
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

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

REX STORES CORPORATION
(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

.....
(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

No fee required

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

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

[REX Stores Logo]

REX STORES CORPORATION
2875 NEEDMORE ROAD
DAYTON, OHIO 45414

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 5, 2000

The Annual Meeting of Shareholders of REX Stores Corporation will be held at the Dayton Racquet Club, Kettering Tower, Dayton, Ohio on Monday, June 5, 2000, at 2:00 p.m., for the following purposes:

1. Election of five members to the Board of Directors to serve until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified.

2. Transaction of such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 24, 2000 will be entitled to notice of and to vote at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting in person.

By Order of the Board of Directors

EDWARD M. KRESS

EDWARD M. KRESS
Secretary

Dayton, Ohio
May 3, 2000

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, DATE,
SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY IN THE ENVELOPE
PROVIDED.

REX STORES CORPORATION
2875 NEEDMORE ROAD
DAYTON, OHIO 45414

PROXY STATEMENT

MAILING DATE
MAY 3, 2000

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of REX Stores Corporation, a Delaware corporation (the 'Company'), for use for the purposes set forth herein at its Annual Meeting of Shareholders to be held on June 5, 2000 and any adjournments thereof. All properly executed proxies will be voted as directed by the shareholder on the proxy card. If no direction is given, proxies will be voted in accordance with the Board of Directors' recommendations and, in the discretion of the proxy holders, in the transaction of such other business as may properly come before the Annual Meeting and any adjournments thereof. Any proxy may be revoked by a shareholder by delivering written notice of revocation to the Company or in person at the Annual Meeting at any time prior to the voting thereof.

The Company has one class of stock outstanding, namely Common Stock, \$.01 par value, of which there were 6,726,879 shares outstanding as of April 24, 2000. Only holders of Common Stock whose names appeared of record on the books of the Company at the close of business on April 24, 2000 are entitled to notice of and to vote at the Annual Meeting. Each shareholder is entitled to one vote per share.

A majority of the outstanding shares of Common Stock will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum. Directors are elected by a plurality of the votes cast by the holders of Common Stock at a meeting at which a quorum is present. Abstentions and broker non-votes will not be counted toward a nominee's achievement of a plurality and thus will have no effect. A broker non-vote occurs when a broker submits a proxy that indicates the broker does not have discretionary authority to vote the shares on a particular matter.

FISCAL YEAR

All references in this Proxy Statement to a particular fiscal year are to the Company's fiscal year ended January 31. For example, 'fiscal 1999' means the period February 1, 1999 to January 31, 2000. In the past, the Company referred to this period as 'fiscal 2000.'

ELECTION OF DIRECTORS

Five directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Shareholders and until their successors are elected and qualified. Unless otherwise directed, it is the intention of the persons named in the accompanying proxy to vote each proxy for the election of the nominees listed below. All nominees are presently directors of the Company.

If at the time of the Annual Meeting any nominee is unable or declines to serve, the proxy holders will vote for the election of such substitute nominee as the Board of Directors may recommend. The Company and the Board of Directors have no reason to believe that any substitute nominee will be required.

Set forth below is certain information with respect to the nominees for director.

STUART ROSE, 45, has been the Chairman of the Board and Chief Executive Officer of the Company since its incorporation in 1984 as a holding company to succeed to the ownership of Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc. and Stereo Town, Inc. Prior to 1984, Mr. Rose was Chairman of the Board and Chief Executive Officer of Rex Radio and Television, Inc., which he founded in 1980 to acquire the stock of a corporation which operated four retail stores.

LAWRENCE TOMCHIN, 72, has been the President and Chief Operating Officer of the Company since 1990. From 1984 to 1990, he was the Executive Vice President and Chief Operating Officer of the Company. Mr. Tomchin has been a director since 1984. Mr. Tomchin was Vice President and General Manager of the corporation which was acquired by Rex Radio and Television, Inc. in 1980 and served as Executive Vice President of Rex Radio and Television, Inc. after the acquisition.

ROBERT DAVIDOFF, 73, has been a director since 1984. Mr. Davidoff has been employed by Carl Marks & Co., Inc., an investment banking firm, since 1950 and currently is Vice President in charge of corporate finance. Mr. Davidoff is also a director of Hubco Exploration, Inc., Marisa Christina, Inc. and Aquis Communications Group, Inc.

EDWARD KRESS, 50, has been the Secretary of the Company since 1984 and a director since 1985. Mr. Kress has been a partner of the law firm of Chernesky, Heyman & Kress P.L.L., counsel for the Company, since 1988. From 1985 to 1988, Mr. Kress was a member of the law firm of Smith & Schnacke. Mr. Kress has practiced law in Dayton, Ohio since 1974.

LEE FISHER, 48, has been a director since 1996. Mr. Fisher is the President and Chief Executive Officer of the Center for Families and Children, a private nonprofit human services organization. Mr. Fisher was a partner of the law firm of Hahn Loeser & Parks LLP from 1995 to 1999. Mr. Fisher served as Ohio Attorney General from 1991 to 1995, State Senator, Ohio General Assembly, from 1983 to 1991, and State Representative, Ohio General Assembly, from 1981 to 1983. Mr. Fisher also practiced law with Hahn Loeser & Parks from 1978 to 1991.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

The Board of Directors has three standing committees: the Executive Committee, the Audit Committee and the Compensation Committee. The Board has no nominating committee.

The Executive Committee (of which Messrs. Rose and Tomchin are members) is empowered to exercise all the powers and authority of the Board of Directors between meetings of the Board, other than the power to fill vacancies on the Board or on any Board committee and the power to declare dividends.

The Audit Committee (of which Messrs. Davidoff and Fisher are members) meets with Company personnel and with representatives of the Company's independent public accountants to review internal auditing procedures and matters relating to the annual audit of the Company's financial statements. The committee also annually recommends to the Board of Directors the appointment of independent public accountants.

The Compensation Committee (of which Messrs. Davidoff and Fisher are members) establishes the Company's executive compensation policies and administers the Company's stock option plans.

The Executive Committee did not meet but took action by unanimous written consent 15 times during the fiscal year ended January 31, 2000. The Audit Committee met once during the fiscal year ended January 31, 2000. The Compensation Committee met once and took action by unanimous written consent once during the fiscal year ended January 31, 2000.

The Board of Directors held three meetings and took action by unanimous written consent twice during the fiscal year ended January 31, 2000. Each incumbent director attended all meetings of the Board of Directors and Board Committees on which he served.

DIRECTOR COMPENSATION

Directors who are not officers or employees of the Company may receive a fee of up to \$1,000 plus reasonable expenses for each meeting of the Board attended.

Nonemployee directors are eligible to receive grants of stock options under the Company's 1995 and 1999 Omnibus Stock Incentive Plans. Under the Plans, on the date of each annual meeting of the Company's shareholders, each nonemployee director is awarded a nonqualified stock option to purchase a number of shares of Common Stock such that the exercise price of the option multiplied by the number of shares subject to the option is as near as possible to \$100,000, but in no event more than 10,000 shares. The exercise price of each nonqualified option is the fair market value of the Common Stock on the date of grant. The options are exercisable in five equal annual installments commencing on the first anniversary of the date of grant and expire ten years from the date of grant. For fiscal 1999, each nonemployee director was granted an option to purchase 4,407 shares at an exercise price of \$22.6875 per share.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation awarded to, earned by or paid to the Chief Executive Officer, and to each of the other executive officers of the Company whose total annual salary and bonus exceeded \$100,000, for services rendered in all capacities to the Company and its subsidiaries for each of the last three fiscal years.

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION	ALL OTHER COMPENSATION \$(1)
		SALARY (\$)	BONUS (\$)	AWARDS	
				SECURITIES UNDERLYING OPTIONS (#)	
Stuart Rose	1999	154,500	650,000	10,000	0
Chairman of the Board and Chief Executive Officer	1998	154,500	443,315	525,000	0
	1997	154,500	298,000	20,000	0
Lawrence Tomchin	1999	154,500	304,000	10,000	0
President and Chief Operating Officer	1998	154,500	207,250	175,000	0
	1997	154,500	139,350	20,000	0
Douglas Bruggeman	1999	113,400	119,050	10,000	200
Vice President -- Finance and Treasurer	1998	107,200	23,000	25,000	200
	1997	98,400	15,400	57,207	200

(1) Amounts in this column represent employer matching contributions on behalf of the named executive under the Company's Profit Sharing Plan.

EMPLOYMENT AGREEMENTS

Stuart Rose and Lawrence Tomchin have entered into Employment Agreements with Rex Radio and Television, Inc. The Agreements provide that Mr. Rose and Mr. Tomchin are each entitled to an annual salary of \$154,500, a cash bonus at the discretion of the Board of Directors, participation in all employee benefit plans and reimbursement for business expenses. Each Agreement is for a term of three years commencing January 1, 2000 and is automatically renewed for additional one-year terms until Mr. Rose's or Mr. Tomchin's resignation, death, total disability or termination of employment for cause, unless earlier terminated by either party upon 180 days written notice.

OPTION GRANTS IN LAST FISCAL YEAR

The following table sets forth information concerning individual grants of stock options made to the named executive officers during the fiscal year ended January 31, 2000.

NAME	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE (\$/Sh)	EXPIRATION DATE	5% (\$)	10% (\$)
Stuart Rose.....	10,000(1)	5.0	11.50	3/26/09	72,323	183,280
Lawrence Tomchin.....	10,000(1)	5.0	11.50	3/26/09	72,323	183,280
Douglas Bruggeman.....	10,000(1)	5.0	11.50	3/26/09	72,323	183,280

(1) Nonqualified options granted pursuant to the Company's 1999 Omnibus Stock Incentive Plan. These options become exercisable in five cumulative installments of 20% on each anniversary of the date of grant. The date of grant was March 26, 1999.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth information concerning each exercise of stock options during fiscal 1999 by each of the named executive officers and the fiscal year-end value of unexercised options.

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (\$) (1)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Stuart Rose.....	300,000	2,419,500	771,818	545,695	734,967	2,895,148
Lawrence Tomchin.....	219,771	1,835,412	328,497	196,064	293,515	994,365
Douglas Bruggeman.....	10,000	102,813	31,766	50,441	195,426	237,450

(1) Unexercised options were in-the-money if the fair market value of the underlying shares exceeded the exercise price of the option at January 31, 2000.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors was comprised during fiscal 1999 of Robert Davidoff and Lee Fisher, both outside directors of the Company. This Committee establishes policies relating to compensation of executive officers of the Company and administers the Company's 1995 and 1999 Omnibus Stock Incentive Plans.

EXECUTIVE COMPENSATION POLICIES

The goal of the Company's executive compensation policy is to ensure that an appropriate relationship exists between executive pay and the creation of shareholder value, while at the same time motivating and retaining key employees. To achieve this goal, the Company's executive compensation policies integrate base salary with annual bonuses based upon corporate and individual performance, supplemented with long-term equity-based incentive awards.

Base salary is intended to be set at a level below the base salaries paid to executives of similarly-sized companies within the industry and the peer group. Salaries for executive officers are reviewed by the Committee on an annual basis, subject to the terms of any existing employment agreements.

Annual bonuses are intended to comprise a substantial portion of each senior executive officer's annual cash compensation and are based upon corporate financial performance. For fiscal 1999, to reflect tax savings realized from the Company's investments generating income tax credits, the Committee established the amount of the Company's after-tax earnings as a percentage of net sales (the 'After-Tax Earnings Percentage') as the performance measure for determining senior executives' bonuses. Annual bonuses for the executive officers other than senior executives are established by the Chief Executive Officer based on his assessment of the individual's performance.

Long-term incentive awards are made in the form of annual grants of incentive stock options and nonqualified stock options pursuant to the Omnibus Plans. Stock appreciation rights, restricted stock and other stock-based awards may also be granted under the Plans. The Committee feels that stock options and other stock-based awards are an effective long-term incentive for executive officers to create value for shareholders, since their value bears a direct relationship to the Company's stock price. Stock options are granted at the fair market value of the underlying shares at the date of grant (unless otherwise required by applicable law), and generally vest in installments over multiple years. During fiscal 1999, nonqualified stock options were granted under the 1999 Omnibus Plan to 63 employees, including three executive officers, based primarily on the individual's contribution to the Company's growth and profitability.

CEO COMPENSATION

Stuart Rose, the Chairman and Chief Executive Officer of the Company, received a base salary of \$154,500 in fiscal 1999 pursuant to the terms of his employment agreement.

Mr. Rose earned a cash bonus of \$650,000 for fiscal 1999, compared to his fiscal 1998 cash bonus of \$443,315. This increase was based on the fiscal 1999 After-Tax Earnings Percentage of 3.9399% (compared to the fiscal 1998 After-Tax Earnings Percentage of 2.68675%). In determining Mr. Rose's cash bonus, the Committee utilized a measure of a \$165,000 cash bonus for each After-Tax Earnings Percentage point.

Mr. Rose was granted 10,000 nonqualified stock options under the 1999 Omnibus Plan in fiscal 1999 at an exercise price of \$11.50 per share, which was the fair market value of the underlying shares on the date of grant. The number of options granted to Mr. Rose equaled the option grants to each of the other executive officers under the Plan.

INTERNAL REVENUE CODE SECTION 162(m)

Section 162(m) of the Internal Revenue Code generally disallows a federal income tax deduction to a public company for compensation paid in excess of \$1 million in any taxable year to the corporation's chief executive officer or any of its other named executive officers in the proxy statement. Based on

current compensation levels and the present structure of the Company's compensation programs, the Company believes that the annual compensation paid to its executive officers will not exceed or otherwise be subject to the deduction limitation, other than with the possible exception of the nonqualified executive stock options granted in 1993 and 1998 and the nonqualified stock options granted under the 1999 Omnibus Plan. Depending upon the number of options exercised by an executive officer in a particular year and the value of the underlying shares at that time, exercise of the 1993 or 1998 nonqualified executive stock options or the nonqualified options granted under the 1999 Omnibus Plan could result in the individual's annual compensation exceeding the \$1 million deduction limitation.

ROBERT DAVIDOFF
LEE FISHER

PERFORMANCE GRAPH

Set forth below is a line graph comparing the yearly percentage change in the cumulative total shareholder return on the Company's Common Stock against the cumulative total return of the S&P 500 Stock Index and a peer index comprised of three selected publicly traded consumer electronics retailers (*) for the period commencing January 31, 1995 and ended January 31, 2000. The graph assumes an investment of \$100 in the Company's Common Stock and each index on January 31, 1995 and reinvestment of all dividends.

[PERFORMANCE GRAPH]

	January 31,					
	1995	1996	1997	1998	1999	2000
REX Stores Corporation	100	79	50	62	77	94
S&P 500	100	139	175	223	295	325
Peer Group	100	64	44	46	48	91

* The peer group is comprised of The Good Guys, Inc., Sound Advice, Inc. and Ultimate Electronics, Inc.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT

The following table sets forth, as of April 24, 2000 (the record date for the Annual Meeting), certain information with respect to the beneficial ownership of the Company's Common Stock by each director and nominee for director of the Company, each executive officer of the Company, all directors and executive officers of the Company as a group and those persons or groups known by the Company to own more than 5% of the Company's Common Stock.

For purposes of this table, a person is considered to 'beneficially own' any shares if such person, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has (or has the right to acquire within 60 days after April 24, 2000) sole or shared power (i) to vote or to direct the voting of such shares or (ii) to dispose or to direct the disposition of such shares. Unless otherwise indicated, voting power and investment power are exercised solely by the named person or shared with members of his household.

NAME AND ADDRESS -----	COMMON STOCK BENEFICIALLY OWNED	
	NUMBER -----	PERCENT(1) -----
Stuart Rose(2)..... 2875 Needmore Road Dayton, Ohio 45414	1,761,505	23.5%
Lawrence Tomchin(3) 2875 Needmore Road Dayton, Ohio 45414	458,751	6.5%
Robert Davidoff(4) 135 East 57th Street, 27th Floor New York, New York 10022	102,889	1.5%
Edward Kress(5) 1100 Courthouse Plaza S.W. Dayton, Ohio 45402	60,741	*
Lee Fisher(6) Western Reserve Building 1468 West 9th Street Cleveland, Ohio 44113	10,785	*
Douglas Bruggeman(7) 2875 Needmore Road Dayton, Ohio 45414	50,766	*
All directors and executive officers as a group (6 persons)(8).....	2,445,437	30.8%
FMR Corp.(9) 82 Devonshire Street Boston, Massachusetts 02109	643,000	9.6%
Mellon Financial Corporation (10) One Mellon Center Pittsburgh, Pennsylvania 15258	570,094	8.5%
Investment Counselors of Maryland, Inc.(11) 803 Cathedral Street Baltimore, Maryland 21201-5297	408,000	6.1%

(table continued on next page)

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NAME AND ADDRESS -----	COMMON STOCK BENEFICIALLY OWNED	
	NUMBER -----	PERCENT(1) -----
Dimensional Fund Advisors Inc.(12) 1299 Ocean Avenue, 11th Floor Santa Monica, California 90401	396,300	5.9%
Lighthouse Capital Management, Inc.(13) 10000 Memorial Drive, Suite 660 Houston, Texas 77024	372,500	5.5%
Granahan Investment Management, Inc.(14) 275 Wyman Street, Suite 270 Waltham, Massachusetts 02154	360,200	5.4%

* One percent or less.

- (1) Percentages are calculated on the basis of the number of shares outstanding on April 24, 2000 plus the number of shares issuable upon the exercise of options held by the person or group which are exercisable within 60 days after April 24, 2000.
- (2) Includes (i) 146,084 shares held by the Stuart Rose Family Foundation, an Ohio nonprofit corporation of which Mr. Rose is the sole member, chief executive officer and one of three members of the board of trustees, the other two being members of his immediate family and (ii) 784,011 shares issuable upon the exercise of options.
- (3) Includes 6,047 shares held by Mr. Tomchin's wife and 335,012 shares issuable upon the exercise of options.
- (4) Includes 21,657 shares issuable upon the exercise of options.
- (5) Includes 26,960 shares held by Mr. Kress as co-trustee of two trusts with respect to which Mr. Kress has shared voting and investment power, 2,123 shares held by Mr. Kress as trustee of two trusts for the benefit of his minor children and 21,657 shares issuable upon the exercise of options.
- (6) Includes 10,785 shares issuable upon the exercise of options.
- (7) Includes 45,766 shares issuable upon the exercise of options.
- (8) Includes 1,218,888 shares issuable upon the exercise of options.
- (9) Based on a Schedule 13G filing dated February 14, 2000. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR Corp. and a registered investment adviser, is the beneficial owner of 594,600 shares of Common Stock of the Company as a result of acting as investment adviser to various registered investment companies. One investment company, Fidelity Low-Priced Stock Fund, owns 524,000 shares. Edward C. Johnson 3d (Chairman of FMR Corp.), FMR Corp., through its control of Fidelity Management & Research Company, and the funds each has sole power to dispose of the 594,600 shares owned by the funds, while the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds resides solely with the funds' boards of trustees. Fidelity Management Trust Company, a wholly-owned subsidiary of FMR Corp. and a bank, is the beneficial owner of 48,400 shares of Common Stock of the Company as a result of serving as investment manager of the institutional account(s). Edward C. Johnson 3d and FMR Corp., through its control of Fidelity Management Trust Company, each has sole power to dispose and to vote or direct the voting of the 48,400 shares owned by the institutional account(s).

(footnotes continued on next page)

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- (10) Based on a Schedule 13G filing dated January 25, 2000. Mellon Financial Corporation, through its direct and indirect subsidiaries Mellon Bank, N.A., a bank and parent holding company of The Dreyfus Corporation, and Founders Asset Management LLC, a registered investment adviser, has sole power to vote and dispose of 567,590 shares and shared power to vote and dispose of 2,504 shares.
- (11) Based on a Schedule 13G filing dated February 9, 2000. All shares of Common Stock are owned by various investment advisory clients of Investment Counselors of Maryland, Inc., which is deemed to be a beneficial owner of those shares due to its discretionary power to make investment decisions over such shares for its clients and its ability to vote such shares. Investment Counselors of Maryland, Inc. has sole power to vote and dispose of 408,000 shares.
- (12) Based on a Schedule 13G filing dated February 11, 2000. Dimensional Fund Advisors Inc., a registered investment adviser, furnishes investment advice to four registered investment companies and serves as investment manager to certain other commingled group trusts and separate accounts. Dimensional Fund Advisors Inc. has sole power to vote and dispose of 396,300 shares owned by these funds. Dimensional Fund Advisors Inc. disclaims beneficial ownership of all such shares.
- (13) Based on a Schedule 13G filing dated February 12, 1999. Lighthouse Capital Management, Inc. has sole power to vote and dispose of 372,500 shares. Paul G. Horton and Kevin P. Duffy disclaim beneficial ownership of all such shares except for the pro rata interest in certain shares held by Lighthouse Capital Management, Inc. of which each is a shareholder.
- (14) Based on a Schedule 13G filing dated February 1, 1999. Granahan Investment Management, Inc. has sole power to vote 7,500 shares and sole power to dispose of 360,200 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers to file reports of ownership and changes of ownership of the Company's Common Stock with the Securities and Exchange Commission. The Company believes that during fiscal 1999 all filing requirements applicable to its directors and executive officers were met.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Rex Radio and Television, Inc. leases 10,000 square feet for a store in a strip shopping center in Beavercreek, Ohio, from Stuart Rose/Beavercreek, Inc. The shareholders of Stuart Rose/Beavercreek, Inc. are Stuart Rose and Lawrence Tomchin. The lease term is 10 years plus four additional five year renewal options. Base rent is \$82,500 per year during the primary term and increases each renewal term. In consideration of the lease, the Company licensed the REX trade name to Stuart Rose/Beavercreek, Inc. to name the shopping center 'Rex Centre.' The transaction was authorized by the Company's outside directors.

During fiscal 1999, the Company paid the law firm of Chernesky, Heyman & Kress P.L.L., of which Edward Kress is a partner, a total of \$493,160 for legal services.

INDEPENDENT PUBLIC ACCOUNTANTS

Arthur Andersen LLP served as the Company's independent public accountants for the fiscal year ended January 31, 2000, and has served in that capacity since the Company's incorporation in 1984. It is

anticipated that representatives of Arthur Andersen LLP will be present at the Annual Meeting to respond to appropriate questions from shareholders and to make a statement if they desire to do so.

The Board of Directors of the Company annually appoints the independent public accountants for the Company after receiving the recommendations of its Audit Committee. No recommendation of the Audit Committee has been made concerning the appointment of independent public accountants for the fiscal year ending January 31, 2001.

OTHER BUSINESS

SOLICITATION OF PROXIES

The Company will bear the entire expense of this proxy solicitation. Arrangements will be made with brokers and other custodians, nominees and fiduciaries to send proxy solicitation materials to their principals and the Company will, upon request, reimburse them for their reasonable expenses in so doing. Officers and other regular employees of the Company may solicit proxies by mail, in person or by telephone.

OTHER MATTERS

The Board of Directors does not know of any matters to be presented at the Annual Meeting other than those mentioned above. However, if other matters should properly come before the Annual Meeting or any adjournments thereof, the proxy holders will vote the proxies thereon in their discretion.

SHAREHOLDER PROPOSALS

Proposals by shareholders intended to be presented at the Company's 2001 Annual Meeting of Shareholders must, in accordance with applicable regulations of the Securities and Exchange Commission, be received by the Secretary of the Company at 2875 Needmore Road, Dayton, Ohio 45414 on or before January 3, 2001 in order to be considered for inclusion in the Company's proxy materials for that meeting. Shareholder proposals intended to be submitted at the 2001 Annual Meeting outside the processes of Rule 14a-8 will be considered untimely under Rule 14a-4(c)(1) if not received by the Company at its corporate offices on or before March 19, 2001. If the Company does not receive timely notice of such proposal, the proxy holders will vote on the proposal, if presented at the meeting, in their discretion.

By Order of the Board of Directors

EDWARD M. KRESS

EDWARD M. KRESS
Secretary

May 3, 2000
Dayton, Ohio

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APPENDIX 1
PROXY CARD

PROXY

REX STORES CORPORATION

PROXY FOR ANNUAL MEETING OF SHAREHOLDERS
JUNE 5, 2000

The undersigned hereby appoints Stuart Rose and Lawrence Tomchin and each of them proxies for the undersigned, with full power of substitution, to vote all the shares of Common Stock of REX STORES CORPORATION, a Delaware corporation (the "Company"), which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Company to be held on Monday, June 5, 2000, at 2:00 p.m. and any adjournments thereof.

(CONTINUED, AND TO BE SIGNED, ON THE OTHER SIDE)

PLEASE DATE, SIGN AND MAIL YOUR
PROXY CARD BACK AS SOON AS POSSIBLE!

ANNUAL MEETING OF SHAREHOLDERS
REX STORES CORPORATION

JUNE 5, 2000

Please Detach and Mail in the Envelope Provided

A [X] PLEASE MARK YOUR
VOTES AS IN THIS
EXAMPLE.

	FOR ALL nominees listed at right	WITHHOLD AUTHORITY to vote for all nominees listed at right
--	--	--

1. ELECTION OF
DIRECTORS

[]

[]

NOMINEES: Stuart Rose
Lawrence Tomchin
Robert Davidoff
Edward Kress
Lee Fisher

(INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY
INDIVIDUAL NOMINEE, STRIKE A LINE THROUGH THE NOMINEE'S
NAME AT RIGHT.)

2. IN THEIR DISCRETION the proxies are authorized to vote upon such
other business as may properly come before the Meeting.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND WILL BE
VOTED AS DIRECTED HEREIN. IF NO DIRECTION IS GIVEN, THIS PROXY SHALL BE
VOTED FOR PROPOSAL 1.

(Signatures) _____ Dated: _____, 2000

NOTE: Shareholders should date this proxy and sign here exactly as the name(s) hereon. If stock is held jointly, both should
sign this proxy. Executors, administrators, trustees, guardians, and others signing in a fiduciary capacity should
indicate their full title in such capacity.

STATEMENT OF DIFFERENCES

The section symbol shall be expressed as..... 'SS'