester.

In an effort to mitigate these concerns and safeguard the interests of the non-ABT shareholders of the Company, we proposed at the January 31, 2005 meeting of the Board that the Board and ABT, as applicable, adopt the following agreements and procedures:

1. Standstill. During the period ending the first business day following the Company's 2006 Annual Meeting of Shareholders (the "Term"), none of ABT, its

shareholders and their respective affiliates would acquire beneficial ownership of (except pursuant to the pending restructuring proposal), or become part of a "group" with respect to, any shares of the Company's capital stock other than those reflected on ABT's December 16, 2004 Schedule 13D.

2. Board Composition: Support for Board. During the Term, none of ABT, its shareholders and their respective affiliates would take any action to change the composition or size of the Board or the terms of the Nominating Committee charter or, except through ABT's representatives on the Board, take any action to affect the policies or management of the Company, or solicit or participate in a solicitation of proxies except in accordance with the recommendation of the Board.

3. Senior Management. The Board would promptly engage an executive search firm for the purpose of undertaking an expedited search for, and recommendations as to, a CEO and certain other executive officers of the Company. We proposed that candidates could include affiliates of ABT. Through in-depth screening and interviewing of all candidates presented pursuant to this process, the Board would identify the best qualified persons and make all efforts to hire them on appropriate and customary terms.

4. Counsel and Advisors. In the event the special committee of independent directors were to be dissolved, the Independent Directors would still be authorized to retain and compensate any legal, financial or other advisors the Independent Directors deemed necessary or appropriate to assist them in the exercise of their duties as directors of the Board.

5. Procedural Matters. The Company would adopt customary advance notice By-Laws for director nominations and shareholder proposals and provisions allowing the Board to require establishment of a record date in connection with any written consent in lieu of a shareholders meeting.

Notwithstanding extensive discussions at the January 31, 2005 Board meeting, we were unable at that meeting to obtain your agreement individually and on behalf of ABT to these terms. Subsequently, you informed us through ABT's legal counsel that, upon further consideration, you and ABT were prepared to adopt certain of these proposals but would not agree to any limitations on ABT's ability to remove and replace directors of the Board at any time and would require that ABT be permitted to acquire additional shares of the Company's common stock up to approximately 49.6% of the outstanding common shares. Unfortunately, your unyielding position on the ability to remove or replace directors and desire to increase ABT's ownership of the Company continues to leave us concerned about the prospect of undue influence by ABT on the directors and the Company and calls into question the longer-term viability of the other terms you and ABT have expressed a willingness to accept today.

Against the background of our concerns that the Company was asked to consider an ABT Transaction which would, in our view, disproportionately benefit ABT's shareholders, your actions in recent weeks including those described above and your unwillingness to accept crucial terms of our proposal to help remediate the situation, we have reluctantly concluded that we

Mr. John R. Alexander
February 1, 2005
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cannot function effectively as independent directors, whether as members of the Special Committee, the Board's other committees or as Board members generally. Accordingly, we hereby resign as directors of the Company and will not stand for election at the 2005 Meeting.

In light of the importance of our disagreement with you over Alico's corporate governance and our desire that the non-ABT shareholders of Alico be kept fully informed, please include this letter as part of the appropriate corporate filings with both the Securities and Exchange Commission and the NASDAQ Stock Market.

Very truly yours,

The Independent Directors of the Board of Alico, Inc.

[SIGNATURE PAGES FOLLOW]

cc: David Shobe, Esq. – Fowler White Boggs Banker P.C.
Charles H. Mulaney, Jr., Esq. – Skadden, Arps, Slate, Meagher & Flom LLP

Mr. John R. Alexander
February 1, 2005

/s/ Richard C. Ackert
Richard C. Ackert

/s/ William L. Barton
William L. Barton

/s/ Larry Carter
Larry Carter

/s/ Stephen M. Mulready
Stephen M. Mulready

/s/ Thomas E. Oakley 2/1/05
Thomas E. Oakley

[Signature Page to Letter of Resignation]

Alico Announces the Resignation of Five Members of its Board of Directors

LaBelle, Fla., February 2, 2005. Alico, Inc., (Nasdaq: ALCO) announced today that directors Richard C. Ackert, William L. Barton, Larry A. Carter, Stephen M. Mulready and Thomas E. Oakley have resigned as directors of the board of Alico and are declining to stand for reelection as directors at the annual meeting of the Alico stockholders previously scheduled for February 11, 2005.

As previously announced, on January 31, 2005 Atlantic Blue Trust, Inc. ("ABT"), the owner of approximately 48% of Alico's common stock, withdrew its request that Alico consider a possible restructuring that would combine Alico's and ABT's operations. Each of the resigning directors was a member of the Special Committee of independent directors of the Alico board that was reviewing the possible restructuring transaction.

In a letter delivered to John R. Alexander, Chairman of the board of Alico and Chairman and Chief Executive Officer of ABT, the resigning directors asserted grievances with ABT relating to, among other things, ABT's request that the Alico Special Committee consider the payment of a special dividend in connection with its consideration of a possible restructuring, the suggestion by Mr. Alexander that the Nominating Committee of the Alico Board consider the nomination of a member of ABT's board of directors to fill the vacancy on the Alico board created by the retirement of Alico's current Chief Executive Officer, W. Bernard Lester, the composition of management of Alico if a restructuring transaction were consummated with ABT and Mr. Alexander's request that he serve as interim Chief Executive Officer of Alico following Mr. Lester's retirement.

The letter to Mr. Alexander also set forth certain demands the resigning directors made of ABT, as conditions to their continued service, which would have required ABT to agree that, until after the 2006 Annual Meeting of Shareholders, ABT would not acquire any additional shares of Alico common stock and would not take any action to remove the resigning directors from their positions on the Alico board. The letter also outlined the resigning directors' requirement that Alico agree to engage an executive search firm to identify a replacement for Mr. Lester, permit the independent directors on Alico's board to hire their own legal, financial and other advisors to assist them in their capacities as directors and adopt bylaw provisions relating to record dates and advance notice of stockholder proposals and director nominations which would have the effect of restricting the rights of all stockholders to propose nominees at the annual meeting of stockholders or to take action outside of a meeting called by the Alico board. The letter cited ABT's refusal to agree to all of these demands in total as the basis for the directors' resignations.

John R. Alexander said: "Alico has had a 48% stockholder for many years. It is unfortunate that these individuals suddenly decided that they were no longer willing to continue to serve as directors under this circumstance unless ABT agreed to give up the basic rights enjoyed by all Alico stockholders. While, in an effort to accommodate their demands, ABT was willing to agree to remain below 50% ownership until after the 2006 Annual Meeting of Shareholders and to support most of their other requests, ABT was unwilling to agree to the demand from these directors that, regardless of what actions they may take in the future, ABT would agree to keep them in office as Alico directors until after the 2006 annual meeting. ABT is committed to the proposition that Alico should have a majority of independent directors, but it believes that directors should serve subject to the stockholder oversight provided by the law. ABT was unwilling to exempt these directors from such oversight."

Mr. Alexander continued: "ABT is, and always has been, committed to good corporate governance, and at no time has ABT threatened or even suggested that it would seek to remove any of these individuals as directors or attempted to use its stock to influence the deliberations of the Special Committee in any manner. In fact, ABT supported the nomination of these individuals and had every intention of voting in favor of their reelection at the Annual Meeting. Regrettably, these individuals, representing a majority of the Alico board and able to control any decision of the board, chose to suddenly abandon their responsibilities rather than continue to work for the best interests of all of Alico's stockholders."

Alico also announced that, as a result of the director resignations, it is postponing its annual meeting of stockholders previously scheduled for February 11, 2005. Alico will set a new record date and provide additional information with respect to the rescheduled annual meeting in a revised proxy statement to be filed with the Securities and Exchange Commission ("SEC") and distributed to stockholders as promptly as practicable after a new slate of directors is proposed.

A copy of the letter from the resigning directors to Mr. Alexander will be filed as an exhibit to a Current Report on Form 8-K to be filed by Alico in accordance with the rules and regulations of the SEC. Once filed, such Current Report will be available at the SEC's Internet site (<http://www.sec.gov>).

Any questions regarding this release should be directed to W. Bernard Lester, President and Chief Executive Officer of Alico at 863-675-2966.

Alico, Inc. is an agribusiness company operating in Central and Southwest Florida. The Company owns approximately 141,000 acres of land located in Collier, Hendry, Lee and Polk Counties. The Company is involved in various operations and activities including citrus fruit production, cattle ranching, sugarcane and sod production, and forestry. The Company also leases land for farming, cattle grazing, recreation, and oil exploration.