

NATIONAL HOLDINGS CORP
Form DEF 14A
February 17, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

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 ☒
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 Rule 14(a)-12

NATIONAL HOLDINGS CORPORATION

(Name of Registrant as Specified in Charter)

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:
- (5) Total fee paid:

☐ 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:
-

NATIONAL HOLDINGS CORPORATION

Notice of Annual Meeting of Stockholders
To Be Held Friday, March 16, 2012 at 10:00 A.M. EST

To the Stockholders:

The Annual Meeting of Stockholders (the “Annual Meeting”) of National Holdings Corporation (the “Company”) will be held on Friday, March 16, 2012 at 10:00 A.M. EST at the Company’s offices, located at 120 Broadway, 27th Floor New York, New York 10271, for the following purposes:

1. To elect two (2) Class II directors to serve until the 2015 Annual Meeting of Stockholders and until their successors are elected and qualified;
2. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Owners of record at the close of business on February 14, 2012 (the “Record Date”), will be entitled to vote at the Annual Meeting or at any adjournments or postponements thereof. A complete list of the stockholders entitled to vote at the Annual Meeting will be made available for inspection by any stockholder of record at the offices of the Company during market hours from February 14, 2012, through the time of the Annual Meeting.

Your vote is very important. For this reason, our Board of Directors is soliciting your proxy to vote your shares of the Company’s common stock, \$0.02 par value per share (the “Common Stock”) at the meeting. The entire cost of soliciting proxies will be borne by the Company. The cost of solicitation will include the cost of supplying necessary additional copies of the solicitation materials and the Company’s 2011 Annual Report to Stockholders (the “Annual Report”) to beneficial owners of shares held of record by brokers, dealers, banks, trustees, and their nominees, including the reasonable expenses of such record holders for completing the mailing of such materials and Annual Report to such beneficial owners.

In voting at the Annual Meeting, each stockholder of record on the Record Date shall be entitled to one vote on all matters. Holders of a majority of the outstanding shares of Common Stock, including holders of our preferred stock, \$0.01 par value per share (the “Preferred Stock”), who vote with the Common Stock, must be represented in person or by proxy in order to achieve a quorum to vote on all matters.

All stockholders are cordially invited to attend the Annual Meeting in person. We are also providing proxy material access to our stockholders via the Internet. See “Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on March 16, 2012.” Please give the proxy materials your careful attention.

You may vote by signing, voting and returning the proxy card in the envelope provided. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card. Please review the instructions for each voting option described in this proxy statement. Your prompt cooperation will be greatly appreciated.

The proxy statement, the attached Notice of Meeting, the enclosed proxy card and the Annual Report to Stockholders are being mailed to stockholders on or about February 21, 2012.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED, AND THE DELIVERY

OF THIS PROXY STATEMENT SHALL, UNDER NO CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE OF THIS PROXY.

By Order of the Board of Directors

/s/ Alan B. Levin

Alan B. Levin

Secretary

Boca Raton, Florida
February 17, 2012

NATIONAL HOLDINGS CORPORATION

120 Broadway, 27th Floor
New York, New York 10271

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
To Be Held March 16, 2012

General

The enclosed proxy is solicited on behalf of the Board of Directors (the “Board” or “Board of Directors”) of National Holdings Corporation, a Delaware corporation (the “Company”), for use at the Annual Meeting of Stockholders to be held on March 16, 2012 (the “Annual Meeting”), and any adjournment or postponement thereof. The Annual Meeting will be held at 10:00 A.M. (local time) at the Company’s offices, located at 120 Broadway, 27th Floor New York, New York 10271. This proxy statement, the enclosed proxy card and the Company’s Annual Report for the fiscal year ended September 30, 2011, are being mailed on or about February 21, 2012, to stockholders entitled to vote at the meeting.

Record Date and Voting Shares

The close of business on February 14, 2012 has been fixed as the record date (the “Record Date”) for determining the stockholders of record entitled to notice of and to vote at the Annual Meeting. At the close of business on the Record Date, there were outstanding and entitled to vote 21,946,704 shares of Common Stock, \$0.02 par value (the “Common Stock”), 46,050 shares of Series A Convertible Preferred Stock, \$0.01 par value (the “Series A Preferred Stock”), 34,169 shares of Series C Convertible Preferred Stock, \$0.01 par value (the “Series C Preferred Stock”), and 60,000 shares of Series D Convertible Preferred Stock, \$0.01 par value (the “Series D Preferred Stock”). Each share of Series A Preferred Stock is convertible into 80 shares of Common Stock. Each share of Series C and D Preferred Stock is convertible into 100 shares of Common Stock. The holder of each share of Series A Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock into which such share of Series A Preferred Stock could be converted at the Record Date. The holder of each share of Series C and Series D Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock into which such share of Series C and D Preferred Stock could be converted, less one share, at the Record Date. Accordingly, as of the Record Date, there were 34,953,229 shares entitled to vote, consisting of 21,946,704 shares of Common Stock outstanding, 3,684,000 shares of Common Stock entitled to vote underlying the Series A Preferred Stock, 3,382,525 shares of Common Stock entitled to vote underlying the Series C Preferred Stock, and 5,940,000 shares of Common Stock entitled to vote underlying the Series D Preferred Stock. Each share of Common Stock entitles the holder thereof to one vote upon any proposal submitted for a vote at the Annual Meeting.

Directors are elected by a plurality of the votes, which means that the nominee who receives the largest number of properly executed votes will be elected as a director. Shares that are represented by proxies that are marked “withhold authority” for the election of a director nominee will not be counted in determining the number of votes cast for that person. Any other matters properly considered at the meeting will be determined by a majority of the votes cast at the Annual Meeting.

Voting of Proxies

Shares of Common Stock represented by proxies which are properly executed, duly returned and not revoked, will be voted in accordance with the instructions contained therein. Except as discussed below with regard to shares held in “street name” by a bank or broker, if no instruction is indicated on the proxy, the shares of Common Stock represented

thereby will be voted: (i) FOR the election of the Class II Directors for a term ending in 2015; and (ii) at the discretion of the person or persons voting the proxy, with respect to any other matter that may properly be brought before the Annual Meeting. The execution of a proxy will in no way affect a stockholder's right to attend the Annual Meeting and vote in person. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business.

Pursuant to the rules of the New York Stock Exchange ("NYSE"), brokers do not have discretion to vote the shares of customers who fail to provide voting instructions on non-routine proposals, and the proposal to elect directors constitutes a non-routine matter. If the shares you own are held in "street name" by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides to you. Accordingly, if you do not give instructions to your bank or brokerage firm with respect to the election of directors, your shares will be treated as "broker non-votes" on these particular matters. Broker non-votes do not count as votes cast on such a proposal. Under Section 216 of the Delaware General Corporation Law, on matters other than the election of directors, an action of the stockholders generally requires the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Accordingly, an abstention on any matter other than the election of directors will have the same effect as a vote against that matter.

Your broker will not be able to vote your shares with respect to the election of directors if you have not provided instructions to your broker. We strongly encourage you to submit your proxy card and exercise your right to vote as a stockholder. The Company believes that the tabulation procedures to be followed by the Inspector of Elections are consistent with the general requirements of Delaware law concerning voting of shares and determination of a quorum.

Revocation of Proxies

You may revoke or change your proxy at any time before the Annual Meeting by filing with the Secretary of the Company, at 1200 North Federal Highway, Suite 400, Boca Raton, FL 33432, a notice of revocation or another signed proxy with a later date. You may also revoke your proxy by attending the Annual Meeting and voting in person.

If any stockholder is unable to attend the Annual Meeting, such stockholder may vote by proxy. If a proxy is properly executed and returned to the Company in time to be voted at the Annual Meeting, it will be voted as specified in the proxy, unless it is properly revoked prior thereto. Votes cast in person or by proxy at the Annual Meeting will be tabulated by the Inspector of Elections appointed for the meeting and will determine whether or not a quorum is present. The holders of a majority of the shares of stock entitled to vote at the meeting, present in person or represented by proxy shall constitute a quorum for the transaction of business.

Solicitation

The Company will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of this proxy statement, and any additional solicitation materials furnished to the stockholders. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, telegram or other means by directors, officers or employees of the Company. No additional compensation will be paid to these individuals for any such services.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on March 16, 2012

We are providing proxy material access to our stockholders via the Internet. Accordingly, these can be accessed at <http://www.nationalsecurities.com/aboutsecfilings.php>. The proxy materials include a copy of this proxy statement, a copy of our annual report on Form 10-K for the fiscal year ended September 30, 2011, a copy of the Form 10-K/A for the fiscal year ended September 30, 2011, and a copy of the form of proxy included herein.

Stockholder Proposals for 2013 Annual Meeting

Any stockholder who intends to present a proposal at the Company's 2013 Annual Meeting of Stockholders must ensure that the proposal is received by the Corporate Secretary at 1200 North Federal Highway, Suite 400, Boca Raton, FL 33432:

- not later than October 24, 2012, if the proposal is submitted for inclusion in our proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); or
- on or before January 22, 2013, if the proposal is submitted for the 2013 annual meeting pursuant to the Company's by-laws, in which case the notice of the proposal must meet certain requirements set forth in our by-laws.
- on or after September 24, 2012, and on or before October 24, 2012, if the proposal is submitted for inclusion in our proxy materials for the purpose of nominating a person or persons to the Board of Directors at the 2013 annual meeting.

Dissenters' Right of Appraisal

Under Delaware General Corporation Law § 262(b) and (c), stockholders are not entitled to dissenters' rights on any proposal referred to herein.

Householding of Proxy Materials

The Securities and Exchange Commission (the "SEC") has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. The Company and some brokers household proxy materials, delivering a single proxy statement to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or the Company that they or the Company will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, or if you are receiving multiple copies of the proxy statement and wish to receive only one, please notify your broker if your shares are held in a brokerage account or the Company if you hold Common Stock directly. Requests in writing should be addressed to: National Holdings Corporation, 1200 North Federal Highway, Suite 400, Boca Raton, FL 33432, Attention: Secretary. Requests may also be made by calling the Secretary at (561) 981-1007.

Certain Beneficial Owners

The following table sets forth certain information, as of February 14, 2012, concerning the beneficial ownership of our common stock by:

- each person we know to be the beneficial owner of more than 5% of our common stock;
- each of our current directors;
- each of our named executive officers;
- all current directors and named executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Note	Percentage of Class	
5% Stockholders				
COR Capital LLC 233 Wilshire Boulevard, Suite 830 Santa Monica, California 90401	10,873,986	(2)	41.0	%
St. Cloud Capital Partners II, L.P. 10866 Wilshire Boulevard, Suite 1450 Los Angeles, CA 90024	3,375,050	(3)	14.2	%
Strategic Turnaround Equity Partners L.P. 720 Fifth Avenue, 10th Floor New York, New York 10019	1,248,691	(4)	5.7	%
Triage Partners LLC 90 Park Avenue, 39th Floor New York, NY 10016	1,249,454	(5)	5.4	%
Bedford Oak Advisors, LLC 100 South Bedford Road Mt. Kisco, NY 10549	1,865,660	(6)	8.5	%
Current Directors and Named Executive Officers				
Michael S. Weiss – Non Executive Chairman of the Board and Director	6,666,667	(7)	27.1	%
Mark Goldwasser – Chief Executive Officer and Director	2,229,793	(8)	9.3	%
Leonard J. Sokolow – Vice Chairman, President and Director	2,456,491	(9)	10.5	%
Robert W. Lautz, Jr. – Director	30,000	(10)	0.1	%

Frank S. Plimpton – Director	1,724,359	(11)
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