

FREDERICK'S OF HOLLYWOOD GROUP INC /NY/
Form DEF 14A
November 26, 2012

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

FREDERICK'S OF HOLLYWOOD GROUP 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:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

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

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

6255 Sunset Boulevard

Hollywood, California 90028

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 8, 2013

TO THE SHAREHOLDERS OF FREDERICK'S OF HOLLYWOOD GROUP INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Frederick's of Hollywood Group Inc., a New York corporation, will be held at 10:00 a.m. Pacific Time on Tuesday, January 8, 2013, at our principal executive offices located at 6255 Sunset Boulevard, 6th Floor, Hollywood, California 90028. You are cordially invited to attend the meeting, which will be held for the following purposes:

1. To elect five directors to serve for the ensuing one-year period and until their successors are elected and qualified.

To approve the potential issuance of up to 28,405,331 shares of our common stock to TTG Apparel, LLC in accordance with the terms of our Series A Convertible Preferred Stock and warrants issued to TTG Apparel, LLC in May 2012.

3. To transact such other business as may properly come before the meeting and any and all postponements or adjournments.

These items of business are described in more detail in this proxy statement, which we encourage you to read in its entirety before voting. Only shareholders of record at the close of business on November 12, 2012 are entitled to notice of, and to vote at, the meeting and any postponements or adjournments thereof.

All shareholders are cordially invited to attend the meeting in person. However, to ensure your representation at the meeting, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. Returning your proxy card will not affect your right to vote in person if you attend the meeting. You may revoke your proxy if you so desire at any time before it is voted. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

Your vote is important regardless of the number of shares you own. Whether you plan to attend the meeting or not, please complete, sign, date and return the enclosed proxy card as soon as possible in the envelope provided.

Important Notice Regarding the Availability of

Proxy Materials for the Annual Meeting of Shareholders to be held on January 8, 2013

Our proxy statement is attached. Financial and other information concerning our company is contained in our Annual Report to Shareholders for the year ended July 28, 2012 ("annual report"). Pursuant to rules promulgated by the Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including the proxy statement, annual report and a proxy card, and by notifying you of the availability of these proxy materials on the Internet. This proxy statement and our annual report are available on our corporate website at www.fohgroup.com.

By Order of the Board of Directors

Thomas Rende, Secretary

Hollywood, California

November 26, 2012

FREDERICK'S OF HOLLYWOOD GROUP INC.

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement and the enclosed proxy card are furnished in connection with the solicitation of proxies by the board of directors of Frederick's of Hollywood Group Inc. (referred to as the "Company," "we" or "us"), a New York corporation, for use at the Annual Meeting of Shareholders ("Annual Meeting") to be held at 10:00 a.m. Pacific Time on Tuesday, January 8, 2013, at our principal executive offices located at 6255 Sunset Boulevard, 6th Floor, Hollywood, California 90028.

This proxy statement and the enclosed proxy card, together with the Annual Report to Shareholders for the year ended July 28, 2012 ("annual report"), are first being mailed on or about November 26, 2012, to shareholders of record on November 12, 2012.

What matters am I voting on?

You are being asked to vote on the following matters:

The election of five directors to serve for the ensuing one-year period and until their successors are elected and qualified – we refer to this proposal as the "director election proposal";

To approve the potential issuance of up to 28,405,331 shares of our common stock to TTG Apparel, LLC in accordance with the terms of our Series A Convertible Preferred Stock and warrants issued to TTG Apparel, LLC in May 2012 – we refer to this proposal as the "stock issuance proposal"; and

To transact such other business as may properly come before the Annual Meeting and any and all postponements or adjournments.

Who is entitled to vote?

Persons who were holders of our common stock as of the close of business on November 12, 2012, the record date, are entitled to vote at the Annual Meeting. As of November 12, 2012, we had issued and outstanding 38,974,968 shares of common stock, par value \$0.01 per share, our only class of voting securities outstanding. Each holder of our common stock is entitled to one vote for each share held on the record date.

What is the effect of giving a proxy?

Proxies in the form enclosed are solicited by and on behalf of our board of directors. The persons named in the proxy card have been designated as proxies by our board of directors. If you sign and return the proxy card in accordance with the procedures set forth in this proxy statement, the persons designated as proxies by the board will vote your shares at the Annual Meeting as specified in your proxy card.

If you sign and return your proxy card in accordance with the procedures set forth in this proxy statement but you do not provide any instructions as to how your shares should be voted, your shares will be voted "FOR" the election of the nominees listed below under the director election proposal and "FOR" the approval of the stock issuance proposal. If you give your proxy, your shares also will be voted in the discretion of the proxies named on the proxy card with respect to any other matters properly brought before the Annual Meeting and any postponements or adjournments. If any other matters are properly presented at the Annual Meeting for action, the persons named in the proxy card will vote the proxies in accordance with their best judgment.

May I change my vote after I return my proxy card?

Yes. Any proxy given pursuant to this solicitation may be revoked by you at any time before it is exercised. You may effectively revoke your proxy by:

· delivering written notification of your revocation to the Corporate Secretary of Frederick's of Hollywood Group Inc.;

· voting in person at the Annual Meeting; or

· delivering another proxy bearing a later date.

Please note that your attendance at the Annual Meeting will not alone serve to revoke your proxy.

What is a quorum?

A quorum is the minimum number of shares required to be present at the Annual Meeting for it to be properly held under our bylaws and New York law. The presence, in person or by proxy, of a majority of the votes entitled to be cast at the Annual Meeting will constitute a quorum at the meeting. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by the proxy are not being voted (“shareholder withholding”) with respect to a particular matter. Similarly, a broker may not be permitted to vote stock (“broker non-vote”) held in street name on a particular matter in the absence of instructions from the beneficial owner of the stock. The shares subject to a proxy which are not being voted on a particular matter because of either shareholder withholding or broker non-vote will not be considered shares present and entitled to vote on that matter. These shares, however, may be considered present and entitled to vote on other matters and will count for purposes of determining the presence of a quorum if the shares are being voted with respect to any matter at the Annual Meeting. If the proxy indicates that the shares are not being voted on any matter at the Annual Meeting, the shares will not be counted for purposes of determining the presence of a quorum. Abstentions are voted neither “for” nor “against” a matter, but are counted in the determination of a quorum.

How many votes are needed for approval of each matter?

The election of directors requires a plurality vote of the votes cast at the Annual Meeting. “Plurality” means that the individuals who receive the largest number of votes cast “FOR” are elected as directors. Consequently, any shares not voted “FOR” a particular nominee, whether as a result of a direction of the shareholder to withhold authority, abstentions or a broker non-vote, will not be counted in the nominee’s favor. As there are five directors to be elected, the five persons receiving the highest votes will be elected if nominees other than those nominated by the board are presented.

The stock issuance proposal must be approved by a majority of the votes cast at the meeting with respect to the proposal. Abstentions and shares deemed present at the meeting but not entitled to vote with respect to the proposal (because of either shareholder withholding or broker non-vote) are not deemed voted and therefore will have no effect on such vote.

Any other proposal properly brought at the Annual Meeting must be approved by a majority of the votes cast at the meeting with respect to the proposal.

How do I vote?

You may vote your shares by returning the enclosed proxy card either by mail or facsimile or by delivering it in person at the Annual Meeting. The prompt return of the completed proxy card will assist us in preparing for the meeting. Complete, date, sign and return the enclosed proxy card in the envelope provided for that purpose (to which no postage needs to be affixed if mailed in the United States). You can specify your choices by marking the appropriate boxes on the proxy card. If you attend the Annual Meeting, you may deliver your completed proxy card in person or fill out and return a ballot that will be supplied to you. If you wish to fax your proxy, please copy both the front and back of the signed proxy card and fax it to American Stock Transfer & Trust Co. at (718) 765-8730.

Shareholders who hold their securities through a broker or bank will also have the option to authorize their proxies to vote their securities electronically through the Internet or by telephone. If you hold your securities through a broker, bank or other nominee, you should check your proxy card or voting instruction card forwarded by your broker, bank or other nominee who holds your securities for instructions on how to vote by these methods.

Do you provide electronic access to the proxy statement and annual report?

Yes. You may obtain copies of this proxy statement and our annual report by visiting our corporate website at www.fohgroup.com and clicking the "Investor Relations" tab. Once you are in the Investor Relations section of our corporate website, you will find our proxy statement and annual report under the section heading "Annual Meeting Materials." The contents of our website are not, and shall not be, deemed a part of this proxy statement or our annual report. **You also may obtain copies of our annual report (without exhibits), without charge, by sending a written request to: Frederick's of Hollywood Group Inc., 6255 Sunset Boulevard, Hollywood, California 90028, Attention: Corporate Secretary.** We will provide copies of the exhibits to the annual report, without charge, upon receipt of a written request addressed to the Corporate Secretary.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of November 12, 2012 by:

each person or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (“Exchange Act”)) known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock on November 12, 2012;

each of our executive officers and directors; and

all of our executive officers and directors, as a group.

The percentage of beneficial ownership indicated below is based on 38,974,968 shares of our common stock outstanding on November 12, 2012.

Name and Address of Beneficial Owner ⁽¹⁾	Beneficial Ownership of our Common Stock on November 12, 2012	
	Number of Shares	Percent of Class
Arsenal Group, LLC 21 Greene Avenue Amityville, New York 11701	12,194,635 ⁽²⁾	30.6 %
Fursa Alternative Strategies LLC, on behalf of certain funds and accounts affiliated with or managed by it or its affiliates 21 Greene Avenue Amityville, New York 11701	6,356,698 ⁽³⁾	16.0 %
Tokarz Investments, LLC 287 Bowman Avenue Purchase, New York 10577	8,386,977 ⁽⁴⁾	21.5 %
TTG Apparel, LLC 287 Bowman Avenue Purchase, New York 10577	8,472,672 ⁽⁴⁾⁽⁵⁾	18.5 %

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Thomas J. Lynch	1,422,333	(6)	3.6	%
Donald Jones	201,000	(7)	*	
Thomas Rende	582,219	(8)	1.5	%
Peter Cole	660,278	(9)	1.7	%
John L. Eisel	227,499	(10)	*	
William F. Harley Fursa Alternative Strategies LLC 21 Greene Avenue Amityville, New York 11701	279,617	(11)	*	
Milton J. Walters	182,730	(12)	*	
All executive officers and directors as a group (7 individuals)	3,555,676	(13)	8.8	%

*

Less than 1%.

The business address of each of Thomas J. Lynch, Donald Jones, Thomas Rende, Peter Cole, John L. Eisel and (1)Milton J. Walters is c/o Frederick's of Hollywood Group Inc., 6255 Sunset Boulevard, Hollywood, California 90028.

Represents (a) 11,359,292 shares of common stock and (b) 835,343 shares of common stock issuable upon exercise of currently exercisable warrants. These securities (i) are held of record by Fursa Alternative Strategies LLC, but, (2) based on information made known to us, have been sold to, and are in the process of being transferred of record to, Arsenal Group, LLC and (ii) are subject to a pledge agreement between Fursa Master Global Event Driven Fund LP and Scotia Capital (USA) Inc. William F. Harley serves as Chairman and Chief Executive Officer of Arsenal Group, LLC and is principally responsible for its investment decisions.

Represents (a) 5,692,041 shares of common stock and (b) 664,657 shares of common stock issuable upon exercise (3) of currently exercisable warrants. William F. Harley serves as Chief Investment Officer of Fursa Alternative Strategies LLC and is principally responsible for its investment decisions.

(4) According to a Schedule 13D/A, dated May 29, 2012, and filed with the SEC on May 29, 2012, Michael T. Tokarz is the sole controlling person and manager of TTG Apparel, LLC and Tokarz Investments, LLC.

Represents (a) 1,766,322 shares of common stock, (b) 1,500,000 shares of common stock issuable upon exercise of currently exercisable warrants, (c) 4,761,905 shares of common stock issuable upon conversion of 50,000 shares of Series A Convertible Preferred Stock (assumes conversion at the rate of \$1.05 per share) and (d) 444,445 shares of (5) common stock issuable upon conversion of \$200,000 of accrued dividends (assumes conversion at the rate of \$0.45 per share). Excludes the remaining shares of common stock that are potentially issuable upon conversion of the Series A Convertible Preferred Stock, if such preferred stock is converted at a lower rate per share as described in the section below entitled "*Stock Issuance Proposal*."

Includes (a) currently exercisable options to purchase 595,166 shares of common stock, (b) options to purchase 229,167 shares that become exercisable within 60 days of November 12, 2012 and (c) 323,500 shares of restricted (6) stock, of which 186,500 shares are vested, 50,000 shares will vest on each of January 2, 2013 and 2014, 12,000 shares will vest on January 12, 2013, and 12,500 shares will vest on each of January 11, 2013 and 2014. Excludes options to purchase 307,167 shares of common stock that are not exercisable within 60 days of November 12, 2012.

Includes (a) currently exercisable options to purchase 89,000 shares of common stock, (b) options to purchase 14,000 shares that become exercisable within 60 days of November 12, 2012 and (c) 98,000 shares of restricted (7) stock, of which 46,000 shares are vested, 40,000 shares will vest on August 22, 2013, and 6,000 shares will vest on each of January 11, 2013 and 2014. Excludes options to purchase 89,000 shares of common stock that are not exercisable within 60 days of November 12, 2012.

Includes (a) currently exercisable options to purchase 277,416 shares of common stock, (b) options to purchase 12,833 shares that become exercisable within 60 days of November 12, 2012, (c) 133,450 shares of common stock held jointly with Mr. Rende's spouse, (d) 1,650 shares of common stock owned by Mr. Rende's spouse and (e) (8) 131,500 shares of restricted stock, of which 65,500 shares are vested, 5,000 shares will vest on January 12, 2013, 5,500 shares will vest on each of January 11, 2013 and 2014 and 50,000 shares will vest on June 1, 2013. Excludes options to purchase 74,501 shares of common stock that are not exercisable within 60 days of November 12, 2012.

Includes (a) 103,168 shares of common stock held by Performance Enhancement Partners, LLC ("PEP"), including 16,500 shares of restricted stock, of which 8,000 shares are vested, 2,500 shares will vest on January 12, 2013 and 3,000 shares will vest on each of January 11, 2013 and 2014, (b) currently exercisable options to purchase 181,166 (9) shares of common stock granted to PEP and (c) options to purchase 7,000 shares that become exercisable within 60 days of November 12, 2012. Excludes options to purchase 12,834 shares of common stock granted to PEP that are not exercisable within 60 days of November 12, 2012. Peter Cole, as the sole member of PEP, has voting and dispositive power over these shares.

Includes (a) 16,500 shares of restricted stock, of which 8,000 shares are vested, 2,500 shares will vest on January 12, 2013 and 3,000 shares will vest on each of January 11, 2013 and 2014, (b) currently exercisable options to purchase 24,666 shares of common stock and (c) options to purchase 7,000 shares that become exercisable within 60 days of November 12, 2012. Excludes options to purchase 12,834 shares of common stock that are not exercisable within 60 days of November 12, 2012.

Includes (a) 16,500 shares of restricted stock, of which 8,000 shares are vested, 2,500 shares will vest on January 12, 2013 and 3,000 shares will vest on each of January 11, 2013 and 2014, (b) currently exercisable options to purchase 18,666 shares of common stock and (c) options to purchase 7,000 shares that become exercisable within 60 days of November 12, 2012. Excludes options to purchase 12,834 shares of common stock that are not exercisable within 60 days of November 12, 2012. As Chairman and Chief Executive Officer of Arsenal Group, LLC, Mr. Harley exercises voting and dispositive power over shares that it beneficially owns, described in Footnote 2 above. As Chief Investment Officer of Fursa Alternative Strategies LLC, William F. Harley exercises voting and dispositive power over shares beneficially owned by certain funds and accounts affiliated with, managed by, or over which Fursa or any of its affiliates exercises investment authority, including, without limitation, with respect to voting and dispositive rights, described in Footnote 3 above. Mr. Harley disclaims beneficial ownership of the shares described in Footnotes 2 and 3 above except to the extent of his pecuniary interest therein. Accordingly, such shares are not included in Mr. Harley's beneficial ownership.

(12) Includes (a) 97,415 shares of common stock held by Sagebrush Group, Inc. ("Sagebrush"), including 16,500 shares of restricted stock, of which 8,000 shares are vested, 2,500 shares will vest on January 12, 2013 and 3,000 shares will vest on each of January 11, 2013 and 2014, (b) currently exercisable options to purchase 18,666 shares of common stock granted to Sagebrush, (c) options to purchase 7,000 shares granted to Sagebrush that become exercisable within 60 days of November 12, 2012 and (d) currently exercisable options to purchase 31,170 shares of common stock granted to Mr. Walters. Excludes options to purchase 12,834 shares of common stock granted to Sagebrush that are not exercisable within 60 days of November 12, 2012. Milton Walters, as the sole shareholder of Sagebrush, has voting and dispositive power over the shares held by Sagebrush.

(13) Includes an aggregate of 1,519,916 shares of common stock that our executive officers and directors have the right to acquire upon exercise of outstanding options that are currently exercisable or exercisable within 60 days of November 12, 2012. Excludes an aggregate of 522,000 shares of common stock that such individuals have the right to acquire upon exercise of outstanding options that are not exercisable within 60 days of November 12, 2012.

DIRECTOR ELECTION PROPOSAL

Our board of directors currently consists of five members. All directors hold office for the ensuing one-year period and until their successors are elected and qualified. Upon the recommendation of the nominating and governance committee, the board of directors has nominated Thomas J. Lynch, Peter Cole, John L. Eisel, William F. Harley and Milton J. Walters to serve as directors for the ensuing one-year period and until their successors are elected and qualified.

The election of directors requires a plurality vote of the shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting. "Plurality" means that the individuals who receive the highest number of votes cast "FOR" election are elected as directors. Any shares not voted "FOR" a particular nominee (whether as a result of abstentions, a direction to withhold authority or a broker non-vote) will not be counted in the nominee's favor.

Unless authority is withheld, the proxies solicited by the board of directors will be voted "FOR" the election of these nominees. In case any of the nominees becomes unavailable for election to the board of directors, an event which is not anticipated, the persons named as proxies, or their substitutes, will have full discretion and authority to vote or refrain from voting for any other candidate in accordance with their judgment. The five nominees for directors, their current positions, term of office and business background are set forth below.

Information Concerning Nominees for Directors

Name	Age	Position	Director Since
Thomas J. Lynch	44	Chairman and Chief Executive Officer	2008
Peter Cole ⁽²⁾	64	Director	2004
John L. Eisel ⁽¹⁾⁽²⁾⁽³⁾	63	Director	2004
William F. Harley ⁽²⁾⁽³⁾	49	Director	2008
Milton J. Walters ⁽¹⁾⁽³⁾	70	Director	2008

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Nominating and Governance Committee

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR SHAREHOLDERS VOTE “FOR” THE ELECTION OF EACH OF THE NOMINEES.

Our board of directors believes that it is necessary for each of our directors to possess qualities, attributes and skills that contribute to a diversity of views and perspectives among the directors and enhance the overall effectiveness of the board. As described under “*Nominating and Governance Committee Information – Guidelines for Selecting Director Nominees*”, our nominating and governance committee considers all factors it deems relevant when evaluating prospective candidates or current board members for nomination to the board, as prescribed in its written charter and established guidelines. All of our directors bring to the board leadership experience derived from past service. They also all bring a diversity of views and perspectives derived from their individual experiences working in a range of industries and occupations, which provide the board, as a whole, with the skills and expertise that reflect our company’s needs. Certain individual experiences, qualifications and skills of our directors that contribute to the board’s effectiveness as a whole are described in the biographies set forth below.

Thomas J. Lynch became our Chief Executive Officer in January 2009 and our Chairman of the Board in May 2009 and has been a member of our board of directors since January 2008. From February 2007 to December 2008, he served as Chief Executive Officer of Fursa. From July 2006 to January 2007, Mr. Lynch was a Managing Director at UBS, an investment bank and global asset management business. From August 2000 to May 2006, Mr. Lynch was Managing Director and Senior Vice President of Mellon Asset Management. Mr. Lynch was a member of the Mellon Asset Management Senior Management Committee and was a thought leader in global distribution strategies and strategic planning. Mr. Lynch had direct management responsibility for a \$36 billion (Assets Under Management) institutional asset management business. Mr. Lynch received a B.A. degree from St. Anselm College and attended The Brandeis University International Business School. Mr. Lynch provides our board of directors with extensive financial, strategic planning and operational expertise and significant management and leadership experience derived from his prior roles in senior executive positions.

Peter Cole has served as a member of our board of directors since April 2004 and was our Executive Chairman from January 2008 to May 2009. From January 2007 to January 2008, he served as the lead director to facilitate the completion of our merger with FOH Holdings, Inc. Since October 2005, Mr. Cole has been the managing member of Performance Enhancement Partners, LLC, a private consulting firm that he founded. Since July 2010, Mr. Cole has served as a director, and from July 2010 to March 2011 served as Chief Executive Officer of Harmony Health & Beauty, Inc., a privately-held in-airport retailer. From April 2001 through July 2005, he served as Chairman of the Board and Chief Executive Officer of Qwiz, Inc., a privately-held leading provider of skills and behavioral testing now operating as SHL Previsor, Inc. Prior to joining SHL Previsor, Inc., Mr. Cole was a Managing Director at Citibank, where he was responsible for one of its global capital markets businesses. Since May 2012, Mr. Cole has served as a director of Focus Pointe Holdings, Inc., a privately-held provider of focus group panelists and facilities. He received a B.A. degree in economics from the University of Vermont. Mr. Cole provides our board of directors with management and turnaround expertise, as well as general business experience derived from his service on the board and as an executive officer of other companies.

John L. Eisel has been a member of our board of directors since April 2004. Since 1980, Mr. Eisel has been a partner at Edwards Wildman Palmer LLP and its predecessor, Wildman, Harrold, Allen & Dixon LLP, a law firm located in Chicago, Illinois that he joined in 1975. Mr. Eisel's primary areas of practice are mergers and acquisitions and securities regulation. As part of his legal practice, Mr. Eisel has provided counsel to the boards of directors of several public and private companies. Mr. Eisel was Chairman of his firm's Management Committee from 1994 to 1999 and is currently co-chair of the firm's Business Law Department. Mr. Eisel received a B.S. degree in accounting and a J.D. degree from the University of Illinois. Mr. Eisel passed the CPA examination in 1971. He currently serves on the board of directors of several private companies, and he is a member of the Planning Committee for the Ray Garrett Jr. Corporate and Securities Law Institute. Mr. Eisel brings to our board of directors an in-depth understanding of financial statements and SEC reporting requirements as well as extensive and diverse general business and legal knowledge.

William F. "Mickey" Harley, III has been a member of our board of directors since January 2008. He currently serves as the Chairman and Chief Executive Officer of Arsenal Group, LLC, a company he co-founded in February 2011. Mr. Harley is principally responsible for Arsenal Group's investment decisions. Arsenal Group owns HRK Holdings LLC and HRK Industries LLC, both of which filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Middle District of Florida on June 27, 2012. The court has approved the companies hiring an investment banker to market properties they own and intend to sell in order to emerge from bankruptcy. Mr. Harley also is President and Chief Investment Officer of Fursa, which he co-founded in April 1999 (as HBV Capital Management, LLC) and sold to Mellon Financial Corporation in July 2002 (when it was re-named Mellon HBV Alternative Strategies LLC). Mr. Harley served as Chief Investment Officer and Chief Executive Officer of Fursa from July 2002 until he repurchased it from Mellon in December 2006. Mr. Harley is principally responsible for Fursa's investment decisions. From June 1996 to April 1999, Mr. Harley was the Head of Research at Milton Partners, L.P., a hedge fund manager specializing in arbitrage funds. Before joining Milton Partners, Mr. Harley was a Vice President and Director of Allen & Company, where he was responsible for the day-to-day management and investment strategies of the arbitrage department. From January 2003 to April 2006, and since April 2007, Mr. Harley has served as a director of FOH Holdings. Since December 2008, Mr. Harley has served as a director, and from December 2008 to September 2012, he served as President of Xemplar Energy Corporation (TSX Venture: XE). Mr. Harley also has previously served on the board of directors of the following privately-held companies: J.L. French Automotive Castings, Inc., Metromedia International Group, Inc., Integral Systems, Inc., Coastal Greenland Limited and Interboro Insurance. Mr.

Harley received a Master's degree in public and private management from Yale University's School of Management and a B.S. degree in chemical engineering and a B.A. degree in economics from Yale University. Mr. Harley provides our board of directors with expertise in finance and financial markets and with experience derived from his service on the board of other public and private companies.

Milton J. Walters has been a member of our board of directors since January 2008 and a director of FOH Holdings since January 2003. He has more than 40 years of investment banking experience including serving as Managing Director of AG Becker and its successor Warburg Paribas Becker, where he was employed from 1965 to 1984; Senior Vice President and Managing Director of Smith Barney from 1984 to 1988; Managing Director of Prudential Securities from 1997 to 1999; and since August 1999 as President and Chief Executive Officer of Tri-River Capital, a strategic financial advisory and valuation service provider which he founded. Mr. Walters has been a director and chairman of the audit committee of Sun Healthcare Group, Inc. (NASDAQ: SUNH) since 2001 and Sabra Healthcare REIT, Inc. (NASDAQ: SBRA) since November 2010, and a director of Petroleum & Franchise Capital, a privately-held company that provides financing for national and regional franchise and retail petroleum operators, since November 2012. From January 2003 to June 2010, he served as a director and chairman of the audit committee of Decision One Corporation, a privately-held information technology services company. Mr. Walters is a member of the Economics Club of New York, the National Association of Corporate Directors and the University Club of New York, and currently serves as a director of the Lyme Land Conservation Trust, Inc. He is a former Trustee of Hamilton College and Friends Academy. Mr. Walters received an A.B. degree from Hamilton College. Mr. Walters provides our board of directors with finance expertise, having over 40 years of investment banking experience; leadership, management and a range of industry experience derived from his current and former positions as president of a company that he founded and as a managing director and group head of various investment banking firms; and public company experience from service on the board of directors of other public and private companies.

Executive Officers

In addition to Thomas J. Lynch, our Chairman of the Board and Chief Executive Officer, we have two other executive officers:

Donald Jones, 57 years old, has served as our President and Chief Operating Officer since September 2011. He has over 35 years of experience in the fashion and consumer product retail industry. Since November 2008, Mr. Jones has been a managing partner at Verite Capital Partners, a private equity firm he co-founded that invests in and advises retail and consumer product companies. Since June 2003, he has been the Chief Executive Officer of POGAN Retail, LLC, a company he founded that provides strategic counsel to retail companies. POGAN Retail provided us with the consulting services of Mr. Jones from February 2011 to August 2011. From March 1999 to June 2003, Mr. Jones served as Senior Vice President of Stores and Operations for Gap Inc., where he was responsible for Gap, Gap Kids and Gap Body retail stores. From 1995 to 1999, Mr. Jones was Regional Vice President of Dayton Hudson Corporation, now Target Corporation. From 1993 to 1995, he managed both the U.S. flagship store and catalog business of IKEA, Inc. Mr. Jones began his retail career in department store operations, holding managerial positions at May Company, Marshalls, Inc., Macy's, Inc., Filene's and Lechmere Inc. From December 2007 to September 2011, Mr. Jones served as Chairman of the Board of Total Apparel Group, Inc. (OTC Pink: TLAG), a licensing, distribution and merchandising company. Mr. Jones currently serves as a member of the board of directors of two privately-held companies – Elaine Turner Design, a shoe and handbag company, and Amenity, a men's skincare company. He also serves on the Advisory Board of the Ridgefield Library and as a member of the board of directors of the Connecticut Retail Merchants Association, the Trinity High School Foundation, and George Jackson Academy, a private school for at risk boys. Mr. Jones is also a frequent lecturer and speaker on the subjects of small business, retail and consumer products, and is a contributor to CNBC.com.

Thomas Rende, 52 years old, has served as our Chief Financial Officer since January 2008, and served as Chief Financial Officer of our wholesale division from February 1999 until it was sold in October 2010. He also served as a member of our board of directors from January 2008 to May 2010 and from April 2004 to April 2007. Since joining the company in 1989, Mr. Rende has held various positions within the finance department. Mr. Rende received a B.S. degree in economics from the State University of New York at Oneonta.

Independence of Directors

Our common stock is listed on the NYSE MKT. As a result, we follow the rules of the NYSE MKT in determining whether a director is independent. The board of directors also consults with our counsel to ensure that the board's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The current NYSE MKT listing standards define an "independent director" generally as a person, other than an officer or employee of a company, who does not have a relationship with the company that would interfere with the director's exercise of independent judgment. The NYSE MKT requires that a majority of the

board of directors be considered independent, as determined by the board. Consistent with these considerations, the board of directors affirmatively has determined that Peter Cole, John Eisel, William Harley and Milton Walters will be our independent directors for the ensuing year. Thomas Lynch is not independent because he is a current executive officer. All members of our audit, compensation and nominating and governance committees are independent.

Code of Ethics

Our board of directors has adopted a code of ethics that applies to our directors, officers and employees as well as those of our subsidiaries. Our code of ethics can be found on our corporate website at www.fohgroup.com. In addition, requests for copies of the code of ethics should be sent in writing to Frederick's of Hollywood Group Inc., 6255 Sunset Boulevard, Hollywood, California 90028, Attention: Corporate Secretary.

Meetings and Committees of the Board of Directors

During the year ended July 28, 2012, our board of directors met five times and acted by unanimous written consent on seven occasions. All of our directors attended the 2012 Annual Meeting of Shareholders. Although we do not have a formal policy regarding director attendance at annual shareholder meetings, we attempt to schedule annual meetings so that all directors can attend. In addition, we expect our directors to attend all board meetings and the meetings of the committees of the board upon which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. No member of the board of directors attended fewer than 75% of the total number of meetings of the board and committees upon which they served during fiscal year 2012. We have standing audit, compensation and nominating and governance committees. Copies of our audit and nominating and governance committee charters are available free of charge on our corporate website at www.fohgroup.com.

Leadership Structure

Our company is led by Thomas J. Lynch, who has served as our Chairman of the Board and Chief Executive Officer since January 2009. We believe that combining the role of Chairman of the Board and Chief Executive Officer promotes unified leadership and direction for our company and provides for a single focus for management to execute our strategy and business plan. Mr. Lynch's financial expertise and intimate knowledge of our operations and strategy make him uniquely positioned and qualified to serve in these capacities.

We do not have a lead director and do not believe that appointing a lead director would materially impact the performance of the board of directors, as it currently employs a variety of structural and operational controls that serve the same purpose. For example, our independent directors meet regularly in executive sessions. These sessions provide an opportunity for the independent directors to speak candidly on any matter of interest, without the Chief Executive Officer or other members of management present. All board members are free to suggest the inclusion of items on board of directors and committee meeting agendas, and, to the fullest extent possible, all meeting materials and presentations are distributed to the board members in advance, allowing efficient use of time during meetings for questions and comprehensive deliberations. All board members have direct and complete access to our company's management.

Risk Oversight

Our board of directors oversees an enterprise wide approach to risk management, designed to support the achievement of our objectives and to maintain shareholder value. The independent audit committee is primarily responsible for overseeing our exposure to financial risk and reviewing the steps management has taken to monitor and control that exposure. The audit committee meets at least once per quarter in addition to periodic meetings with management and

our independent auditors to accomplish its purpose. While the audit committee has primary responsibility for overseeing risk management, the full board of directors participates in an annual enterprise risk management assessment, which is led by management. This assessment includes a discussion of our most significant risks as well as a centralized evaluation and determination of risk appetite to ensure consensus and mutual understanding between the board and management. In addition, each of our committees considers the risks within its area of responsibility.

Compensation Committee Information

Our compensation committee, which held one meeting and acted by unanimous consent on one occasion during fiscal year 2012, is currently comprised of Peter Cole (chairman), William F. Harley and John L. Eisel, each an independent director under the NYSE MKT listing standards.

The compensation committee does not have a formal written charter. The responsibilities of the compensation committee include:

- establishing the general compensation policy for our executive officers, including the chief executive officer;
- administering our equity compensation plans; and
- determining who participates in each of these plans, establishing performance goals and target payouts, and determining specific grants and bonus awards to participants.

Our compensation committee makes all final approvals with respect to compensation of executive officers based on its assessment of the value of each executive's contribution, the results of recent past fiscal years in light of prevailing business conditions, our goals for the ensuing fiscal year and, to a lesser extent, prevailing compensation levels at companies considered to be comparable to our company. Our compensation committee considers recommendations from our chief executive officer relating to the compensation of our other executive officers, but the chief executive officer does not make recommendations regarding his own compensation. Executive officers other than our chief executive officer generally are not involved in determining executive compensation. The compensation committee did not engage any compensation consultants during fiscal year 2012.

Nominating and Governance Committee Information

General

Our nominating and governance committee, which acted by unanimous consent on one occasion during fiscal year 2012, is currently comprised of John L. Eisel (chairman), Milton J. Walters and William F. Harley, each an independent director under the NYSE MKT listing standards. The nominating and governance committee is responsible for overseeing the selection of persons to be nominated to serve on the board of directors. The nominating and governance committee considers persons identified by its members, management, shareholders and others. There have been no material changes to the procedures by which shareholders may recommend nominees to the board. Our board of directors has adopted a written charter for the nominating and governance committee and established guidelines for selecting nominees and a method by which shareholders may propose to the nominating committee candidates for selection as nominees for directors.

Guidelines for Selecting Director Nominees

The guidelines for selecting nominees generally provide that persons to be nominated should be actively engaged in business endeavors, have an understanding of financial statements, corporate budgeting and capital structure, be familiar with the requirements of a publicly traded company, be familiar with industries relevant to our business endeavors, be willing to devote significant time to the oversight duties of the board of directors of a public company, and be able to promote a diversity of views based on the person's education, experience and professional employment. The nominating and governance committee evaluates each individual in the context of the board as a whole, with the objective of recommending a group of persons that can best implement our business plan, perpetuate our business and represent shareholder interests. The nominating and governance committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time. The nominating and governance committee does not distinguish among nominees recommended by shareholders and other persons.

Procedure for Shareholders to Recommend Director Candidates

Shareholders and others who wish to recommend candidates to the nominating and governance committee for consideration as directors must submit their written recommendations to the nominating and governance committee and include all of the information described in the section "*Shareholder Proposals and Nominations.*"

Our nominating and governance committee recommended to our board of directors to nominate Thomas J. Lynch, Peter Cole, John L. Eisel, William F. Harley and Milton J. Walters for re-election as directors. Our nominating and governance committee did not receive proposals from any shareholders or others for suggested director candidates.

Audit Committee Information and Report

General. Our audit committee, which met four times during fiscal year 2012 and acted by unanimous written consent on one occasion, consists of Milton J. Walters (chairman) and John L. Eisel, each an independent director under the NYSE MKT listing standards. As required by the NYSE MKT, since we are a "smaller reporting company," our audit committee is comprised of at least two independent directors who are also "financially literate." The NYSE MKT standards define "financially literate" as being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. The functions of the audit committee include oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, and the performance, qualifications and independence of our independent auditors. The purpose and responsibilities of our audit committee are set forth in a written audit committee charter which has been adopted by the board.

Financial Expert on Audit Committee. We must certify to the NYSE MKT that the audit committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. The board of directors has determined that John L. Eisel and Milton J. Walters both satisfy the NYSE MKT's definition of financial sophistication and also both qualify as "audit committee financial experts," as defined under the rules and regulations of the SEC.

Audit Committee Pre-Approval Policies and Procedures. In accordance with Section 10A(i) of the Exchange Act, before we engage our independent registered public accounting firm to render audit or permitted non-audit services, the engagement is approved by the audit committee. The audit committee approved all of the fees referred to in the section below entitled "Principal Accountant Fees" for fiscal year 2012.

Principal Accountant Fees. The following table summarizes the aggregate fees (rounded to the nearest \$1,000) billed to us by Mayer Hoffman McCann CPAs (The New York Practice of Mayer Hoffman McCann P.C.) ("MHM") for professional services for the years ended July 28, 2012 and July 30, 2011:

	Year Ended	
	July 28, 2012	July 30, 2011
Audit Fees ⁽¹⁾	\$280,000	\$353,000
Audit Related Fees ⁽²⁾	17,000	41,000
Tax Fees ⁽³⁾	108,000	107,000
	\$405,000	\$501,000

(1) Represents the aggregate fees billed for professional services rendered in connection with the audit of our consolidated financial statements and the review of the consolidated financial statements included in our Quarterly Reports on Form 10-Q.

(2) Represents the aggregate fees billed in connection with the reviews of various SEC filings and employee benefit plan audits.

(3) Represents the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

Audit Committee Report for the Fiscal Year Ended July 28, 2012

The audit committee reviews the Company's financial reporting process on behalf of the board of directors. Management has the primary responsibility for the financial statements and reporting process. The independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion on the fairness of the audited financial statements based on the audit conducted in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB").

In this context, the audit committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the audit committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America, and the audit committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The audit committee discussed with the independent registered public accounting firm the matters required to be discussed in accordance with the requirements of the PCAOB. The independent registered public accounting firm also provided the audit committee with the written disclosures required by PCAOB Rule 3526, "*Communication with Audit Committee Concerning Independence*," and the audit committee discussed with the independent registered public accounting firm and management the auditor's independence, including with regard to fees for services rendered during the fiscal year and all other professional services rendered by the independent registered public accounting firm.

In reliance on the reviews and discussions referred to above, the audit committee recommended to the board of directors, and the board has approved, that the Company's audited financial statements be included in the Annual Report on Form 10-K for the year ended July 28, 2012, for filing with the SEC.

Audit Committee:

Milton J. Walters (chairman)

John L. Eisel

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation paid to or earned by each of the “named executive officers” (as defined in Item 402 of Regulation S-K) for the years ended July 28, 2012 and July 30, 2011:

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total (\$)
Thomas J. Lynch Chairman and CEO	2012	540,000	-	15,000	24,521	28,329	(2) 607,850
	2011	540,000	-	32,760	52,190	28,563	(3) 653,513
Donald Jones President and COO	2012	334,615 ⁽⁴⁾	-	56,800	76,030	16,431	(2) 483,876
Thomas Rende EVP and CFO	2012	310,000	-	6,600	10,789	27,716	(2) 355,105
	2011	310,000	-	13,650	21,746	26,942	(3) 372,338

(1) Represents the aggregate grant date fair value of awards computed in accordance with the Financial Accounting Standards Board’s Accounting Standards Codification Topic 718 (“ASC 718”). Assumptions used in the calculation of these amounts are disclosed in Note 10 to our audited consolidated financial statements for the year ended July 28, 2012 contained in our Annual Report on Form 10-K filed with the SEC on October 26, 2012.

(2) Represents payments that we made in fiscal year 2012 for the named executive officers as follows:

Named Executive Officer	Life Insurance (\$)	Long Term Disability Insurance (\$)	Group Health Insurance (\$)	Automobile Expenses (\$)	Total (\$)
Thomas J. Lynch	-	1,728	11,601	15,000	28,329
Donald Jones	5,000	1,728	9,703	-	16,431
Thomas Rende	2,680	1,440	11,596	12,000	27,716

(3) Represents payments that we made in fiscal year 2011 for the named executive officers as follows:

Named Executive Officer	Life Insurance (\$)	Long Term Disability Insurance (\$)	Group Health Insurance (\$)	Automobile Expenses (\$)	Total (\$)
Thomas J. Lynch	-	1,728	11,835	15,000	28,563
Thomas Rende	2,680	1,440	11,822	11,000	26,942

Represents salary paid to Mr. Jones in accordance with the terms of his employment agreement from the (4) commencement of his employment on August 22, 2011. Effective January 16, 2012, Mr. Jones' annual base salary was increased from \$350,000 to \$400,000.

Grants of Plan-Based Awards

The following table sets forth information regarding awards to the named executive officers under our equity compensation plans during the year ended July 28, 2012. There can be no assurance that the grant date fair value of the stock and option awards will ever be realized by the individual.

Name	Grant Date	Number of Shares of Stock (#)	Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/sh)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽¹⁾
Thomas J. Lynch	1/11/12	37,500 ⁽²⁾	-	-	15,000
	1/11/12	-	87,500 ⁽³⁾	0.40	24,521
Donald Jones	9/8/11	80,000 ⁽⁴⁾	-	-	49,600
	9/8/11	-	150,000 ⁽⁵⁾	0.62	64,260
	1/11/12	18,000 ⁽²⁾	-	-	7,200
	1/11/12	-	42,000 ⁽³⁾	0.40	11,770
Thomas Rende	1/11/12	16,500 ⁽²⁾	-	-	6,600
	1/11/12	-	38,500 ⁽³⁾	0.40	10,789

⁽¹⁾ Represents the aggregate grant date fair value of awards computed in accordance with ASC 718. Assumptions used in the calculation of these amounts are disclosed in Note 10 to our audited consolidated financial statements for the year ended July 28, 2012 contained in our Annual Report on Form 10-K filed with the SEC on October 26, 2012.

⁽²⁾ Represents shares of restricted stock issued pursuant to the 2010 Long-Term Incentive Equity Plan. 33.3% of the shares vested on January 11, 2012, and 33.3% vest on each of January 11, 2013 and 2014.

⁽³⁾ Represents shares issuable upon exercise of options granted pursuant to the 2010 Long-Term Incentive Equity Plan. 33.3% of the options vested on January 11, 2012 and 33.3% vest on each of January 11, 2013 and 2014.

⁽⁴⁾

Represents shares of restricted stock issued pursuant to the 2010 Long-Term Incentive Equity Plan. 50% of the shares vested on August 22, 2012 and 50% vest on August 22, 2013.

- (5) Represents shares issuable upon exercise of options granted pursuant to the 2010 Long-Term Incentive Equity Plan. 50% of the options vested on August 22, 2012 and 50% vest on August 22, 2013.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding equity awards as of July 28, 2012 for each of the named executive officers:

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Exercisable Options (#)	Number of Securities Underlying Unexercised Un-exercisable Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares that have Not Vested (#)	Market Value of Shares that have Not Vested (\$) ⁽¹⁾
Thomas J. Lynch	360,000	-	0.38	1/28/2019	100,000 ⁽²⁾	39,000
	150,000	450,000	⁽³⁾ 0.78	6/28/2020	12,000	⁽⁴⁾ 4,680
	56,000	28,000	⁽⁴⁾ 1.05	1/11/2021	25,000	⁽⁵⁾ 9,750
	29,166	58,334	⁽⁵⁾ 0.40	1/10/2022		
Donald Jones	75,000	75,000	⁽⁶⁾ 0.62	9/7/2021	40,000	⁽⁶⁾ 15,600
	14,000	28,000	⁽⁵⁾ 0.40	1/10/2022	12,000	⁽⁵⁾ 4,680
Thomas Rende	37,500	-	2.90	12/9/2014	50,000	⁽⁷⁾ 19,500
	75,000	-	2.00	10/12/2016	5,000	⁽⁴⁾ 1,950
	78,750	-	3.10	1/27/2015	11,000	⁽⁵⁾ 4,290
	50,000	50,000	⁽⁷⁾ 0.84	5/31/2020		
	23,333	11,667	⁽⁴⁾ 1.05	1/11/2021		
	12,833	25,667	⁽⁵⁾ 0.40	1/10/2022		

⁽¹⁾ The market value of shares reported is computed based on the closing price of our common stock of \$0.39 on July 27, 2012 (the last trading day of fiscal year 2012).

⁽²⁾ These shares vest in equal annual installments of 50,000 shares on each of January 2, 2013 and 2014.

⁽³⁾ These options vest as follows: (i) 200,000 options vest on January 2, 2013 and (ii) 250,000 options vest on January 2, 2014.

- (4) These securities vest on January 12, 2013.
- (5) These securities vest in two equal annual installments on each of January 11, 2013 and 2014.
- (6) These securities vest on August 22, 2013.
- (7) These securities vest on June 1, 2013

Option Exercises and Stock Vested in Fiscal Year 2012

The following table summarizes the vesting of stock awards for the named executive officers during the year ended July 28, 2012. No options were exercised by the named executive officers during the year ended July 28, 2012.

Name	Option Awards		Stock Awards		
	Number of Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Shares Acquired on Vesting (#)	Value Realized (\$)	
Thomas J. Lynch	-	-	50,000	17,750	(1)
	-	-	12,000	4,440	(2)
	-	-	12,500	5,000	(3)
Thomas Rende	-	-	25,000	9,250	(4)
	-	-	5,000	1,850	(2)
	-	-	5,500	2,200	(3)
Don Jones	-	-	40,000	12,800	(5)
	-	-	6,000	2,400	(3)

For each share vested, the value realized on vesting represents the average of the closing prices of our common (1) stock on the trading days prior to and after January 2, 2012, the vesting date, of \$0.355, multiplied by the number of shares acquired on vesting.

(2) For each share vested, the value realized on vesting represents the closing price of our common stock of \$0.37 on January 12, 2012, the vesting date, multiplied by the number of shares acquired on vesting.

(3) For each share vested, the value realized on vesting represents the closing price of our common stock of \$0.40 on January 11, 2012, the vesting date, multiplied by the number of shares acquired on vesting.

(4) For each share vested, the value realized on vesting represents the closing price of our common stock of \$0.37 on June 1, 2012, the vesting date, multiplied by the number of shares acquired on vesting.

(5) For each share vested, the value realized on vesting represents the closing price of our common stock of \$0.32 on August 22, 2012, the vesting date, multiplied by the number of shares acquired on vesting.

Equity Compensation Plan Information

The following sets forth certain information as of July 28, 2012 concerning our equity compensation plans:

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Plans approved by shareholders			
1988 Non-Qualified Stock Option Plan	632,500	\$ 0.83	200,833
2000 Performance Equity Plan	591,750	(1) \$ 2.68	272,684 (2)
2003 Employee Equity Incentive Plan	62,341	\$ 3.46	—
2010 Long-Term Incentive Equity Plan	1,387,000	\$ 0.72	2,224,000
Plans not approved by shareholders			
March 2010 Warrants ⁽³⁾	2,543,670	\$ 1.41	—
May 2010 Warrants ⁽⁴⁾	1,500,000	\$ 2.33	—
May 2012 Warrants ⁽⁵⁾	1,500,000	\$ 0.53	—
Total	8,217,261	\$ 1.36	2,697,517 &nb