

FREQUENCY ELECTRONICS INC  
Form DEF 14A  
August 22, 2008

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

**SCHEDULE 14A**

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

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 Under §240.14a-12

FREQUENCY ELECTRONICS, INC.  
(Name of Registrant as Specified in Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- No fee required.  
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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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**FREQUENCY ELECTRONICS, INC.**

55 Charles Lindbergh Boulevard  
Mitchel Field, New York 11553

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To be held on October 7, 2008

To the Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Frequency Electronics, Inc. will be held at the offices of the Company, 55 Charles Lindbergh Boulevard, Mitchel Field, New York, 11553, on the 7th day of October 2008, at 10:00 A.M., Eastern Daylight Time, for the following purposes:

1. To elect six (6) directors to serve until the next Annual Meeting of Stockholders and until their respective successors shall have been elected and qualified;
2. To consider and act upon ratifying the appointment of Eisner LLP as independent auditors for the fiscal year commencing May 1, 2008; and
3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record as of the close of business on August 22, 2008, the date fixed by the Board of Directors as the record date for the meeting, are entitled to notice of, and to vote at, the meeting.

By order of the Board of  
Directors

/s/ Harry Newman  
HARRY NEWMAN  
Secretary

Mitchel Field, New York  
August 22, 2008

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED. YOU MAY NEVERTHELESS VOTE IN PERSON IF YOU ATTEND THE MEETING.

**FREQUENCY ELECTRONICS, INC.**  
**55 Charles Lindbergh Boulevard**  
**Mitchel Field, New York 11553**

**PROXY STATEMENT**

**ANNUAL MEETING OF STOCKHOLDERS**

October 7, 2008

This Proxy Statement is being furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors (the "Board") of Frequency Electronics, Inc., a Delaware corporation (hereinafter called the "Company"), for use at the Annual Meeting of Stockholders to be held at the office of the Company, 55 Charles Lindbergh Boulevard, Mitchel Field, New York 11553, on the 7<sup>th</sup> day of October 2008, at 10:00 A.M., Eastern Daylight Time, or any adjournment or adjournments thereof. A Notice of Internet Availability of Proxy Materials on the Company's website and a Proxy card were first mailed to shareholders on or about August 22, 2008. Only stockholders of record as of the close of business on August 22, 2008 are entitled to notice of, and to vote at, the meeting.

The Board may use the services of the Company's directors, officers and other regular employees to solicit proxies personally or by telephone and may request brokers, fiduciaries, custodians and nominees to send proxies, proxy statements and other material to their principals and reimburse them for their out-of-pocket expenses in so doing. The cost of solicitation of proxies, which it is estimated will not exceed \$7,500, will be borne by the Company. Each proxy executed and returned by a stockholder may be revoked at any time thereafter by filing a later dated proxy or by appearing at the meeting and voting in person. Attendance at the meeting will not, in itself, constitute revocation of a proxy.

**VOTING SECURITIES**

The Board has fixed the close of business on August 22, 2008, as the record date for determination of stockholders entitled to notice of, and to vote at, the meeting. On August 22, 2008, the Company had outstanding 8,728,462 shares of common stock, \$1.00 par value per share ("Common Stock") (excluding 435,477 treasury shares), each of which entitled the holder to one vote. No shares of preferred stock were outstanding as of such date. A majority of the outstanding shares of Common Stock, represented in person or by proxy, constitutes a quorum.

A stockholder who abstains from voting on any or all proposals will be included in the number of stockholders present at the meeting for the purpose of determining the presence of a quorum. Broker non-votes also will be counted for the purpose of determining the presence of a quorum.

Brokers who do not receive a stockholder's instructions are entitled to vote on the election of directors and the ratification of the independent auditors. Broker non-votes and stockholder abstentions will have no effect on the outcome of the election of directors.

It is expected that the following business will be considered at the meeting and action will be taken thereon.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

At the annual meeting, stockholders will be asked to elect six (6) directors ("Director(s)") to the Board to hold office until the next annual meeting of stockholders and until their respective successors are elected and qualified. Cumulative voting is not permitted. The accompanying Proxy will be voted for the election of all six of the members of the Board, each of whose principal occupations are set forth in the following table, if no direction to the contrary is given. In the event that any such nominee is unable or declines to serve, the Proxy may be voted for the election of another person in his place. The Board knows of no reason to anticipate that this will occur.

**Nominees for Election as Directors**

The director nominees are as follows:

Name	Principal Occupation	Age	Year First Elected Director
Joseph P. Franklin (Major General, U.S. Army – Ret.)	Chairman of the Board of Directors	74	1990
Martin B. Bloch	President, Chief Executive Officer and a Director	72	1961
Joel Girsky	President, Jaco Electronics, Inc., and a Director	69	1986
E. Donald Shapiro	Dean Emeritus, New York Law School and a Director	76	1998
S. Robert Foley, Jr. (Admiral, U.S. Navy – Ret.)	Vice President for Laboratory Management, University of California and a Director	80	1999
Richard Schwartz	Trustee, Cooper Union and a Director	72	2004

All directors hold office for a one-year period or until their successors are elected and qualified.

The Company's Board has determined that Messrs. Foley, Girsky, Shapiro and Schwartz are "independent," as defined in the listing standards of the NASDAQ Stock Market ("NASDAQ"). The composition of the Board, consisting of two (2) officers of the Company (Messrs. Bloch and Franklin) and the four (4) independent directors, is in full compliance with the listing requirements of the NASDAQ as required under corporate governance rules promulgated by the Securities and Exchange Commission ("SEC").

**Business Experience of Directors**

MARTIN B. BLOCH, age 72, has been a Director of the Company and of its predecessor since 1961. He has served continuously since 1961 as the Company's President and, except for December 1993 through April 1999, as its Chief Executive Officer. Previously, he served as chief electronics engineer of the Electronics Division of Bulova Watch Company.

JOSEPH P. FRANKLIN, age 74, has served as a Director of the Company since March 1990. In December 1993, he was elected Chairman of the Board and, from December 1993 through April 1999, served as Chief Executive Officer of the Company. From August 1987 to November 1993, he was the chief executive officer of Franklin S.A., a Spanish business consulting company located in Madrid, Spain, specializing in joint ventures, and was a director of several

prominent Spanish companies. General Franklin was a Major General in the United States Army until he retired in July 1987. He was Vice Chairman of the Board of Trustees of the US Military Academy at West Point from 2000 to 2004.

JOEL GIRSKY, age 69, has served as a Director of the Company since October 1986. He is the president and a director of Jaco Electronics, Inc., which is in the business of distributing electronics components, and has served in such a capacity for over forty years. Mr. Girsky is the Chairman of the Company's Compensation Committee.

E. DONALD SHAPIRO, age 76, has been The Joseph Solomon Distinguished Professor of Law, New York Law School, since 1983 and Dean Emeritus since 2000 and was previously Dean/Professor of Law from 1973 to 1983. He was formerly a director of Loral Space & Communications, Ltd., Vasomedical, Inc., United Industrial, Kramont Realty Trust as well as several other companies. Mr. Shapiro became a member of the Board in 1998 and serves as Chairman of the Company's Audit Committee.

S. ROBERT FOLEY, Jr., age 80, is Vice President for Laboratory Management, University of California. He served as Vice President of Raytheon International, Inc. and President of Raytheon Japan from 1995 to 1998. Admiral Foley served in the United States Navy for 35 years, including the position of Commander-In-Chief of the Pacific Fleet. Admiral Foley is also a director of INTELSAT General Corp. Admiral Foley became a member of the Board in 1999.

RICHARD SCHWARTZ, age 72, is a trustee and chairman of the Finance Committee of Cooper Union in New York City. Prior to his retirement in 2000, Mr. Schwartz was Chief Executive Officer and Chairman of ATK. He served in senior executive positions at ATK and predecessor companies since 1990. Prior to that Mr. Schwartz had been president of the Rocketdyne division of Rockwell International, a company he first joined in 1957. Mr. Schwartz also serves on the board of directors of Astronautics Corporation of America. Mr. Schwartz became a member of the Board in 2004.

### Compensation of Directors:

Directors who are not officers of the Company receive an honorarium of \$18,000 (increased from \$10,000 during fiscal year 2008) and \$2,500 for attendance at each Board meeting or meeting of a Board committee of which he is a member (\$1,500 if such attendance is telephonic). In addition, the chairman of the Audit Committee receives a stipend of \$10,000. Company officers do not receive additional compensation for attendance at Board meetings or committee meetings. During fiscal year 2008, no directors were granted stock options or stock awards. Directors who are not officers do not participate in Company-sponsored pensions or deferred compensation programs.

### Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Option Awards (1)(2)	Total (\$)
E. Donald Shapiro	\$ 36,000	\$ 0	\$ 36,000
Joel Girsky	25,500	0	25,500
S. Robert Foley	24,500	0	24,500
Richard Schwartz	25,500	32,911	58,411

(1) The amounts in this column do not represent actual cash payments but represent the fair value of stock options awarded in prior years recognized by the Company as an expense in fiscal year 2008 for financial accounting purposes. The fair value of these awards and the amounts expensed in fiscal year 2008 were determined in accordance with FASB Statement of Financial Accounting Standards No. 123R, *Share-Based Payment* (FAS 123R), except the impact of estimated forfeitures related to service-based vesting conditions have been disregarded in accordance with SEC rules. The assumptions used in determining the grant date fair values of these awards are set forth in the notes to the Company's consolidated financial statements, which are included in its Annual Report on Form 10-K for the year ended April 30, 2008, as filed with the SEC.

(2) Each non-officer Director previously received a stock option grant to acquire 30,000 shares of the Company's stock and each such option award was outstanding at the end of fiscal year 2008. All Directors were fully vested in such options prior to fiscal year 2008, except for Mr. Schwartz who became fully vested in his stock option grant as of December 2007. The grant dates and exercise prices for these grants are listed in note (11) under the section Stock Ownership of Certain Beneficial Owners and Management beginning on page 7 of this Proxy Statement.

### Vote Required

Assuming the presence of a quorum at the Annual Meeting, the affirmative vote of a plurality of the votes cast by holders of shares of common stock represented at the meeting and entitled to vote is required for the election of



directors.

THE BOARD OF DIRECTORS DEEMS PROPOSAL NO. 1 TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS A VOTE "FOR" THE NOMINEES NAMED ABOVE.

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**PROPOSAL NO. 2****APPOINTMENT OF INDEPENDENT AUDITORS**

The Board of Directors, upon recommendation of the Audit Committee, has appointed the firm of Eisner LLP (“Eisner”), independent accountants, to be the Company’s external auditors for the fiscal year commencing May 1, 2008, and recommends to stockholders that they vote for ratification of that appointment.

It is anticipated that a representative of Eisner will be present at the meeting. Such representative will be given the opportunity to make a statement and will be available to respond to appropriate questions.

On August 1, 2008, the Audit Committee approved the dismissal of Holtz Rubenstein Reminick LLP (“HRR”) as the Company’s independent auditors. On August 4, 2008, the Company notified HRR of its dismissal as the Company’s independent auditors. On August 1, 2008, the Audit Committee engaged Eisner as the Company’s independent auditors for the fiscal year ending April 30, 2009.

The reports of HRR on the Company’s financial statements for the years ended April 30, 2008 and 2007 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the audits of the Company’s financial statements for the years ended April 30, 2008 and 2007 and the subsequent interim period through August 1, 2008, there have been no disagreements with HRR on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of HRR, would have caused HRR to make reference thereto in its reports on the Company’s financial statements for such years.

No reportable event of the type described in Item 304(a)(1)(v) of Regulation S-K occurred during the years ended April 30, 2008 and 2007 and the subsequent interim period through August 1, 2008.

During the Company’s two fiscal years ended April 30, 2008 and 2007 and the subsequent interim period through August 1, 2008, the Company has not consulted with Eisner regarding the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s consolidated financial statements, or any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or reportable event (within the meaning of Item 304(a)(1)(v) of Regulation S-K).

**AUDIT AND NON-AUDIT FEES**

The following table presents the aggregate fees and expenses paid or accrued by the Company for professional services rendered by the Company’s former auditors, Holtz Rubenstein Reminick LLP in fiscal years 2008 and 2007. Other than as set forth below, no professional services were rendered or fees billed by Holtz Rubenstein Reminick LLP during fiscal years 2008 and 2007.

Service	2008	2007
Audit Fees <sup>(1)</sup>	\$ 260,138	\$ 254,366
Audit-Related Fees <sup>(2)</sup>	73,016	59,992
Tax Fees <sup>(3)</sup>	54,259	41,935
All Other Fees <sup>(4)</sup>	-	-
<b>TOTAL</b>	<b>\$ 387,413</b>	<b>\$ 356,293</b>

<sup>(1)</sup> Audit fees consist of professional services rendered for the audit of the Company's annual financial statements and the reviews of the quarterly financial statements and issuance of consents and assistance with and review of documents filed with the SEC.

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- (2) Other audit-related services provided by Holtz Rubenstein Reminick LLP include the annual audit of the Company's employee benefit plans as well as accounting consultations regarding significant transactions during the fiscal year.
- (3) Tax fees consist of fees for services rendered to the Company for tax compliance, tax planning and advice.
- (4) No other services were performed by Holtz Rubenstein Reminick LLP in connection with financial information systems design and implementation or otherwise.

### **Pre-Approved Services**

Prior to engaging Holtz Rubenstein Reminick LLP to render the above services during fiscal years 2008 and 2007, and pursuant to its charter, the Audit Committee approved the engagement for each of the services and determined that the provision of such services by the external auditor was compatible with the maintenance of Holtz Rubenstein Reminick LLP's independence in the conduct of its auditing services.

The procedures used by the Audit Committee for the pre-approval of all audit and permissible non-audit services provided by the independent auditors are described below.

Before engagement of Eisner LLP as independent auditors for the fiscal year 2009, the independent auditors will submit a detailed description of services expected to be rendered during that year within each of four categories of services to the Audit Committee for approval.

*Audit Services* include audit work performed on the Company's financial statements, as well as work that generally only the independent auditors can reasonably be expected to provide, including statutory audits, comfort letters, consents and assistance with and review of documents filed with the SEC.

*Audit-Related Services* are for assurance and related services that are traditionally performed by the independent auditors, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements and discussions surrounding the proper application of financial accounting and/or reporting standards.

*Tax Services* include all services, except those services specifically related to the audit of the financial statements, performed by the independent auditors' tax personnel, including tax analysis; assisting with coordination of execution of tax related activities, primarily in the area of corporate development; supporting other tax related regulatory requirements; and tax compliance and reporting.

*Other Services* are those associated with services not captured in the other categories. The Company generally does not request such services from the independent auditors.

Prior to engagement, the Audit Committee pre-approves independent auditor services within each category. The fees are budgeted and the Audit Committee requires the independent auditors to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent auditors for additional services not contemplated in the original pre-approval categories. In those instances, the Audit Committee requires specific pre-approval before engaging the independent auditors.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member(s) to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

**Vote Required**

The affirmative vote of a majority of the shares of common stock represented at the meeting and entitled to vote is required for the ratification of Eisner LLP as the Company's independent auditors for the 2009 fiscal year.

THE BOARD OF DIRECTORS DEEMS PROPOSAL NO. 2 TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS A VOTE "FOR" APPROVAL THEREOF.

**OTHER BUSINESS**

As of the date of this Proxy Statement, the only business which the Board intends to present and knows that others will present at the meeting are hereinabove set forth. If any other matter or matters are properly brought before the meeting or any adjournments thereof, it is the intention of the persons named in the accompanying Proxy to vote the Proxy on such matters in accordance with their judgment.

## PROPOSALS OF STOCKHOLDERS

In accordance with the rules promulgated by the SEC, any stockholder who wishes to submit a proposal for inclusion in the proxy material to be distributed by the Company in connection with the 2009 Annual Meeting of Stockholders must submit such proposal to the Company no later than April 24, 2009.

Assuming that the Company's 2009 Annual Meeting of Stockholders is held on schedule, the Company must receive notice of a stockholder's intention to introduce a nomination or other item of business at that meeting by July 8, 2009. If the Company does not receive notice by that date, or if the Company meets certain other requirements of the SEC rules, the persons named as proxies in the proxy materials relating to that meeting will use their discretion in voting the proxies when these matters are raised at the meeting.

## STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of August 22, 2008, information concerning the beneficial ownership of the Company's Common Stock by (i) each person who is known by the Company to own beneficially more than 5% of the Company's Common Stock, (ii) each of the Company's directors and nominees for director, (iii) each of the Company's Named Executive Officers who were serving as executive officers at the end of the last completed fiscal year, and (iv) all directors and executive officers of the Company as a group:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (Percent of Class (2))	
DePrince Race & Zollo, Inc. (3) 250 Park Avenue South, Suite 250 Winter Park, FL 32789	1,005,353	11.5%
Dimensional Fund Advisors, Inc. (4) 1299 Ocean Ave. Santa Monica, CA 90401	703,171	8.1%
Frequency Electronics, Inc. Employee Stock Ownership Plan (5) 55 Charles Lindbergh Blvd. Mitchel Field, NY 11553	537,204	6.2%
Martin B. Bloch (6)(7)(10) 55 Charles Lindbergh Blvd. Mitchel Field, NY 11553	939,733	10.8%
Joseph P. Franklin (7)(8)(10) 55 Charles Lindbergh Blvd. Mitchel Field, NY 11553	157,748	1.8%
Joel Girsky (11) c/o Jaco Electronics, Inc. 145 Oser Avenue Hauppauge, NY 11788	55,000	*
E. Donald Shapiro (11) 10040 E. Happy Valley Road		

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Scottsdale, AZ 85255	33,600	*
S. Robert Foley (11) One Lakeside Dr. Oakland, CA 94612	30,000	*
Richard Schwartz (11) 4427 Golf Course Dr. Westlake Village, CA 91362	30,000	*
Markus Hechler (9)(10) 55 Charles Lindbergh Blvd. Mitchel Field, NY 11553	107,811	1.2%

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)
Oleandro Mancini (10) 55 Charles Lindbergh Blvd. Mitchel Field, NY 11553	62,281	*
All executive officers and directors as a group (16 persons) (9)(10)	1,935,703	22.2%

\*designates less than one percent (1%) of issued and outstanding shares of Common Stock.

Notes:

- (1) Each person has sole voting and investment power over the shares reported, except as noted.
- (2) Based on 8,728,462 shares outstanding as of August 22, 2008.
- (3) As reported in a Form 13G for the period ended July 31, 2008, filed by DePrince Race & Zollo, Inc., which is an investment advisor registered under the Investment Advisors Act of 1940, and provides investment advisory services on a discretionary basis to institutional clients, most of whom are pension and profit sharing plans and trusts.
- (4) As reported in a Form 13F for the quarter ended June 30, 2008, filed by Dimensional Fund Advisors Inc. ("Dimensional"), which is an investment advisor registered under the Investment Advisors Act of 1940. Per a Schedule 13G filing dated December 31, 2004, Dimensional furnishes investment advice to four investment companies registered under the Investment Advisors Act of 1940 and serves as investment manager to certain other commingled group trusts and separate accounts. Per the Form 13F, in its role as investment advisor or manager, Dimensional possesses investment power over 703,171 shares and voting authority over 690,726 shares that are owned by such investment companies, commingled group trusts and separate accounts, and Dimensional disclaims beneficial ownership of such securities.
- (5) Includes 416,109 shares of stock held by the Frequency Electronics, Inc. ESOP Trust (the "Trust") for the Company's Employee Stock Ownership Plan, all of which shares have been allocated to the individual accounts of employees of the Company (including the Named Executive Officers as defined on page 13); also includes 121,095 shares held by the Trust under the Company's Stock Bonus Plan (converted by amendment to the Employee Stock Ownership Plan as of January 1, 1990).
- (6) Includes 198,000 shares issuable on the full exercise of the following options granted to Mr. Bloch: an option to purchase 18,000 shares granted on August 31, 1998 at an exercise price of \$7.125 under the Senior ESOP, as that term is hereinafter defined, and an option to purchase 180,000 shares granted on March 1, 2001 at an exercise price of \$13.49, per terms of Mr. Bloch's employment agreement. (See the discussion on the Chief Executive Officer Employment Agreement on page 15.)
- (7) Includes 33,000 shares owned by members of Mr. Bloch's immediate family, 197,748 shares held by a partnership over which Mr. Bloch maintains discretionary control and 30,600 shares held in trust for Mr. Bloch's wife for which General Franklin is the trustee. Mr. Bloch disclaims beneficial ownership of such shares.
- (8) Includes 101,465 shares held in a family trust and 16,831 shares in a charitable foundation over which General Franklin retains discretionary control. General Franklin disclaims beneficial ownership of such shares.



(9) Includes the following shares granted to the officers of the Company pursuant to a stock purchase agreement in connection with the Company's Restricted Stock Plan:

<b>Name</b>	<b>Restricted Stock</b>
Markus Hechler	7,500
All Officers as a Group (11 persons)	22,500

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(10) Includes the number of shares which, as at August 22, 2008, were deemed to be beneficially owned by the persons named below, by way of their respective rights to acquire beneficial ownership of such shares within 60 days through (i) the exercise of options; (ii) the automatic termination of a trust, discretionary account, or similar arrangement; or (iii) by reason of such person's having sole or shared voting powers over such shares. The following table sets forth for each person named below the total number of shares which may be so deemed to be beneficially owned by him and the nature of such beneficial ownership:

Name	Stock Bonus Plan Shares (a)	ESOP Shares (b)	Profit Sharing Plan & Trust 401(k) (c)	ISO or NQSO or SAR Shares (d)
Martin B. Bloch	22,317	4,205	2,653	30,000
Joseph P. Franklin	-0-	4,031	146	5,000
Markus Hechler	2,707	5,968	2,573	83,500
Oleandro Mancini	-0-	-0-	2,156	60,125
All Directors and Officers as a Group (15 persons)	26,060	40,320	19,879	485,062

(a) Includes all shares allocated under the Company's Stock Bonus Plan ("Bonus Plan") to the respective accounts of the named persons, ownership of which shares is fully vested in each such person. No Bonus Plan shares are distributable to the respective vested owners thereof until after their termination of employment with the Company. As of January 1, 1990, the Bonus Plan was amended to be an "Employee Stock Ownership Plan" (see footnote (b) to the table).

(b) Includes all shares allocated under the Company's Employee Stock Ownership Plan ("ESOP") to the respective accounts of the named persons, ownership of which shares was fully vested in each such person as at April 30, 2008. ESOP shares are generally not distributable to the respective vested owners thereof until after their termination of employment with the Company. However, upon the attainment of age 55 and completion of 10 years of service with the Company, a participant may elect to transfer all or a portion of his vested shares, or the cash value thereof, to a Directed Investment Account. Upon the allocation of shares to an employee's ESOP account, such employee has the right to direct the ESOP trustees in the exercise of the voting rights of such shares.

(c) Includes all shares allocated under the Company's profit sharing plan and trust under section 401(k) of the Internal Revenue Code of 1986. This plan permits eligible employees, including officers, to defer a portion of their income through voluntary contributions to the plan. Under the provisions of the plan, the Company made discretionary matching contributions of the Company's Common Stock. All participants in the plan become fully vested in the Company contribution after six years of employment. All of the officers named above are fully vested in the shares attributable to their accounts.

(d) All amounts in this column represent the number of shares that may be obtained upon exercise of Incentive Stock Options ("ISO"), Non-qualified Stock Options ("NQSO") or Stock Appreciation Rights ("SARS") in which the officers are fully vested or may become vested within 60 days of August 22, 2008. Such grants have been made under the Company's 1993 Nonstatutory Stock Option Plan, 2001 Incentive Stock Option Plan and 2005 Stock Award Plan. The individual grants, exercise prices and expiration dates for the Named Executive Officers are listed in the Outstanding Equity Awards at Fiscal Year-End Table on page 16 of this Proxy Statement.

(11) Includes shares issuable on the exercise of options granted to the non-officer Directors of the Company under the Independent Contractors Stock Option Plan.

Name	Exercisable	Grant	Exercise
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	<b>Share</b>	<b>Date</b>	<b>Price</b>
Joel Girsky	30,000	June 29, 1998	