

MACE SECURITY INTERNATIONAL INC

Form DEF 14A

May 18, 2010

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**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 Pursuant to §240.14a-12

Mace Security International, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- 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:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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**240 Gibraltar Road, Suite 220
Horsham, Pennsylvania 19044
215-259-5671**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

**Date: Friday, June 18, 2010
Time: 10:00 AM, Eastern Time**

**Location:
New York Athletic Club
Colonial Room
180 Central Park South
New York, New York 10019**

To Mace Security International, Inc. Stockholders:

We invite you to attend our 2010 Annual Meeting of Stockholders. At this meeting, you and the other stockholders will be able to vote on the following proposals, together with any other business that may properly come before the meeting.

1. Election of five directors to the Board of Directors for one-year terms. The Board has nominated for election Richard A. Barone, Gerald T. LaFlamme, John C. Mallon, Dennis R. Raefield, and Michael E. Smith.
2. Ratification of the appointment of Grant Thornton LLP as Mace's registered public accounting firm for fiscal year 2010.

You may vote on these proposals in person by attending the Annual Meeting or by proxy. The attached proxy statement provides details on voting by proxy. If you cannot attend the Annual Meeting, we urge you to complete and return promptly the enclosed proxy card in the enclosed self-addressed stamped envelope so that your shares will be represented and voted at the Annual Meeting in accordance with your instructions. Of course, if you attend the Annual Meeting, you may withdraw your proxy and vote your shares at the Annual Meeting.

Only stockholders of record at the close of business on May 14, 2010 can vote at the Annual Meeting and any adjournment or postponement of the Annual Meeting.

By Order of the Board of Directors,

/s/ Gregory M. Krzemien

Horsham, Pennsylvania
May 18, 2010

Gregory M. Krzemien
Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 18, 2010.

Mace Security International, Inc.'s Proxy Statement for the 2010 Annual Meeting of Stockholders and the Annual Report on Form 10-K for the year ended December 31, 2009 are available via the Internet at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=12765>

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**240 Gibraltar Road, Suite 220
Horsham, Pennsylvania 19044
(215) 259-5671**

PROXY STATEMENT

INTRODUCTION

The Board of Directors is soliciting proxies to be used at the 2010 Annual Meeting of Stockholders of Mace Security International, Inc. (Mace or the Company) to be held on Friday, June 18, 2010 at 10:00 AM, Eastern Time, at the New York Athletic Club, Colonial Room, 180 Central Park South, New York, New York 10019. Mace will begin mailing this proxy statement and the enclosed proxy card on or about May 18, 2010 to its stockholders entitled to vote at the Annual Meeting.

The Board of Directors is soliciting your proxy to encourage you to vote on the proposals at the Annual Meeting and to obtain your support for the proposals. You are invited to attend the Annual Meeting and vote your shares directly. If you do not attend, you may vote by proxy, which allows you to direct another person to vote your shares at the Annual Meeting on your behalf, using the accompanying proxy card. **Even if you plan to attend the Annual Meeting, it is a good idea to complete, sign and return the proxy card in case your plans change. You can always vote in person at the Annual Meeting, even if you have already returned the proxy card, by revoking your original proxy card.**

About these Proxy Materials

The Proxy Card The proxy card permits you to vote by proxy, whether or not you attend the Annual Meeting. When you sign the proxy card, you appoint certain individuals as your representatives at the Annual Meeting. They will vote your shares of Mace common stock at the Annual Meeting as you have instructed on the proxy card. If a proposal comes up for a vote that is not on the proxy, and for which the Company did not receive notice of at least 45 days before this proxy solicitation, they will vote your shares as they deem appropriate.

This Proxy Statement This proxy statement contains important information for you to consider when deciding how to vote on the proposals. Please read it carefully. It is divided into six sections following this Introduction:

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Mace will bear the cost of soliciting proxies for an affirmative vote on the proposals. Mace will not reimburse any other person or entity for the cost of preparing its own proxy materials or soliciting proxies for any matter. Mace's directors, officers and employees may solicit proxies, but will receive no special compensation for any solicitation activities. Proxies may be solicited by mail, in person, by telephone, facsimile or by other means. Mace will reimburse brokers, nominees, custodians and fiduciaries for their reasonable out-of-pocket expenses in forwarding proxy materials to the beneficial owners of Mace common stock.

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About the Annual Meeting

When And Where Mace will hold the Annual Meeting on Friday, June 18, 2010, at 10:00 AM, Eastern time, at the New York Athletic Club, Colonial Room, 180 Central Park South, New York, New York 10019.

Record Date The Board has fixed the close of business on May 14, 2010 as the record date for the Annual Meeting. All stockholders of record at that time are entitled to notice of and are entitled to vote in person or by proxy at the Annual Meeting.

Quorum Requirement Mace's bylaws require that one-third of the outstanding shares of Mace common stock must be represented at the Annual Meeting, whether in person or by proxy to constitute a quorum, in order to transact business at the Annual Meeting. Abstentions and broker non-votes will be counted in determining whether there is a quorum at the Annual Meeting.

The Proposals Stockholders will vote on the following proposals at the Annual Meeting:

election of five directors; and

ratification of the appointment of Grant Thornton LLP as Mace's independent registered public accounting firm for fiscal year 2010.

Other Matters There were no stockholder proposals submitted for the Annual Meeting for inclusion in this proxy statement. Neither Mace nor its Board intends to bring any other matter before the Annual Meeting. If other matters requiring the vote of the stockholders properly come before the Annual Meeting, which were omitted from this proxy statement pursuant to Rule 14a-8 or 14a-9 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act), or which the Board did not know would be presented at least 45 days before this solicitation, the persons named in the enclosed proxy card will have discretionary authority to vote the proxies held by them with respect to such matters in accordance with their best judgment on such matters.

Presence of Independent Registered Public Accountants Representatives of Grant Thornton LLP, Mace's independent registered public accounting firm, will be present at the Annual Meeting. They will have the opportunity to make a statement at the Annual Meeting, if they choose, and they are expected to be available to respond to appropriate stockholder questions.

The Stockholders As of the record date of May 14, 2010, there were 15,735,725 shares of Mace common stock issued and outstanding. A complete list of stockholders entitled to vote at the Annual Meeting will be available for inspection by any stockholder, for any purpose relating to the Annual Meeting, for ten days prior to the meeting during ordinary business hours at Mace's headquarters located at 240 Gibraltar Road, Suite 220, Horsham, Pennsylvania 19044.

Voting at the Annual Meeting

You are entitled to one vote for each share of Mace common stock that you owned of record at the close of business on May 14, 2010. The presence, in person or by proxy, of the holders of a majority of shares of common stock issued and outstanding and entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions are counted as shares present at the meeting for purposes of determining whether a quorum exists. Abstentions have the effect of a vote against any matter to which they are specified. Proxies submitted by brokers that do not indicate a vote for some or all of the proposals because they do not have discretionary voting authority and have not received instructions as to how to vote on those proposals (so-called broker non-votes) are considered shares present at the meeting for purposes of determining whether a quorum exists. Broker non-votes will not affect the outcome of the vote on any matter unless the matter requires the affirmative vote of a majority of the outstanding shares and in such case will have the effect of a vote against that matter.

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The five nominees for director receiving the highest number of affirmative votes shall be elected as directors. Stockholders do not have the right to cumulate their votes in the election of directors. The other proposal requires the approval of a majority of all shares of Mace common stock entitled to vote for such proposal that are represented at the Annual Meeting in person or by proxy.

How To Vote Your Shares

You may vote in one of two ways:

- return your completed, signed and dated proxy card before the Annual Meeting; or
- cast a written ballot in person at the Annual Meeting (you will need a legal proxy from your broker if you hold your shares in street name).

Voting By Proxy The proxy card has simple instructions. By returning a completed proxy card before the Annual Meeting, you will direct the appointed persons (known as proxies) to vote your shares at the Annual Meeting in accordance with your instructions. Gregory M. Krzemien and Steven Rolle will serve as your proxies for the Annual Meeting. If you complete the entire proxy card except for the voting instructions, the proxies will vote your shares **for** the election of the nominated directors and **for** the ratification of the appointment of Grant Thornton LLP as Mace's independent registered public accounting firm for fiscal year 2010. If any nominee for election to the Board is unable to serve, which is not anticipated, then the designated proxies will vote your shares **for** any substitute nominee chosen by the Board. If any other matters properly come before the Annual Meeting, then the designated proxies will vote your shares in their discretion on such matters.

How To Revoke Your Proxy You may revoke your proxy at any time before it is exercised at the Annual Meeting by any of the following means:

- notifying Mace's Secretary in writing (notice to be sent to Mace's executive offices, the address for which is located on the first page of this proxy statement);
- submitting another proxy card with a later date; or
- attending the Annual Meeting and voting by written ballot (mere attendance at the Annual Meeting will not by itself revoke your proxy).

Only the record owner of your shares can vote your shares or revoke a proxy the record owner has given. If your shares are in street name, you will not be able to revoke the proxy given by the street name holder.

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THE PROPOSALS

Proposal 1. Election of Directors

Election of five directors to the Board of Directors for a one-year term and until their respective successor is duly elected and qualified.

Nominees

Richard A. Barone
John C. Mallon

Gerald T. LaFlamme
Dennis R. Raefield

Michael E. Smith

Mark S. Alsentzer, Richard A. Barone, Gerald T. LaFlamme, John C. Mallon, and Dennis R. Raefield currently serve on the Board of Directors. Mr. Mallon currently serves as Chairman of the Board. Mr. Smith has been nominated for election as director. Mr. Alsentzer's term as a director will end upon the election of the director nominees.

All five of the director nominees were nominated by the Company's Nominating Committee and approved by the Board of Directors. All nominees have agreed to be nominated to stand for election at the 2010 Annual Meeting. Biographical information for each nominee appears below.

Richard A. Barone

Age: 68
Director Since: March 31, 2009
Principal Occupation:
2001 - Present
Chairman of the Executive Committee for the Ancora Group of Companies. The Ancora Group of Companies includes Ancora Advisors, LLC, Ancora Capital, Inc., Ancora Securities, Inc, the Ancora Mutual Funds, and the Ancora Foundation.

Recent Business Experience:

2001 - Present
Mr. Barone also oversees or manages a variety of investment strategies for the Ancora Group, selected clients and the Ancora Group's Hedge Fund, Merlin Partners. Ancora Securities, Inc. is registered as a broker/dealer with the Securities and Exchange Commission (the SEC) and the Financial Industry Regulatory Authority (FINRA), formerly known as the NASD. Ancora Advisors, LLC is registered as an investment advisor with the SEC under the Investment Advisors Act of 1940, as amended. The Ancora Mutual Funds includes Ancora Income Fund, Ancora Equity Fund, Ancora Special Opportunity Fund and Ancora MicroCap Fund. Mr. Barone is the controlling shareholder of Ancora Capital, controls 30% of Ancora Advisors, LLC, and is Chairman of and has an ownership interest in the various Ancora Funds.

Other Directorships:

Chairman of the Executive Committee for the Ancora Group of Companies, Chairman of Cleveland State University Foundation, Trustee of Cleveland State University, Director of Hospice of the Western Reserve, Director of Brentwood Hospital, Director of Stephan Company and Chairman of Evergreen Expedition Group.

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Gerald T. LaFlamme

Age: 70
Director Since: December 14, 2007
Principal Occupation:
2004 - Present President of JL Development Company, Inc. (a real estate development and consulting company).

Recent Business Experience:

5/20/2008 8/18/2008 Interim Chief Executive Officer of the Company.

2001-2004 Senior Vice President and CFO of Davidson Communities, LLC (a regional home builder).

1978-1997 Area Managing Partner, Ernst & Young, LLP, and a predecessor accounting firm in San Diego, CA.

Other Directorships:

Arlington Hospitality, Inc. (Chairman of Audit Committee).

Involvement in Certain Legal Proceedings:

On August 31, 2005, Arlington Hospitality, Inc. filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. At the time of the Chapter 11 filing, Mr. LaFlamme was a director.

John C. Mallon

Age: 75
Chairman of the Board Since: May 20, 2008
Director Since: December 14, 2007
Principal Occupation:
2006 - Present Chairman of the Board and General Counsel of IBI Armored Services, Inc., a privately held national armored trucking and money processing company.

Recent Business Experience:

1994 - 2008 Managing Director of Mallon Associates (an investment bank and business broker specializing in the security industry).

1994 - 2006 Editor and Publisher of Mallon's Security Investing and Mallon's Security Report (financial newsletters tracking more than 250 public security companies) and attorney licensed to practice in the states of New York and Connecticut and the Federal District Court for the Eastern District of New York.

Other Directorships:

Good Harbor Partners Acquisition Corporation (a public special purpose acquisition corporation focusing on acquisitions in the global security market) and IBI Armored Services, Inc. (a privately held national armored trucking, and money processing company). Mr. Mallon is the Chairman of the Board of IBI Armored Services, Inc. and is a Director and Chairman of the Audit Committee of Good Harbor Partners Acquisition Corporation.

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Dennis R. Raefield

Age: 62
Director Since: October 16, 2007
Principal Occupation:
August 18, 2008-Present President and Chief Executive Officer of Mace

Recent Business Experience:
April 2007-August 17, 2008 President of Reach Systems, Inc. (formerly, Edge Integration Systems, Inc. (a manufacturer of security access control systems).
February 2005-February 2006 President of Rosslare Security Products, Inc. (a manufacturer of diverse security products).
February 2004-February 2005 President of NexVision Consulting (security business consultant).
January 2003-February 2004 President of Ortega InfoSystems (a software developer).
October 1998-November 2002 President of Ademco and Honeywell Access Systems, (a division of Honeywell, Inc. that manufactures access control systems).

Michael E. Smith

Age: 54
Director Since: Director Nominee Standing for Election
Principal Occupation:
2003 - Present Independent Consultant and Managing and Founding Partner of Chesterbrook Growth Partners, a consulting organization focused on providing strategic and operational advice to small to medium size firms in the security, RFID, auto-identification and electronic components industries.

Recent Business Experience:
2001 - 2002 President and Chief Executive Officer of Checkpoint Systems, Inc., a New York Stock Exchange listed company in the security, auto-identification and electronic components industries, having \$650 million in sales during the 2001 to 2002 period.
1997 - 2000 Executive Vice President of Checkpoint Systems, Inc.
1994 - 1996 Senior Vice President of Checkpoint Systems, Inc.

Other Directorships:

Checkpoint Systems, Inc. (from 2001 to 2002).

The Board of Directors recommends that you vote FOR the election of Richard A. Barone, Gerald T. LaFlamme, John C. Mallon, Dennis R. Raefield and Michael E. Smith to Mace s Board.

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Proposal 2. Ratification of Independent Registered Public Accounting Firm

Ratification of the Audit Committee's appointment of Grant Thornton LLP as Mace's independent registered public accounting firm for fiscal year 2010.

The Audit Committee of the Board of Directors selects the independent registered public accounting firm to audit Mace's books of account and other corporate records. The Audit Committee's selection of Grant Thornton LLP to audit Mace's books of account and other corporate records for 2010, which has been approved by the Board of Directors, is being submitted to you for ratification.

The Board of Directors recommends that you vote FOR the ratification of the appointment of Grant Thornton LLP as Mace's independent registered public accounting firm for fiscal year 2010.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

About Prior Audits

The reports of Grant Thornton LLP on Mace's consolidated financial statements for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005 did not contain any adverse opinion or disclaimer of opinion or modification or qualification as to uncertainty, audit scope or accounting principles. In connection with its audits for each of the last three fiscal years, there have been no disagreements between Mace and Grant Thornton LLP 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 Grant Thornton LLP, would have caused them to refer to any such disagreements in their report on Mace's consolidated financial statements for such years.

Audit Fees and Related Matters

Audit Fees. The Company was billed \$361,193 by Grant Thornton LLP for the audit of Mace's annual financial statements for the fiscal year ended December 31, 2009, and for the review of the financial statements included in Mace's Quarterly Reports on Forms 10-Q filed for the first three calendar quarters of 2009. The Company was billed \$361,164, by Grant Thornton LLP for the audit of Mace's annual financial statements for the fiscal year ended December 31, 2008, and for the review of the financial statements included in Mace's Quarterly Reports on Forms 10-Q for the first three calendar quarters of 2008.

Tax Fees. The Company was billed \$63,771 and \$187,336 for tax compliance services rendered by Grant Thornton LLP during 2009 and 2008, respectively. The services provided by Grant Thornton LLP aided the Company in the preparation of federal, state and local tax returns.

All Other Fees. The Company did not incur any other fees from Grant Thornton LLP during 2009 or 2008.

Other Matters. The Audit Committee of the Board of Directors has considered whether the provision of financial information systems design and implementation services and other non-audit services is compatible with maintaining the independence of Mace's registered public accountants, Grant Thornton LLP. The Audit Committee pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditors. All auditing services and permitted non-audit services in 2009 and 2008 were pre-approved. The Audit Committee may delegate authority to the chairman, or in his or her absence, a member designated by the chairman to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such person or subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

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Presence of Independent Registered Public Accounting Firm

Representatives of Grant Thornton LLP will be at the Annual Meeting and will have the opportunity to make a statement at the Annual Meeting, if they desire. Representatives of Grant Thornton LLP are expected to be available to respond to appropriate stockholder questions.

ABOUT THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

About the Board and its Committees

Mace's Board is currently comprised of five directors: Mark S. Alsentzer, Richard A. Barone, Gerald T. LaFlamme, John C. Mallon, and Dennis R. Raefield. Each director position is elected annually for a one-year term.

Mace has Corporate Governance Guidelines which provide that two-thirds of the Company's directors should be independent. The independence of a director is currently determined by the Board of Directors applying the criteria established by the rules of the NASDAQ Global Market and the criteria set forth in Section 3.14 of the Company's Bylaws. Section 3.14 of the Company's Bylaws sets forth certain familial relationships and relationships with the Company that preclude a director from being considered independent. The criteria set forth in Section 3.14 of the Company's Bylaws may be examined by stockholders on the Company's web site at www.mace.com under the heading of Investor Relations. The Board has determined that Messrs. Barone, LaFlamme, Mallon and Smith are independent under applicable SEC rules, the rules of the NASDAQ Global Market and under the criteria of Section 3.14 of the Company's Bylaws.

The Board has a Nominating Committee, an Audit Committee, a Compensation Committee, and an Ethics and Corporate Governance Committee. All of the committees of the Board are governed by a charter and such charters, along with the Company's Corporate Governance Guidelines and Bylaws, are posted on the Company's website at www.mace.com. All members of the Audit Committee, Compensation Committee, Nominating Committee, and the Ethics and Corporate Governance Committee of the Board are independent directors within the meaning of the rules of the NASDAQ Global Market.

Meetings of the Board and its Committees During 2009

Mace's Board of Directors held nine formal meetings and took action by unanimous written consent five times during 2009. The Chairman of the Board is John C. Mallon, an independent director. Committees of the Board of Directors held 11 formal meetings during the fiscal year ended December 31, 2009, as set forth on the following chart. All directors attended more than 75% of the aggregate of Mace's Board meetings and the meetings of the committees of the Board on which they served. In addition to meeting as members of committees, the independent directors held two meetings in 2009 as independent directors.

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The following chart describes the calendar year 2009 composition and the functions of the standing committees of the Board of Directors and of the Independent Directors.

BOARD COMMITTEES

Committee	Members	No. of Meetings Held in 2009	Functions
Audit	January 1, 2009 to April 16, 2009 Gerald T. LaFlamme* Mark S. Alsentzer Constantine N. Papadakis, Ph.D.**	9	Selects independent registered public accounting firm. Confers with independent registered public accounting firm and internal personnel on the scope of registered public accounting firm's examinations.
	April 17, 2009 to December 31, 2009 Gerald T. LaFlamme* Mark S. Alsentzer Richard A. Barone		Reviews internal controls and procedures. Reviews related party transactions.
Compensation	January 1, 2009 to April 16, 2009 John C. Mallon* Constantine N. Papadakis, Ph.D.**	1	Annually reviews CEO compensation and performance. Annually establishes goals for CEO. Annually reviews COO and CFO compensation. Annually approves compensation for CEO, COO and CFO.
	April 17, 2009 to December 31, 2009 John C. Mallon* Richard A. Barone		Reviews and determines director compensation. Hires compensation consultants. Recommends executive compensation to the Board. Administers Mace's Non-Qualified Stock Option Plan. Administers Mace's 1999 Stock Option Plan. Administers director compensation.
Nominating	January 1, 2009 to April 16, 2009 Mark S. Alsentzer* Gerald T. LaFlamme Constantine N. Papadakis, Ph.D.**	1	Develops and recommends to the Board criteria for the selection of new directors to the Board. Seeks candidates to fill vacancies in the Board. Retains and terminates search firms to be used to identify director candidates.
	April 17, 2009 to December 31, 2009 Mark S. Alsentzer* Gerald T. LaFlamme John C. Mallon		Recommends to the Board processes for evaluating the performance of the Board. Recommends to the Board nominees

Ethics and Corporate Governance	John C. Mallon* Gerald T. LaFlamme	for election as directors at the annual meeting of stockholders.
		<p>Recommends to the Board changes to the Company's Code of Ethics and Business Conduct, Insider Trading Policy and Corporate Disclosure Policy.</p> <p>Monitors employee compliance with the Code of Ethics and Business Conduct Policy, Insider Trading Policy and Corporate Disclosure Policy.</p> <p>Reviews, along with the Audit Committee, allegations of wrongdoing concerning directors and the Chief Executive Officer.</p> <p>Makes recommendations to the Board regarding responses to inquiries by regulatory authorities relating to the Company's Code of Ethics and Business Conduct, Insider Trading Policy and Corporate Disclosure Policy.</p>

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Committee	Members	No. of Meetings Held in 2009	Functions
Independent Directors	January 1, 2009 to April 16, 2009 John C. Mallon, Lead Independent Gerald T. LaFlamme Mark S. Alsentzer Constantine N. Papadakis, Ph.D**	2	Meet in executive session. Provide oversight of management and inside directors.
	April 17, 2009 to December 31, 2009 John C. Mallon, Lead Independent Gerald T. LaFlamme Mark S. Alsentzer Richard A. Barone		

* Designates
Chairman of
Committee

** Constantine N.
Papadakis, Ph.D
served on the
Board of
Directors until
his death on
April 5, 2009.

Director Compensation

The following table provides summary information concerning cash and certain other compensation paid or accrued by Mace to or on behalf of Mace's Directors, other than Mr. Raefield, for the year ended December 31, 2009.

Name	Fees Earned or Paid in Cash (\$)(1)	Option Awards (\$)(2)	All Other Compensation (\$)	Total
John C. Mallon	\$ 49,500	\$ 4,264	\$	\$ 53,764
Mark S. Alsentzer	\$ 25,500	\$ 4,264	\$	\$ 29,764
Gerald T. LaFlamme	\$ 25,500	\$ 4,264	\$	\$ 29,764
Richard A. Barone	\$ 17,750	\$ 4,264	\$	\$ 22,014
Constantine N. Papadakis, Ph.D	\$ 16,000	\$	\$	\$ 16,000

- (1) Constantine N. Papadakis, Ph.D served on the Board of Directors until his death on April 5, 2009.

- (2) The aggregate options outstanding at December 31, 2009 were as follows: Mark Alsentzer, 152,500 options; Constantine Papadakis, Ph.D, 112,500 options; John C. Mallon, 45,000 options; Gerald T. LaFlamme, 45,000 options; and Richard A. Barone, 30,000 options. Assumptions used in the calculation of these amounts are included in Note 2 to the Company's Audited Financial Statements for the fiscal year ended December 31, 2009. The amounts in this column reflect the dollar amount recognized, in accordance with Generally Accepted Accounting

Principles for Share-Based Payments, for financial reporting purposes for the fiscal year ended December 31, 2009. There were no options granted to non-employee directors in 2007. Options granted to non-employee directors in 2008 were for services on the Board for 2008 and 2009. Options granted to non-employee directors in 2009 were for services on the Board for 2010.

For 2009, the Board of Directors approved of the following fees to be paid to directors who are not employees of the Company with respect to their 2009 service: a \$15,000 annual cash retainer fee to be paid in a lump sum; a \$1,000 fee to each non-employee director for each Board or Committee meeting attended in person; a \$500 fee to each non-employee director for each Board or Committee meeting exceeding thirty minutes in length attended by telephone; a grant of 15,000 options at the close of market on December 11, 2008 for services on the Board for 2009 to each non-employee director. The grants vested immediately. The fees earned or paid in cash also include a special fee of \$25,000 to Mr. Mallon for the significant amount of time Mr. Mallon spent working on the Paolino Arbitration matter during 2009.

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Director Attendance at Annual Meetings

The Company encourages all of its directors to attend the Company's Annual Meeting of Stockholders. All current directors attended the Company's 2009 Annual Meeting of Stockholders.

Nominating Committee

The Nominating Committee is composed of all independent directors. The Nominating Committee is currently composed of Mark S. Alsentzer, Chairman, Gerald T. LaFlamme and John C. Mallon. The charter of the Nominating Committee is available for inspection on the Company's web site, www.mace.com, under the heading "Investors Relations". The Nominating Committee considers candidates for Board membership suggested by its members, other Board members and management. The Nominating Committee has authority to retain a search firm to assist in the identification of director candidates. In selecting nominees for director, the Nominating Committee considers a number of factors, including, but not limited to:

- whether a candidate has demonstrated business and industry experience that is relevant to the Company, including recent experience at the senior management level (preferably as chief executive officer or in a similar position) of a company as large or larger than the Company;
- the candidate's ability to meet the suitability requirements of all relevant regulatory agencies;
- the candidate's ability to represent interests of the stockholders;
- the candidate's independence from management and freedom from potential conflicts of interest with the Company;
- the candidate's financial literacy, including whether the candidate will meet the audit committee membership standards set forth in the rules of the NASDAQ Global Market;
- whether a candidate is widely recognized for his or her reputation, integrity, judgment, skill, leadership ability, honesty and moral values;
- the candidate's ability to work constructively with the Company's management and other directors; and
- the candidate's availability, including the number of other boards on which the candidate serves, and his or her ability to dedicate sufficient time and energy to his or her board duties.

During the process of considering a potential nominee, the Committee may request additional information concerning, or an interview with, the potential nominee.

The Nominating Committee will also consider recommendations by stockholders of nominees for directors to be elected at the Company's Annual Meeting of Stockholders, if they are received on or before March 1 of the year of the meeting or at such earlier date as may be determined and disclosed by the Company. In evaluating nominations received from stockholders, the Committee will apply the same criteria and follow the same process used to evaluate candidates recommended by members of the Nominating Committee. Stockholders wishing to recommend a nominee for director are to submit such nomination in writing, along with any other supporting materials the stockholder deems appropriate, to the Secretary of the Company at the Company's offices at 240 Gibraltar Road, Suite 220, Horsham, Pennsylvania 19044.

Audit Committee

The Audit Committee is currently composed of Gerald T. LaFlamme, Chairman, Mark S. Alsentzer, and Richard A. Barone. The charter of the Audit Committee is available on the Company's website at www.mace.com. All of the Audit Committee members are independent under the Audit Committee independence standards established by the NASDAQ Global Market, and the rules promulgated by the SEC and Section 3.14 of the Company's Bylaws. The Board has also determined that Gerald T. LaFlamme, who serves as Chairman of the Audit Committee, is an Audit Committee financial expert as defined in the rules and regulations of the SEC and is "financially sophisticated" for the purposes of the rules of the NASDAQ Global Market.

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Audit Committee Report

Mace's management is responsible for the Company's internal controls and the financial reporting process. Grant Thornton LLP, Mace's independent registered public accounting firm, is responsible for performing an independent audit of Mace's consolidated financial statements in accordance with auditing standards generally accepted in the United States and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes and review all related party transactions. In this context, the Audit Committee has met and held discussions with management and Grant Thornton LLP regarding the Company's audited consolidated financial statements. Management has represented to the Audit Committee that Mace's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and Grant Thornton LLP. The Audit Committee discussed with Grant Thornton LLP matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). Grant Thornton LLP also provided to the Audit Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with Grant Thornton LLP that firm's independence. Based on the Audit Committee's discussion with management and Grant Thornton LLP, and the Audit Committee's review of management's representation and Grant Thornton LLP's report to the Audit Committee, the Audit Committee recommended that the Board of Directors include the Company's audited consolidated financial statements in Mace's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

The Audit Committee of the Board of
Directors

Gerald T. LaFlamme, Chairman
Mark S. Alsentzer
Richard A. Barone

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Compensation Committee

The Compensation Committee is currently composed of John C. Mallon, Chairperson, Richard A. Barone and Mark S. Alsentzer. The charter of the Compensation Committee is available on the Company's website at www.mace.com. All members of the Compensation Committee are independent directors within the meaning of the rules of the NASDAQ Global Market. The scope of authority of the Compensation Committee is to discharge the Board's responsibilities relating to compensation of the Company's directors, Chief Executive Officer (the "CEO") and other senior executive officers. The Compensation Committee has overall responsibility for evaluating the compensation of the directors, the CEO and the executive officers of the Company, as well as the Company's incentive compensation plans and equity-based plans.

The Compensation Committee annually reviews and approves corporate goals and objectives relevant to CEO compensation, evaluates the CEO's performance in light of those goals and objectives, and determines the CEO's compensation levels based on this evaluation.

The Compensation Committee annually makes recommendations to the Board with respect to the compensation of the Corporation's Chief Financial Officer and the Executive Vice President and General Counsel. The Compensation Committee has the authority to review the compensation of any employee, which the Committee, in its judgment, deems to be an executive officer. The CEO advises the Compensation Committee on the annual performance of the executive officers. The CEO also provides the Compensation Committee his opinion on appropriate levels of compensation for each executive officer.

The Compensation Committee has the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO and executive officer compensation. No compensation study was commissioned for 2009.

The Compensation Committee has the authority to form and delegate authority to subcommittees.

The Compensation Committee prepares the annual report required to be included in the Company's proxy statement and Annual Report on Form 10-K in compliance with the rules and regulations promulgated by the SEC. The Compensation Committee also reviews and discusses the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and Annual Report on Form 10-K with management and, based on such review and discussion, determines whether or not to recommend to the Board that the CD&A be so included.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Company's Board of Directors for the year ended December 31, 2009 consisted of directors John C. Mallon, Chairman and Richard A. Barone, neither of whom have served as an officer or employee of the Company. No executive officer of Mace served as a director or compensation committee member of any entity in which the members of the Compensation Committee or the Board of Directors were an executive officer or director.

Executive Officers

The current executive officers of the Company are Dennis R. Raefield, Chief Executive Officer and President and Gregory M. Krzemien, Chief Financial Officer, Treasurer and Corporate Secretary.

Louis D. Paolino, Jr. was Chief Executive Officer of the Company during calendar year 2008, from January 1, 2008 through May 20, 2008. Gerald T. LaFlamme was Interim Chief Executive Officer from May 20, 2008 to August 18, 2008. Robert Kramer was Executive Vice President, General Counsel and Corporate Secretary during 2009 and through February 12, 2010.

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The current executive officers are as follows:

Name	Age	Position
Dennis R. Raefield	62	Chief Executive Officer and President
Gregory M. Krzemien	50	Chief Financial Officer, Treasurer and Corporate Secretary

Biographical information for each of the current executive officers appears below.

Dennis R. Raefield has served as the Chief Executive Officer of the Company since August 18, 2008. Mr. Raefield has served as a director of the Company since October 16, 2007. From April 2007 to August 15, 2008, Mr. Raefield was the President of Reach Systems, Inc. (a manufacturer of security access control systems). From February 2005 to February 2006, Mr. Raefield was President of Rosslare Security Products, Inc. (a manufacturer of diverse security products). From February 2004 to February 2005, Mr. Raefield was President of NexVision Consulting (security business consultant). From January 2003 to February 2004, Mr. Raefield was President of Ortega InfoSystems (a software developer). From October 1998 to November 2002, Mr. Raefield was President of Ademco and Honeywell Access Systems (a division of Honeywell, Inc. that manufactured access control systems).

Gregory M. Krzemien has served as the Chief Financial Officer and Treasurer of the Company since May 1999. From August 1992 through December 1998, he served as Chief Financial Officer and Treasurer of Eastern Environmental Services, Inc. From October 1988 to August 1992, Mr. Krzemien was a senior audit manager with Ernst & Young LLP. Mr. Krzemien received a B.S. degree in Accounting from the Pennsylvania State University.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction. The Compensation Committee is responsible for developing the Company's philosophy and structure for executive compensation. Consistent with this philosophy, on an annual basis, the Compensation Committee reviews and sets the compensation for the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the Executive Vice President, General Counsel (EVP). Mr. Raefield and Mr. Krzemien have been the Executive Officers of the Company during calendar year 2009 to present. Mr. Kramer was an executive officer of the Company during calendar year 2009 through February 12, 2010, and is no longer a Company employee. The titles of Mr. Raefield, Mr. Krzemien and Mr. Kramer, who are referred to as Named Executive Officers herein, are as follows:

- (a) Dennis R. Raefield, President and CEO;
- (b) Gregory M. Krzemien, CFO and Treasurer; and
- (c) Robert M. Kramer, EVP, General Counsel and Secretary.

The Company's executive compensation program is based on principles designed to align executive compensation with the Company's business strategy of creating wealth for its stockholders and creating long-term value for the business. The Compensation Committee believes in establishing base executive compensation which is comparable to the median base compensation paid by comparable companies with bonuses tied to the execution of business strategies approved by the Board. It is the Company's philosophy to evaluate its executive compensation structure with other companies of comparative size, type and geographic scope. The Company's compensation policy for executives is intended to further the interests of the Company and its stockholders by encouraging growth of its business through securing, retaining, and motivating management employees of high caliber who possess the skills necessary for the development and growth of the Company. The Company selected Dennis R. Raefield as its CEO, effective August 18, 2008. The Compensation Committee believes that the Company's current management team is experienced and capable.

Compensation and Benefits Philosophy. The compensation and benefits programs for the Named Executive Officers are designed with the goal of providing compensation and benefits that are fair, reasonable and competitive. The programs are intended to help the Company recruit and retain qualified executives, motivate executive performance to achieve specific strategic objectives of the Company, and align the interests of executive management with the long-term interests of the Company's stockholders.

The design of specific programs is based on the following guiding principles:

Competitiveness: Compensation and benefit programs are designed to be competitive with those provided by companies with whom we compete for talent. In general, programs are considered competitive when all factors of a job are considered with compensation levels at the 50th percentile as measured against these competitor companies.

Performance: The Company believes that the best way to accomplish the alignment of compensation plans with the interests of its executives and stockholders is to link pay directly to individual and Company performance.

Cost: Compensation and benefit programs are designed to be cost-effective and affordable, ensuring that the interests of the Company's stockholders are considered. This is especially critical during this time of transition, as we cannot afford to add executives to strengthen our bench.

Comparator Group: The relevant comparator group for compensation and benefit programs consists primarily of companies of comparative size, similar businesses and geographic scope. These are the firms with which the Company competes for talent. The comparator group was chosen to include companies with similar market capitalization, similar revenue size, direct competitors, and also included some companies in areas where the Company intended to do business in the future.

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The Compensation Committee did not commission a compensation study for 2008 or 2009. The most recent compensation study commissioned by the Compensation Committee was the December 2007 study conducted by the Hay Group.

Roles, Responsibilities and Charter of the Committee. The primary purpose of the Compensation Committee is to conduct reviews of the Company's general executive compensation policies and strategies, oversee and evaluate the Company's overall compensation structure and programs, and establish the compensation for the Named Executive Officers. The Compensation Committee's direct responsibilities include, but are not limited to:

- Determining and approving the compensation level of the CEO;
- Evaluating and approving compensation levels of the other Named Executive Officers;
- Evaluating and approving all grants of equity-based compensation to Named Executive Officers;
- Recommending to the Board compensation policies for non-employee directors; and
- Designing performance-based and equity-based incentive plans for the CEO and other Named Executive Officers and reviewing other benefit programs presented to the Compensation Committee by the CEO.

Overall Program Components. The key components of the Company's executive compensation package are direct compensation and company-sponsored benefit plans. These components are administered with the goal of providing total compensation that recognizes meaningful differences in individual performance, is competitive, varies the opportunity based on individual and corporate performance, and is valued by the Company's executives. The Company seeks to achieve its compensation objectives through five key compensation elements:

- A base salary;
- Structured performance bonuses (with respect to Mr. Raefield), periodic (generally annual) grants of long-term, equity-based compensation (i.e., longer-term incentives), such as stock options, which may be subject to performance-based and/or time-based vesting requirements;
- Change of control arrangements that are designed to retain executives and provide continuity of management in the event of an actual or threatened change of control;
- Special awards and/or bonuses for duties that are above and beyond the normal scope of duties for a given executive; and
- Perquisites and benefits.

Competitive Consideration. In making compensation decisions with respect to each element of compensation, the Compensation Committee considers the competitive market for executives and compensation levels provided by comparable companies. The Compensation Committee regularly reviews the compensation practices at companies with which it competes for talent, including businesses engaged in activities similar to those of the Company, as noted in the list above.

The Compensation Committee does not attempt to set each compensation element for each executive within a particular range related to levels provided by industry peers or the comparator group. The Compensation Committee does use market comparisons as one factor in making compensation decisions. Some of the other factors considered when making individual executive compensation decisions include individual contribution and performance, reporting structure, internal pay relationship, complexity and importance of role and responsibilities, leadership and growth potential.

Executive Compensation Practices. The Company's practices with respect to each of the five key compensation elements identified above, as well as other elements of compensation, are set forth below, followed by a discussion of the specific factors considered in determining key elements of fiscal year 2009 compensation for the Named Executive Officers.

Base Salary. Base salary is designed to attract and retain experienced executives who can drive the achievement of the Company's business goals. Mr. Raefield became the Company's CEO on August 18, 2008. Mr. Raefield's base salary was arrived at by negotiation. Mr. Raefield did not receive an increase in base salary during 2009. Mr. Raefield's base salary is \$375,000. The Compensation Committee felt that Mr. Raefield's security industry experience and success in reducing the Company's cost structure warranted his base salary of \$375,000 during 2009. Mr. Krzemien and Mr. Kramer, each of whom received a base salary of \$230,000 in the employment agreements they entered into with the

Company in February 2007, did not receive any increase in base salary during 2008 or 2009. While an executive's initial base salary is determined through an assessment of comparative market levels for the position, the major factors in determining base salary increases are individual performance, pertinent experience, an increase in responsibility and the profitability of the Company.

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Mr. Krzemien and the Company executed a Letter Agreement dated March 23, 2010 (the Krzemien Agreement) under which Mr. Krzemien serves as an employee at will. Under the Krzemien Agreement, Mr. Krzemien s annual base salary remains \$230,000 with a \$700 per month car allowance and standard Company medical benefits. The Company awarded Mr. Krzemien an option grant for 50,000 shares of the Company s common stock on April 7, 2010, at an exercise price of \$0.93 per share, the closing market price on the date of the award. The options vest in three equal annual installments on the annual anniversary date of the Krzemien Agreement.

The minimum salary for the CEO, CFO, and General Counsel were established by negotiation. The amount of any increase over this minimum for the CEO, CFO and General Counsel are determined by the Compensation Committee based on a variety of factors, including:

The nature and responsibility of the position and, to the extent available, salary norms for persons in comparable positions at comparable companies;

The expertise of the individual executive;

The competitiveness of the market for the executive s services;

The recommendations of the CEO (except in the case of his own compensation);

The amount of structured bonuses paid under the executive s employment agreement ; and

The success of the Company in achieving the goals established by the Board of Directors.

Where not specified by contract, salaries are generally reviewed annually.

Annual Incentives for Named Executive Officers. There was a formal incentive plan in place for 2009 with respect to Mr. Raefield. The benchmarks in the bonus plan were not achieved and Mr. Raefield did not receive a bonus in 2009. The formal 2009 Incentive Plan for the CEO was based on benchmarks of earnings before interest, taxes, depreciation and amortization (EBITDA) for the year ended 2009. The 2009 Incentive Plan was designed to focus on key financial, operational, and individual goals.

The Compensation Committee has discretion to provide bonuses to the Named Executive Officers for exceptional results, special circumstances, and other non-quantitative measures. In 2009, no annual bonuses, special awards or recognition were granted by the Compensation Committee, and none of the Named Executive Officers received any annual incentive payments.

Long-term Incentive Compensation. The long-term equity-based award is designed to attract and retain executives and certain other key employees, and to strengthen the link between compensation and increased returns for stockholders through share price appreciation. The Company uses stock options as its long-term incentive compensation. Awards granted to individual executives are discretionary and may be made annually under the Company s 1999 Stock Option Plan (the Option Plan). The number of shares granted is at the discretion of the Compensation Committee and are generally awarded each year for the previous year s performance, or when the Company conducts a market-based review to ensure compensation is in line with comparable companies in the industry. The options are typically subject to a ten-year life and vest in accordance with the terms of each option agreement. Options are issued at the market closing price for the Company s common stock on the date the option is authorized. The value of each option is not adjusted during the option s lifetime.

The Company has adopted a policy on stock option grants that includes the following provisions relating to the timing of option grants:

All awards of stock options to Named Executive Officers are awarded by the Compensation Committee or when each Named Executive Officer s compensation and performance is reviewed by the Compensation Committee.

All awards of stock options to employees who are not Named Executive Officers are awarded by the Compensation Committee based on the Named Executive Officer s recommendations after review by the Compensation Committee.

Option grants are not timed with the release of material non-public information.

Except for inducement grants for new employees, Named Executive Officers recommend an award of stock options based on a review of the employee's performance and compensation.

The grant date of the stock options is always the date the Compensation Committee authorizes the grant or a date in the future.

The exercise price is the closing price of the underlying common stock on the grant date authorized by the Compensation Committee.

Stock option awards for Named Executive Officers are promptly announced on a Form 4 filing.

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The long-term incentive program calls for stock options to be granted with exercise prices of not less than fair market value of the Company's stock on the date of authorization and to vest over time, based on continued employment, with rare exceptions made by the Compensation Committee. The Compensation Committee will not grant stock options with exercise prices below the market price of the Company's stock on the date of authorization. New option grants to Named Executive Officers normally have a term of ten years.

Long-term equity grants are positioned at or below the median of the competitive market when performance is at target levels. When performance falls below target levels, funding will be below the market median or eliminated. When performance exceeds target levels, funding may be above the market median.

Overall grant levels are at the discretion of the Compensation Committee. The size of individual long-term equity based awards is determined using compensation guidelines developed based on individual performance.

Fiscal Year 2009 Stock Option Decisions. During 2008, as part of hiring Mr. Raefield, the Compensation Committee agreed to award Mr. Raefield an option for 250,000 shares of the Company's Common Stock on the anniversary date of Mr. Raefield's date of hire. The option was issued on July 28, 2009 at an exercise price of \$.97 per share. The option vests one-half on July 28, 2010 and one-half on July 28, 2011.

At the time Mr. Raefield was hired, the Compensation Committee believed that the 2009 option award was warranted due to the award being below the median of long term incentive compensation granted to chief executive officers, as stated in the Hay 2007 Report. Mr. Raefield's total direct compensation under his employment agreement was below the median total direct compensation market consensus for chief executive officers, as set forth in the Hay Group's 2007 Report.

Mr. Kramer and Mr. Krzemien did not receive any options or other incentive compensation for 2009.

Change of Control Arrangements. The Employment Agreement between the Company and Mr. Raefield entered into on July 29, 2008 did not contain a provision for payments triggered by a change of control, but does require certain payments if Mr. Raefield is terminated without cause. The Company entered into a change of control arrangement with Mr. Kramer and Mr. Krzemien in 2007. The Company entered into the arrangements in order to encourage the executives to remain employed with the Company during a period when the Company was changing its business from the car wash industry to the security business and e-commerce business. The Compensation Committee was concerned that the uncertain atmosphere could result in Mr. Kramer, and Mr. Krzemien seeking employment at another company. The 2007 Compensation Committee believed that it was important to retain its key executives as the Company transitioned its business.

Mr. Kramer's and Mr. Krzemien's payments under the employments agreement that expired February 12, 2010 were linked to three separate events. Mr. Kramer and Mr. Krzemien would have received a one-time payment of their annual base salary (\$230,000) in the event that both a change of control occurred and Mr. Paolino no longer served as Chief Executive Officer of the Company (the Double Trigger). Mr. Paolino was terminated as Chief Executive Officer of the Company on May 20, 2008. In the event that the Double Trigger occurred, if during the term of their employment agreements, the Company terminated Mr. Kramer or Mr. Krzemien, respectively, or the Company breached their respective employment agreement, the affected Executive Officer would have received an additional one-time payment of his annual base salary (the Triple Trigger). The Compensation Committee, after consultation with Compensation Resources, Inc., believed the lesser payment and the Double Trigger and the Triple Trigger was sufficient to encourage the retention of Mr. Kramer and Mr. Krzemien. These change of control arrangements expired on February 12, 2010, the date that the Employment Agreements of Mr. Krzemien and Mr. Kramer expired.

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Termination Payment Provisions for Mr. Raefield. The Employment Agreement between the Company and Mr. Raefield entered into on July 29, 2008 provides that Mr. Raefield can be terminated by the Board of Directors for cause, as set forth in the Raefield Employment Agreement without any severance or other payment. The Board of Directors can also terminate Mr. Raefield without cause, upon a payment of two times Mr. Raefield's current annual base salary. Mr. Raefield is prohibited from competing with the Company during his period of employment and for a one year period following a termination of employment. The Company is obligated to pay Mr. Raefield \$375,000 in exchange for the one year obligation not to compete, if Mr. Raefield is employed through August 18, 2011 and the Company and Mr. Raefield do not enter into a new employment agreement within sixty days after August 18, 2011.

Change of Control Provision for Mr. Krzemien. Mace currently employs Mr. Krzemien as its CFO and Treasurer. From February 12, 2007 to February 12, 2010, Mr. Krzemien was employed under an Employment Agreement dated February 12, 2007. Mr. Krzemien is currently an employee at will under the Krzemien Agreement dated March 23, 2010. Under the Krzemien Agreement, Mr. Krzemien is not entitled to any change of control payment, but is entitled to a severance payment equal to six months of his base salary, if he is terminated without Good Cause, as defined in the Krzemien Agreement. Mr. Krzemien is also entitled to the six month severance payment, if he resigns due to the Company materially changing his duties as Chief Financial Officer, relocates his office more than 25 miles from its present location or reduces his annual base salary. Good Cause to terminate Mr. Krzemien without a severance payment generally exists if Mr. Krzemien fails to perform his duties and does not cure such failure within thirty days of being notified of the failure, or commits certain other enumerated actions which harm the Company. The definition of Good Cause is in footnote 5 to the Change of Control Chart below under Potential Payments upon Termination or Change of Control. Generally, the Krzemien Agreement provides for two weeks advance notice of a termination; however, in the case of the Company being merged or acquired by another party, the notice of termination is increased to three months. Mr. Krzemien is required to continue to perform his duties during the notice period. Under the expired employment contract, Mr. Krzemien was entitled to receive a one time retention payment equal to his then annual base compensation upon the occurrence of both: (a) a change of control of the Company and (b) Louis D. Paolino, Jr. ceasing to be the CEO of the Company. Additionally, Mr. Krzemien would have been entitled to receive a termination payment equal to his then annual base compensation if his employment contract was terminated without cause or if the Company breached his employment contract. As of December 31, 2009, the annual base compensation of Mr. Krzemien was \$230,000. If a change of control occurred on December 31, 2009, Mr. Krzemien would have received a retention payment of \$230,000. If on December 31, 2009, a change of control occurred, and the Company decided to either terminate Mr. Krzemien without cause or the Company breached Mr. Krzemien's employment contract, Mr. Krzemien would have been paid a total of \$460,000.

Change of Control Provision for Mr. Kramer. Mace no longer employs Mr. Kramer as its EVP and General Counsel. During 2009 through February 12, 2010, Mr. Kramer was employed under an employment contract entered on February 12, 2007. Under his employment contract, Mr. Kramer was entitled to receive a one-time retention payment equal to his then annual base compensation upon the occurrence of both: (a) a change of control of the Company and (b) Louis D. Paolino, Jr. ceasing to be the CEO of the Company. Additionally, after Mr. Kramer is paid the retention payment, he would have been entitled to receive a termination payment equal to his then annual base compensation, if his employment contract is terminated without cause, or if the Company breached his employment contract. As of December 31, 2009, the annual base compensation of Mr. Kramer was \$230,000. If a change of control had occurred on the date of this Proxy Statement, Mr. Kramer would have received a retention payment of \$230,000. Additionally, if on December 31, 2009, a change of control had occurred and the Company decided to either terminate Mr. Kramer without cause or the Company breached Mr. Kramer's employment contract, Mr. Kramer would have been paid a total of \$460,000.

Benefits and Perquisites. With limited exceptions, the Committee supports providing benefits and perquisites to the Named Executive Officers that are substantially the same as those offered to other officers of the Company. As of February 12, 2007, Mr. Kramer and Mr. Krzemien became entitled to a \$700 per month car allowance. Pursuant to his employment agreement, Mr. Raefield is entitled to receive a company vehicle for his personal use, having a lease cost of no more than \$800 per month starting August 18, 2008, and payment of certain life and disability insurance premiums and funding of certain health reimbursement plans.

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Total Compensation. In making decisions with respect to elements of the Named Executive Officers' compensation, the Compensation Committee considers the total compensation of the executive, including salary, special awards/bonuses and long-term incentive compensation. In addition, in reviewing and approving employment agreements for the Named Executive Officers, the Compensation Committee considers all benefits to which the officer is entitled by the agreement, including compensation payable upon termination of the agreement. The Compensation Committee's goal is to award compensation that is reasonable when all elements of potential compensation are considered.

Policy with respect to the \$1 million deduction limit. Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation over \$1,000,000 paid for any fiscal year to the corporation's Chief Executive Officer and the four other most highly compensated executive officers as of the end of the fiscal year. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met.

The Compensation Committee designs certain components of executive compensation to permit full deductibility. The Compensation Committee believes, however, that stockholder interests are best served by not restricting the Compensation Committee's discretion and flexibility in crafting compensation programs, even though such programs may result in certain non-deductible compensation expenses.

Compensation Committee Report

The Compensation Committee of the Company's Board of Directors currently consists of directors John C. Mallon, Richard A. Barone and Mark S. Alsentzer, all of whom the Board has determined to be independent pursuant to rules of the NASDAQ Global Market. This report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the Securities Act) or the Securities Exchange Act of 1934, as amended (the Exchange Act) by virtue of any general statement in such filing incorporating the Form 10-K by reference, except to the extent that the Company specifically incorporates the information contained in this section by reference and shall not otherwise be deemed filed under either the Securities Act or the Exchange Act.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement for the 2010 Annual Stockholders Meeting. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee of the Board of Directors

John C. Mallon, Chairman
Richard A. Barone
Mark S. Alsentzer

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The following table provides summary information concerning cash and certain other compensation paid or accrued by Mace to, or on behalf of the Named Executive Officers for the years ended December 31, 2009 and 2008.

SUMMARY COMPENSATION TABLE (1)

Name and Principal Position	Year	Salary \$	Bonus \$(3)	Option Awards \$(4)	All Other Compensation \$(5)	Total
Dennis R. Raefield (2) President and Chief Executive Officer	2009	\$ 375,000	\$	\$ 26,520	\$ 32,059	\$ 433,579
	2008	\$ 129,808	\$ 50,000	\$ 225,975	\$ 11,167	\$ 416,950
Robert M. Kramer Executive Vice President, General Counsel and Secretary	2009	\$ 230,000	\$	\$ 8,587	\$ 8,400	\$ 246,987
	2008	\$ 230,000	\$	\$ 27,526	\$ 8,400	\$ 265,926
Gregory M. Krzemien Chief Financial Officer and Treasurer	2009	\$ 230,000	\$	\$ 8,587	\$ 8,400	\$ 246,987
	2008	\$ 230,000	\$	\$ 27,526	\$ 8,400	\$ 265,926

(1) The Company
 (i) granted no restricted stock awards and
 (ii) maintained no other long-term incentive plan for any of the Named Executive Officers, in each case during the fiscal years ended December 31, 2009 and 2008. Additionally, the Company has never issued any stock appreciation rights (SARs).

(2) Dennis R. Raefield became President and

Chief Executive Officer on August 18, 2008. Gerald T. LaFlamme served as interim Chief Executive Officer from May 20, 2008 to August 18, 2008.

- (3) Mr. Raefield's employee agreement provided for a \$50,000 signing bonus.
- (4) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes, including the impact of estimates for forfeitures, for the fiscal years ended December 31, 2009 and 2008, for all existing stock option awards and thus include amounts from awards granted in and prior to 2008. Assumptions used in the calculation of this amount are included in Note 2 to the Company's

Audited
Financial
Statements for
the fiscal year
ended
December 31,
2009.

- (5) Mr. Raefield received a car at a lease cost of \$791 per month beginning in August 2008 and received a reimbursement of legal expenses of \$2,812 related to review of his employment contract in 2008.

Mr. Raefield is entitled under his employment agreement to receive payment of certain life and disability insurance premiums and funding of certain health reimbursement plans which totaled \$22,500 and \$4,400 in 2009 and 2008, respectively.

Mr. Krzemien and Mr. Kramer received car allowances of \$700 per month in 2008 and 2009.

Dennis R. Raefield Employment Agreement

Dennis R. Raefield serves as the Company's President and Chief Executive Officer under an Employment Contract dated July 29, 2008 and expiring on August 18, 2011 (the Raefield Employment Agreement). Mr. Raefield's annual base salary is \$375,000. As a one time incentive to execute the Raefield Employment Agreement, Mr. Raefield was

paid \$50,000 and received a reimbursement of legal expenses of \$2,812 related to review of his employment contract. In accordance with the Raefield Employment Agreement, Mr. Raefield received an option grant on July 30, 2008, exercisable into 250,000 shares of common stock at an exercise price of \$1.50 per share (the First Option). The First Option was fully vested which issued. On July 28, 2009, Mr. Raefield also received a second option grant exercisable for 250,000 shares (the Second Option). The Second Option vests over two years, with the first 125,000 option shares vesting 12 months from the date of grant and the second 125,000 option shares vesting 24 months from the date of grant. The Second Option fully vests upon a change of control of the Company.

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The Raefield Employment Agreement provides that Mr. Raefield and the Company were required to develop a mutually acceptable annual bonus plan for Mr. Raefield within forty-five (45) days from the date of the Employment Agreement. No annual bonus plan was agreed upon for 2008. The bonus plan is to be designed to provide profitability targets for the Company that, if achieved, will allow Mr. Raefield to earn annual bonuses of between thirty percent (30%) to fifty percent (50%) of his base salary. If any bonus is paid under the annual bonus plan, and the Company thereafter restates its financial statements such that the bonus or a portion thereof would not have been earned based on the restated financial statements, Mr. Raefield shall be obligated to repay to the Company the bonus he received or a portion thereof. The Raefield Employment Agreement further provides that Mr. Raefield can be terminated by the Board of Directors for cause without any severance or other payment. The Board of Directors can also terminate Mr. Raefield without cause, upon a payment of two times Mr. Raefield's current annual base salary.

The Compensation Committee implemented a formal 2009 Incentive Plan for the CEO based on benchmarks of achieved earnings before interest, taxes, depreciation and amortization (EBITDA) for the year ended 2009. Based on the Company's results for 2009, Mr. Raefield will not receive any payments under the 2009 Incentive Plan.

Mr. Raefield has also been provided a Company vehicle at a lease cost of approximately \$791 per month, plus all maintenance costs, and Company standard medical and other employee benefits. Mr. Raefield is prohibited from competing with the Company during his period of employment and for a one year period following a termination of employment. The Company is obligated to pay Mr. Raefield \$375,000 in exchange for the one year non-compete obligation if Mr. Raefield is employed through August 18, 2011 and the Company and Mr. Raefield do not enter into a new employment agreement within sixty days after August 18, 2011.

Gregory M. Krzemien Employment Agreement

Mace currently employs Gregory M. Krzemien as its CFO and Treasurer as an employee at will under the Krzemien Agreement dated March 23, 2010. Mr. Krzemien's current annual base salary is \$230,000, plus a \$700 per month car allowance. Mr. Krzemien also received a grant of 50,000 options on April 7, 2010, at an exercise price of \$0.93, the closing market price of the Company's common stock on the day of the option grant. The option is to vest in three equal annual installments on the anniversary dates of the Krzemien Agreement. Under the Krzemien Agreement, Mr. Krzemien is not entitled to any change of control payment, but is entitled to a severance payment equal to six months of his base salary if he is terminated without Good Cause, as defined in the Krzemien Agreement. Mr. Krzemien is also entitled to the six month severance payment, if he resigns due to the Company materially changing his duties as Chief Financial Officer, relocating his office more than 25 miles from its present location or reducing his annual base salary. As defined, Good Cause to terminate Mr. Krzemien without a severance payment generally exists if Mr. Krzemien fails to perform his duties and does not cure the failure within thirty days of being notified of the failure, or commits certain other enumerated actions which harm the Company.

From February 12, 2007 through February 12, 2010, Mr. Krzemien was employed under an Employment Agreement (the Krzemien Employment Agreement). In accordance with the Krzemien Employment Agreement, Mr. Krzemien received an option grant for 60,000 shares of common stock under the Company's Stock Option Plan at an exercise price of \$2.73, the market price at the close of market on the date of grant. The options were granted on February 12, 2007. The options vested one-third on the date of the grant, one-third on February 12, 2008, and one-third on February 12, 2009.

Under the Krzemien Employment Agreement, Mr. Krzemien would have received a one-time retention payment equal to Mr. Krzemien's then annual base compensation (currently \$230,000) upon the occurrence of both: (a) a change of control of the Company and (b) Louis D. Paolino, Jr. ceasing to be CEO of the Company (this event occurred on May 20, 2008). If Mr. Krzemien's employment was terminated during the term of the Krzemien Employment Agreement without cause or if the Company breached the Krzemien Employment Agreement, Mr. Krzemien would have been entitled to an additional one-time payment equal to Mr. Krzemien's then annual base compensation. The total amount of both the retention payment and termination payment was \$460,000.

Mr. Krzemien receives a monthly car allowance of \$700, which began in February 2007, and the Company's standard medical and other employee benefits.

Table of Contents**Robert M. Kramer Employment Agreement**

Mace employed Robert M. Kramer as its EVP, General Counsel and Secretary during 2009 through February 12, 2010 under an Employment Agreement dated February 12, 2007 and expiring on end of business February 12, 2010 (the Kramer Employment Agreement). The Company's Compensation Committee obtained a Compensation Study from Compensation Resources, Inc. prior to entering into the Kramer Employment Agreement. The initial base salary under the Kramer Employment Agreement was \$230,000. In accordance with the Kramer Employment Agreement, Mr. Kramer received an option grant for 60,000 shares of common stock under the Company's Stock Option Plan at an exercise price of \$2.73, the market price at the close of market on the date of grant. The options were granted on February 12, 2007. The options vested one-third on the date of the grant, one-third on February 12, 2008 and one-third on February 12, 2009.

Under the Kramer Employment Agreement, Mr. Kramer would have received a one-time retention payment equal to Mr. Kramer's then annual base compensation (\$230,000) upon the occurrence of both: (a) a change of control of the Company and (b) Louis D. Paolino, Jr. ceasing to be CEO of the Company. Mr. Paolino ceased to be CEO of the Company on May 20, 2008. If during the term of the Kramer Employment Agreement, Mr. Kramer's employment was terminated without cause or if the Company breached the Kramer Employment Agreement, Mr. Kramer would have been entitled to an additional one-time payment equal to Mr. Kramer's then annual base compensation. The total amount of both the retention payment and termination payment was \$460,000.

Mr. Kramer received a monthly car allowance of \$700, and the Company's standard medical and other employee benefits. Mr. Kramer is prohibited against competing with the Company for a three-month period following termination of employment.

Potential Payments upon Termination or Change of Control

For a description of compensation that would become payable under existing arrangements in the event of a change of control or termination of each Named Executive Officer's employment under several different circumstances, see the discussion under Change of Control Arrangements .

The following tables quantify the amounts payable upon a change of control or the termination of each of the Named Executive Officers.

Change of Control Payment and Termination Payments Dennis R. Raefield, Chief Executive Officer

Event Triggering Payment	Severance Payment	Acceleration of Option Awards(4)
Termination by Company for Cause (1)	\$	None
Termination by Company without Cause (1)	\$ 750,000	None
Non-Compete Payment (2)	\$ 375,000	None
Change of Control (3)	\$	\$ 42,500

Change of Control Payment and Termination Payments Gregory Krzemien, Chief Financial Officer

Event Triggering Payment	Severance Payment	Acceleration of Option Awards(4)
Change of Control	\$	\$
Termination without Good Cause (5)	\$ 115,000	\$

(1) Cause is defined in the Raefield Employment

Agreement as (a)
Employee
committing against
the Company
fraud, gross
misrepresentation,
theft or
embezzlement,
(b) Employee s
conviction of any
felony (excluding
felonies involving
driving a vehicle),
(c) Employee s
material
intentional
violations of
Company policies,
or (d) a material
breach of the
provisions of the
Raefield
Employment
Agreement,
including
specifically the
failure of
Employee to
perform his duties
after written notice
of such failure
from the
Company. The
Raefield
Employment
Agreement
provides that
Mr. Raefield can
be terminated by
the Board of
Directors for
Cause, without any
severance or other
payment. The
Board of Directors
can also terminate
Mr. Raefield
without Cause,
upon a payment of
two times Mr.
Raefield s then

current annual
base salary. The
termination
payment is
calculated based
on Mr. Raefield's
base salary of
\$375,000 as of
December 31,
2009.

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- (2) Mr. Raefield is prohibited from competing with the Company during his period of employment and for a one year period following a termination of employment. The Company is obligated to pay Mr. Raefield \$375,000 in exchange for his one year agreement not to compete, if Mr. Raefield is employed through August 18, 2011 and the Company and Mr. Raefield do not enter into a new employment agreement within sixty days after August 18, 2011.
- (3) A Change of Control Event is defined in Mr. Raefield's Employment Agreement as any of the events set forth in items (i) through and including (iii) below:
(i) the

acquisition in one or more transactions by any Person, except the employee, as the term Person is used for purposes of Sections 13(d) or 14(d) of the Exchange Act, of Beneficial Ownership (as the term beneficial ownership is used for purposes or Rule 13d-3 promulgated under the Exchange Act) of the fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities (the Voting Securities), for purposes of this item (i) Voting Securities acquired directly from the Company and from third parties by any Person shall be included in the determination of such Person's Beneficial Ownership of Voting Securities; (ii) the approval by the

stockholders of
the Company of:
(A) a merger,
reorganization
or consolidation
involving the
Company, if the
shareholders of
the Company
immediately
before such
merger,
reorganization
or consolidation
do not or will
not own directly
or indirectly
immediately
following such
merger,
reorganization
or consolidation,
more than fifty
percent (50%)
of the combined
voting power of
the outstanding
Voting
Securities of the
corporation
resulting from
or surviving
such merger,
reorganization
or consolidation
in substantially
the same
proportion as
their ownership
of the Voting
Securities
immediately
before such
merger,
reorganization
or consolidation,
(B) a complete
liquidation or
dissolution of
the Company, or
(C) an

agreement for the sale or other disposition of 50% or more of the assets of the Company and a distribution of the proceeds of the sale to the stockholders; or (iii) the acceptance by stockholders of the Company of shares in a share exchange, if the stockholders of the Company immediately before such share exchange do not or will not own directly or indirectly following such share exchange own more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the corporation resulting from or surviving such share exchange in substantially the same proportion as the ownership of the Voting Securities outstanding immediately before such share exchange.

- (4) Assumes exercise of all

in-the-money
stock options for
which vesting
accelerated at
\$1.14 per share
(the closing
price of the
Company's
common stock
on
December 31,
2009).

- (5) The payment is due Mr. Krzemien if he is terminated without Good Cause. Good Cause in the Krzemien Agreement exists if any of the following occur:
- (i) Employee's refusal to perform his duties or other obligations under this Agreement, or Employee's intentional or grossly negligent conduct causing material harm to the Company as determined by the Company, on fifteen (15) days notice after the Company has provided Employee written notice of such failure to perform and Employee has

failed to cure
the
unsatisfactory
performance, if
capable of cure,
within thirty
(30) business
days; or
(ii) Employee s
conviction of a
felony, or a
misdemeanor
involving moral
turpitude, or
Employee s
engaging in
conduct
involving
dishonesty
toward the
Company or its
customers, or
engaging in
conduct that
could damage
the reputation or
good will of the
Company,
whether or not
occurring in the
workplace; or
(iii) Employee s
death, or
inability with
reasonable
accommodation
to perform his
duties under this
Agreement
because of
illness or
physical or
mental disability
or other
incapacity
which continues
for a period of
120 consecutive
days, as
determined by a
medical doctor;

or (iv) If
Employee
engages in any
type of
discrimination,
harassment,
violence or
threat thereof, or
other behavior
toward other
employees of
the Company or
any of its
subsidiaries or
toward third
parties or
employees of a
third party;
(v) alcohol
abuse and/or use
of controlled
substances
during
employment
hours, or a
positive test for
use of controlled
substances that
are not
prescribed by a
medical doctor;
or (vi) gross
negligence or
willful
misconduct with
respect to the
Company, or
any of its
affiliates or
subsidiaries; or
(vii) on fifteen
(15) days notice
for any other
material
intentional
breach of this
Agreement or
the Company's
Employee
Manual by
Employee not

cured within
30 days after
Employee s
receipt of
written notice of
the same from
the Company.

Table of Contents**Grants of Stock Options**

The following table sets forth certain information concerning individual grants of stock options to the Named Executive Officers during the fiscal year ended December 31, 2009.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	All other Option Awards:	Exercise Price of Option Awards per Share	Grant Date Fair Value of Stock and Option Awards
		Number of Securities Underlying Options		
Dennis R. Raefield	7/28/2009	250,000	\$ 0.97	\$ 151,542

On July 28, 2009, as part of Mr. Raefield's Employment Agreement, the Compensation Committee awarded Mr. Raefield options for 250,000 shares of the Company's Common Stock which will vest one-half on July 28, 2010 and one-half on July 28, 2011. The options are exercisable at \$0.97 per share. The Black-Scholes value of the awarded option grant is \$151,542. The median long term incentive compensation of chief executive officers, as set forth in the Hay 2007 Report, was \$243,257. The Compensation Committee believed that the option award was warranted due to the award being below the median of long term incentive compensation granted to chief executive officers, as stated in the Hay 2007 Report, a compensation study for the Chief Executive Officer position from the Hay Group dated December 12, 2007. Mr. Raefield's total direct compensation under his employment agreement was below the median total direct compensation market consensus for chief executive officers, as set forth in the Hay 2007 Report.

Mr. Kramer and Mr. Krzemien were each awarded an option for 40,000 shares on March 25, 2008 at a per share exercise price of \$1.44 per share, vesting one half immediately and the balance one year from the date of grant. The Black-Scholes value of the option for 40,000 shares was \$31,459. According to a report of the Hay Group finalized on March 31, 2008, the value of the option was below the median of long term incentive compensation received by Chief Financial Officers and Executive Vice Presidents/General Counsels. The Compensation Committee, in an effort to conserve cash, decided not to increase the base salaries of Mr. Krzemien or Mr. Kramer for 2008 or 2009. The Compensation Committee decided that an award of options would be appropriate to provide incentive for Mr. Krzemien and Mr. Kramer for 2008. Mr. Krzemien and Mr. Kramer were not awarded stock options in 2009.

Table of Contents**Aggregated Option and Warrant Exercises in Last Fiscal Year**

The following table sets forth certain information regarding stock options held by the Named Executive Officers during the fiscal year ended December 31, 2009, including the number of exercisable and unexercisable stock options as of December 31, 2009 by grant. No options were exercised by any of the Named Executive Officers during the fiscal year ended December 31, 2009.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date
Dennis R. Raefield	(2)15,000		1.94	1/8/2008	1/8/2018
	(3) 250,000		1.50	7/30/2008	7/30/2018
		(4) 250,000	0.97	7/28/2009	7/28/2019
Gregory M. Krzemien (1)	50,000		1.38	3/30/2001	3/30/2011
	37,500		2.36	4/4/2002	4/4/2012
	150,000		1.32	7/14/2003	7/14/2013
	50,000		5.35	11/19/2004	11/19/2014
	60,000		2.40	3/23/2006	3/23/2016
	60,000		2.73	2/12/2007	2/12/2017
	40,000		1.44	3/25/2008	3/25/2018
Robert M. Kramer (1)	5,000		2.56	10/18/2000	10/18/2010
	50,000		1.38	3/30/2001	3/30/2011
	37,500		2.36	4/4/2002	4/4/2012
	150,000		1.32	7/14/2003	7/14/2013
	37,500		4.21	11/2/2004	11/2/2014
	75,000		5.35	11/19/2004	11/19/2014
	75,000		2.40	3/23/2006	3/23/2016
	60,000		2.73	2/12/2007	2/12/2017
	40,000		1.44	3/25/2008	3/25/2018

(1) Fully vested options.

(2) Fully vested options granted to Mr. Raefield during the period Mr. Raefield served as a Director.

- (3) Fully vested options granted to Mr. Raefield as part of Mr. Raefield being hired as the Company's President and Chief Executive Officer.

- (4) Options granted on July 28, 2009 which will vest 125,000 shares on July 28, 2010 and 125,000 shares on July 28, 2011.

Table of Contents**THE PRINCIPAL STOCKHOLDERS OF MACE****Beneficial Ownership**

The following beneficial ownership table sets forth information as of April 30, 2010 regarding ownership of shares of Mace common stock by the following persons:

- each person who is known to Mace to own beneficially more than 5% of the outstanding shares of Mace common stock, based upon Mace's records or the records of the SEC;
- each director of Mace;
- each Named Executive Officer; and
- all directors and executive officers of Mace, as a group.

Unless otherwise indicated, to Mace's knowledge, all persons listed on the beneficial ownership table below have sole voting and investment power with respect to their shares of Mace common stock. Shares of Mace common stock subject to options or warrants exercisable within 60 days of April 30, 2010 are considered outstanding for the purpose of computing the percentage ownership of the person holding such options or warrants, but are not deemed outstanding for computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Common Stock Owned (1)
Lawndale Capital Management, LLC 591 Redwood Highway, Suite 2345 Mill Valley, CA 94941	1,638,382(2)	10.3%
Ancora Group (3) One Chagrin Highlands 2000 Auburn Drive, Suite 300 Cleveland, Ohio 44122	1,344,700(3)	8.4%
Louis D. Paolino, Jr. 2626 Del Mar Place Fort Lauderdale, Florida 33301	2,815,640(4)	15.9%
Gregory M. Krzemien	472,750(5)	2.9%
Mark S. Alsentzer	452,500(6)	2.9%
Dennis R. Raefield	276,000(7)	1.7%
Richard A. Barone	197,000(8)	1.3%
John C. Mallon	55,000(9)	*
Gerald T. LaFlamme	45,000(10)	*
All directors and executive officers as a group (6 persons)	1,498,250(11)	9.0%

* Less than 1% of the outstanding shares of Mace

common stock.

- (1) Percentage calculation is based on 15,735,725 shares outstanding on April 30, 2010.

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- (2) According to the Schedule 13D Amendment 8 filed with the SEC on November 30, 2009, consists of 1,638,382 shares to which Lawndale Capital Management, LLC (Lawndale) has shared voting and dispositive power. The Schedule 13D was filed jointly by Lawndale, Andrew Shapiro and Diamond A. Partners, L.P. (Diamond). Lawndale is the investment advisor to and the general partner of Diamond, which is an investment limited partnership. Mr. Shapiro is the sole manager of Lawndale. Mr. Shapiro is also deemed to have shared voting and dispositive power with respect to the shares reported as beneficially owned by Lawndale. Diamond has shared voting and dispositive power with respect to 1,415,110 shares of the Company.

- (3) According to the Schedule 13D

Amendment 5 filed with the SEC on August 31, 2009, Ancora Group, which includes: Ancora Capital, Inc.; Ancora Securities, Inc., the main subsidiary of Ancora Capital, Inc.; Ancora Advisors, LLC, Ancora Trust, the master trust for the Ancora Mutual Funds; Ancora Foundation, a private foundation; Merlin Partners, an investment limited partnership; and various owners and employees of the aforementioned entities, has aggregate beneficial ownership of 1,344,700 shares. Ancora Securities, Inc. is registered as a broker/dealer with the SEC and FINRA. Ancora Advisors, LLC is registered as an investment advisor with the SEC under the Investment Advisors Act of 1940, as amended. The Ancora Trust, which includes Ancora Income Fund, Ancora Equity Fund, Ancora Special Opportunity Fund, and Ancora MicroCap Fund, is

registered with the SEC as investment companies under the Investment Company Act of 1940, as amended. Mr. Richard Barone, a director of the Company, is the controlling shareholder of Ancora Capital, controls 31% of Ancora Advisors, LLC, owns approximately 5% of Merlin Partners, and is Chairman of and has an ownership interest in the various Ancora Funds. Ancora Advisors, LLC has the power to dispose of the shares owned by the investment clients for which it acts as advisor, including Merlin Partners, for which it is also the General Partner, and the Ancora Mutual Funds. Ancora Advisors, LLC, disclaims beneficial ownership of such shares, except to the extent of its pecuniary interest therein. Ancora Securities, Inc. acts as the agent for its various clients and has neither the power to vote nor the power to dispose of the shares. Ancora

Securities, Inc.
disclaims
beneficial
ownership of such
shares. Each of the
entities named in
the Schedule 13D
Amendment 5
disclaim
membership in a
Group within the
meaning of
Section 13(d)(3) of
the Exchange Act
and the Rules and
Regulations
promulgated
thereunder. The
1,344,700
aggregate shares
listed for the
Ancora Group are
owned
beneficially,
according to
Schedule 13D
Amendment 5 filed
with the SEC on
August 31, 2009,
as follows:
(a) 320,000 shares
by the Ancora
Mutual Funds for
which Mr. Barone
is a portfolio
manager;
(b) 1,018,500
shares by
investment clients
of Ancora
Advisors, LLC,
over which shares
Ancora Advisors,
LLC has the power
of disposition by
virtue of an
Investment
Management
Agreement
(Ancora Advisors,
LLC has

disclaimed
beneficial
ownership of such
shares); and
(c) 6,200 shares by
owners/employees
of Ancora Group,
including Richard
A. Barone.

- (4) Includes options to purchase 155,000 shares and option to purchase 1,769,682 shares exercisable through July 15, 2010 pursuant to an award of arbitration issued by a panel of arbitrators on May 4, 2010 in an arbitration between Mr. Paolino and the Company.
- (5) Includes options to purchase 447,500 shares.
- (6) Includes options to purchase 152,500 shares. Does not include 200,000 shares that Mr. Alsentzer delivered to Argyll Equities, LLC (Argyll), as collateral for a \$600,000 loan obtained by Mr. Alsentzer on April 27, 2004 (the Pledged Shares). Mr. Alsentzer has advised the Company that the shares were delivered in street

name. By letter dated May 4, 2005, Mr. Alsentzer requested that Argyll confirm in writing that the Pledged Shares were in Argyll's possession and being held as collateral, under the terms of Mr. Alsentzer's agreement with Argyll. To date, Mr. Alsentzer has not received the requested confirmation or any notice of default from Argyll. Based on the information the Company has received, the Company has decided not to allow Mr. Alsentzer to vote the 200,000 shares.

- (7) Includes options to purchase 265,000 shares.
- (8) Includes 135,000 shares owned by Mr. Barone, 32,000 shares owned by entities Mr. Barone directly controls and options to purchase 30,000 shares.
- (9) Includes options to purchase 45,000 shares.

(10) Consists of options
to purchase 45,000
shares.

(11) See Notes 1 and 5
through 10 above.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires Mace's directors and executive officers, as well as persons beneficially owning more than 10% of Mace's outstanding shares of common stock and certain other holders of such shares (collectively, "Covered Persons"), to file with the SEC and the NASDAQ Stock Market, within specified time periods, initial reports of ownership, and subsequent reports of changes in ownership, of common stock and other equity securities of Mace. Based upon Mace's review of copies of such reports furnished to it and upon representations of Covered Persons that no other reports were required, to Mace's knowledge, all of the Section 16(a) filings required to be made by the Covered Persons during 2009 were made on a timely basis.

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ADDITIONAL INFORMATION

Certain Relationships and Related Party Transactions

The Company's Security Segment leases manufacturing and office space under a lease with Vermont Mill. Vermont Mill is controlled by Jon E. Goodrich, a former director and current employee of the Company. The lease expires on November 14, 2010. The lease was initially entered into on November 14, 1999. In November 2004, the Company exercised an option to continue the lease through November 2009 at a rate of \$10,576 per month. The Company amended the lease in 2008 to occupy additional space for an additional \$200 per month. The Company also leased from November 2008 to May 2009, on a month-to-month basis, approximately 3,000 square feet of temporary inventory storage space at a monthly cost of \$1,200. In September 2009, the Company and Vermont Mill extended the term of the lease to November 14, 2010 at a monthly rental rate of \$10,776 per month and modified the square footage rented to 33,476 square feet. The Company believes that the lease rate is lower than lease rates charged for similar properties in the Bennington, Vermont area. Rent expense under this lease was \$135,000, \$130,000 and \$127,000 for the years ended December 31, 2009, 2008 and 2007, respectively.

The Environmental Protection Agency (EPA), the Company and Benmont Mill Properties (Benmont) entered into an Administrative Consent Order under which hazardous materials and waste were remediated at the Company's facility in Bennington, Vermont. Vermont Mill has the authority to lease the property owned by Benmont. Benmont is owned and controlled by Jon Goodrich. On February 23, 2010 the EPA issued the Company an invoice for \$240,096 representing the total of the EPA's oversight costs that the Company and Benmont is obligated to pay under the Administrative Consent Order. On April 13, 2010, the Company paid a negotiated amount of \$216,086 to the EPA in full settlement of the EPA's oversight costs. The Company and Benmont are in discussions to determine what amount Benmont will reimburse the Company.

The Company's Audit Committee Charter, Section IV.E (vi), provides that the Audit Committee annually reviews all existing related party transactions or other conflicts of interest that exist between employees and directors and the Company. The Audit Committee Charter also requires that the Audit Committee review all proposed related party transactions. As provided in Section IV.E (iv) of the Audit Committee Charter, the Company may not enter into a related party transaction, unless the transaction is first approved by the Audit Committee. The Audit Committee Charter is in writing and is available for review on the Company's website at www.mace.com under the Investor Relations heading. The current members of the Audit Committee are Gerald T. LaFlamme, Richard A. Barone, and Mark S. Alsentzer. When reviewing related party transactions, the Audit Committee considers the benefit to the Company of the transaction and whether the transaction furthers the Company's interest. The decisions of the Audit Committee are set forth in writing in the minutes of the meetings of the Audit Committee.

Deadline For Stockholder Proposals

January 15, 2011 is the deadline for stockholders to submit proposals pursuant to Rule 14a-8 of the Exchange Act for inclusion in Mace's Proxy Statement for Mace's 2011 Annual Meeting of Stockholders. If any stockholder proposal is submitted after January 15, 2011, the Proxy holders will be allowed to use their discretionary voting authority when the proposal is raised at the 2011 Annual Meeting without any discussion of the matter in the Proxy Statement for that meeting.

Stockholder Access Policy

Stockholders who wish to communicate with directors should do so by writing to the Company's Secretary, Gregory M. Krzemien, at the Company's offices at 240 Gibraltar Road, Suite 220, Horsham, Pennsylvania 19044. The Secretary of the Company reviews all such correspondence and regularly forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deals with the functions of the Board or Board Committees or that he otherwise determines requires their attention. Directors may at any time review all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters will be brought to the attention of the Company's Audit Committee.

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Mace s Annual Report

A copy of Mace s 2009 Annual Report to Stockholders (including its Annual Report on Form 10-K, with financial statements and schedules, but excluding exhibits) accompanies this Proxy Statement, but is not to be regarded as proxy solicitation material. **Upon request and with the payment of a reasonable fee, Mace will furnish to record and beneficial holders of its common stock copies of exhibits to the Form 10-K. Direct all requests for copies of the above materials or directions to the Annual Meeting of Stockholders to Gregory M. Krzemien, Secretary, at the offices of Mace set forth on page 1 of this Proxy Statement.**

Householding of Proxy Materials

Certain stockholders who share the same address may receive only one copy of the Proxy Statement and Mace s 2009 Annual Report to Stockholders in accordance with a notice delivered from such stockholders bank, broker or other holder of record, unless the applicable bank, broker or other holder of record received contrary instructions. This practice, known as householding, is designed to reduce printing and postage costs. Stockholders owning their shares through a bank, broker or other holder of record who wish to either discontinue or commence householding may request or discontinue householding, or may request a separate copy of the Proxy Statement or Mace s 2009 Annual Report to Stockholders, either by contacting their bank, broker or other holder of record at the telephone number or address provided in the above referenced notice, or contacting the Company by telephone at (215) 259-5671 or in writing at 240 Gibraltar Road, Suite 220, Horsham, Pennsylvania 19044, Attention: Secretary. Stockholders who are requesting to commence or discontinue householding should provide their name, the name of their broker, bank or other record holder and their account information.

By Order of the Board of Directors,

/s/ Gregory M. Krzemien

Gregory M. Krzemien, Secretary

Horsham, Pennsylvania
May 18, 2010

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**ANNUAL MEETING OF STOCKHOLDERS OF
MACE SECURITY INTERNATIONAL, INC.**

June 18, 2010

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card
are available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=12765>

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

â Please detach along perforated line and mail in the envelope provided. â

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**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS AND
FOR PROPOSAL 2.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK
YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x**

1. Election of Directors:

NOMINEES:

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="radio"/> FOR ALL NOMINEES <input type="radio"/> WITHHOLD AUTHORITY <input type="radio"/> FOR ALL NOMINEES <input type="radio"/> FOR ALL EXCEPT <input type="radio"/> (See instructions below) | <ul style="list-style-type: none"> <input type="radio"/> Richard A. Barone <input type="radio"/> Gerald T. LaFlamme <input type="radio"/> John C. Mallon <input type="radio"/> Dennis R. Raefield <input type="radio"/> Michael E. Smith |
|--|---|

INSTRUCTIONS: To withhold authority to vote for any individual
nominee(s), mark **FOR ALL EXCEPT** and fill in the
circle next to each nominee you wish to withhold, as
shown here: 1

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

- | | FOR | AGAINST | ABSTAIN |
|---|-----------------------|-----------------------|-----------------------|
| 2. Ratification of Grant Thornton LLP as Mace's independent registered public accounting firm for fiscal year 2010. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

In their discretion, the Proxies are authorized, to the extent permitted by the rules of the Securities and Exchange Commission, to vote upon such other business as may properly come before the meeting and any adjournment or postponement thereof.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

Signature of Stockholder	Date:	Signature of Stockholder	Date:
<p>Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.</p>			

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MACE SECURITY INTERNATIONAL, INC.
240 Gibraltar Road, Suite 220
Horsham, Pennsylvania 19044
PROXY Annual Meeting of Stockholders June 18, 2010

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Gregory M. Krzemien and Steven Rolle severally as proxies, each with the power to appoint his substitute, and hereby authorizes either or both of them to represent and to vote, as designated on the reverse side hereof, all the shares of common stock of Mace Security International, Inc. (Mace) held of record by the undersigned on May 14, 2010, at the Annual Meeting of Stockholders to be held on June 18, 2010, and at any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL NOMINEES LISTED FOR ELECTION OF DIRECTORS UNDER THE PROPOSAL; AND IN ACCORDANCE WITH THE PROXIES JUDGEMENT UPON OTHER MATTERS PROPERLY COMING BEFORE THE MEETING AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

(Continued and to be signed on the reverse side)

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