

LAKELAND INDUSTRIES INC
Form DEF 14A
May 11, 2006

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 a Party other than the Registrant
Filed by the Registrant

Check the appropriate box:

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

Lakeland Industries, Inc.
(Name of Registrant as Specified in 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):
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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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

Corporate Headquarters

701 Koehler Avenue
Suite 7
Ronkonkoma,
NYUSA11779-7410
Tel: 631-981-9700
Fax:631-981-9751
E-Mail:info@lakeland.com
www.lakeland.com

May 9, 2006

**Lakeland Limited-Use
and
Chemical Protective
Clothing**

Customer Service
800-645-9291
Tel: 256-584-3565
Fax:256-350-0773

I am pleased to extend to you my personal invitation to attend the 2006 Annual Meeting of Stockholders of Lakeland Industries, Inc. (the "Company") on Wednesday, June 21, 2006 at 9:30 a.m. at the Holiday Inn, 3845 Veterans Memorial Highway, Ronkonkoma, NY 11779.

**Hand/Arm Protection
Division**

Customer Service
800-645-9291
Tel:256-350-3873
Fax:256-353-9463

The accompanying Notice of Annual Meeting and Proxy Statement contain a description of the formal business to be acted upon by the stockholders. At the meeting, we intend to discuss our performance for the fiscal year ended January 31, 2006 and our plans for the current fiscal year. Certain members of the Company's Board of Directors and officers of the Company, as well as a representative of Holtz Rubenstein Reminick LLP our independent auditors, will be available to answer any questions you may have, or to make a statement if they wish to.

**Fire Protective Clothing
Division
and Woven Clothing
Division**

Customer Services
800-933-0115
Tel: 816-390-8086
Fax:816-390-8224

While I am looking forward to seeing you at the meeting, it is very important that those of you who cannot personally attend assure your shares are represented. I urge you therefore to sign and date the enclosed form of proxy and return it promptly in the accompanying envelope. If you attend the meeting, you may, if you wish, withdraw any proxy previously given and vote your shares in person.

Lakeland Protective Wear Inc.
Canada
5109 Harvestor Road
Unit B-7
Burlington, Ontario

Sincerely,

/s/ Raymond J. Smith

Raymond J. Smith

L7L5Y9
800-489-9131
Tel: 905-634-6400
Fax:905-634-6611

Chairman of the Board

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LAKELAND INDUSTRIES, INC.

NOTICE OF

2006 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON

June 21, 2006

TO THE STOCKHOLDERS OF LAKELAND INDUSTRIES, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Lakeland Industries, Inc., a Delaware corporation (the "Company"), will be held on Wednesday, June 21, 2006 at 9:30 a.m. at the Holiday Inn, 3845 Veterans Memorial Highway, Ronkonkoma, NY 11779 for the following purposes:

1. To elect three Class II directors, and
2. To approve the 2006 Equity Incentive Plan, and
3. To ratify the appointment of Holtz Rubenstein Reminick LLP, as the Company's independent public accountants for fiscal year 2007, and
4. To transact such other business as properly may come before the meeting or any adjournment thereof.

Each share of the Company's Common Stock will be entitled to one vote upon all matters described above. Stockholders of record at the close of business on April 28, 2006 will be entitled to notice of and to vote at the meeting. Only stockholders of record at the close of business on the date above will be entitled to notice of and to vote at the Annual Meeting of Stockholders and any adjournment thereof. A list of all stockholders entitled to vote at the Annual Meeting of Stockholders will be open for examination by any stockholder for any purpose germane to the Meeting during ordinary business hours for a period of ten (10) days before the Meeting at the offices of the Company located at 701 Koehler Ave., Suite 7, Ronkonkoma, NY 11779.

May 9, 2006

BY ORDER OF THE BOARD OF DIRECTORS

Christopher J. Ryan, Secretary

Whether or not you plan to attend the Annual Meeting, please complete, date and sign the enclosed proxy card and return it promptly in the enclosed postage prepaid envelope. If you sign and return your proxy card without specifying a choice, your shares will be voted in accordance with the recommendations of the Board of Directors. You may, if you wish, revoke your proxy at any time prior to the time it is voted by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person

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LAKELAND INDUSTRIES, INC.

701 Koehler Ave., Suite 7
Ronkonkoma, New York 11779
(631) 981-9700

PROXY STATEMENT

2006 Annual Meeting of Stockholders

June 21, 2006

GENERAL INFORMATION

This Proxy Statement and the accompanying Proxy Card are furnished in connection with the solicitation by the Board of Directors of Lakeland Industries, Inc. (the "Company") of proxies from the holders of the Company's \$0.01 par value Common Stock (the "Common Stock") for use at the 2006 Annual Meeting of Stockholders to be held on June 21, 2006, and at any adjournment thereof (the "Annual Meeting").

This Proxy Statement, the Notice of Annual Meeting of Stockholders, the Proxy Card and the Company's 2006 Form 10-K (which includes the Company's Annual Report to Stockholders) are first being sent to the Company's stockholders on or about May 9, 2006.

About the Annual Meeting

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters outlined in the accompanying notice of meeting, including the election of directors. In addition, the Company's management will report on the performance of the Company during fiscal 2006 and respond to appropriate questions from stockholders.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, April 28, 2006, are entitled to receive notice of the annual meeting and to vote the shares of common stock that they held on that date at the meeting, or any postponement or adjournment of the meeting. Each outstanding share entitles its holder to cast one vote on each matter to be voted upon.

Please note that if you hold your shares in "street name" (that is, through a broker or other nominee), you will need to bring appropriate documentation from your broker or nominee to vote personally at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date will constitute a quorum, permitting the meeting to conduct its business. As of the record date, 5,017,046 shares of common stock of the Company were outstanding. Proxies received but marked as

abstentions and broker non-votes will be

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included in the calculation of the number of shares considered to be present at the meeting for purposes of determining the presence of a quorum. A “broker non-vote” occurs when a broker or other nominee indicates on the proxy card that it does not have discretionary authority to vote on a particular matter.

How do I vote?

If you complete and properly sign the accompanying proxy card and return it to the Company, it will be voted as you direct. If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. “Street name” stockholders who wish to vote at the meeting will need to obtain and vote a proxy from the institution that holds their shares. The Company has made proxy statements, proxies and annual reports available to the nominee institutions for delivery to “street name” stockholders.

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

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with the secretary of the Company either a notice of revocation or a duly executed proxy, bearing a later date. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

What are the Board’s recommendations?

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board’s recommendation is set forth together with the description of each item in this proxy statement. The Board recommends a vote:

- 1) “For” election of the nominated slate of 3 Class II directors; and
- 2) “For” approving the 2006 Equity Incentive Plan; and
- 3) “For” ratification of the appointment of Holtz Rubenstein Reminick LLP, as the Company’s independent public accountants for the fiscal year ending January 31, 2007.

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

What vote is required to approve each item?

Election of Directors. The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. A properly executed proxy marked “WITHOD AUTHORITY” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. Abstentions and broker non-votes will have no impact on the election of directors except to the extent failure to vote for an individual results in another individual receiving a larger proportion of votes. The Company’s certificate of incorporation does not provide for cumulative voting in the election of directors.

Ratification of Independent Auditors and Other Items. For the ratification of the independent auditors and any other item voted upon at the annual meeting, assuming that a quorum is present,

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the affirmative vote of the holders of a majority of the shares represented in person or by proxy will be required for approval. Abstentions will have the same effect as a negative vote. Broker non-votes will be treated as a vote not cast and will have no effect on the outcome of the vote.

Ratification of the 2006 Equity Incentive Plan and other Matters. The affirmative vote of holders of a majority of the issued and outstanding shares of common stock will be required for approval of the Company's 2006 Equity Incentive Plan. Abstentions will have the same effect as a negative note. Broker non-votes will be treated as a vote not cast and will have the same effect as a negative vote.

Is my vote confidential?

Yes. It is our policy that all stockholder meeting proxies, ballots, and voting records that identify the vote of a particular stockholder are confidential. The vote of any stockholder will not be disclosed to any third party before the final vote count at the annual stockholders' meeting except: (i) to meet legal requirements; (ii) to assert claims for or defend claims against the Company; (iii) to allow the inspectors of election to certify the results of the stockholder vote; (iv) if a proxy solicitation in opposition to the Board of Directors takes place; or (v) to respond to stockholders who have written comments on proxy cards or who have requested disclosure.

ANNUAL REPORT AND FORM 10-K

Will I receive a copy of the Company's Annual Report?

We have mailed you the Annual Report and 10-K for the fiscal year ended January 31, 2006, with this Proxy Statement. The Annual Report includes the Company's audited financial statements, along with other financial and product information. We urge you to read it carefully.

How can I receive a copy of our Annual Report and Form 10-K?

You can obtain, free of charge, a copy of our Annual Report and Form 10-K for the fiscal year ended January 31, 2006, which we recently filed with the Securities and Exchange Commission, by writing to:

Corporate Secretary
Lakeland Industries, Inc.
701 Koehler Avenue, Suite 7
Ronkonkoma, NY 11779

You can also obtain a copy of our Annual Report, Form 10-K and other periodic filings with the Securities and Exchange Commission ("SEC") on our Internet site at www.lakeland.com at the Financial Information heading then the subheading "All SEC Filings". Our Form 10-K and other SEC filings mentioned above are also available from the SEC's EDGAR database at www.sec.gov.

Who will bear the costs of soliciting proxies for the Annual Meeting?

The Cost of soliciting proxies for the Annual Meeting will be borne by us. In addition to the use of the mails, proxies may be solicited personally or by telephone by officers and employees of the Company who will not receive any additional compensation for their services. Proxies and proxy

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material will also be distributed at our expense by brokers, nominees, custodians, and other similar parties.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT**
How much stock do our directors and officers own?

The following table sets forth information as of April 28, 2006, with respect to beneficial ownership of our Common Stock by all persons known by us to: (i) own beneficially more than 5% of the Common Stock; (ii) by each of the named executive officers of the Company; (iii) by each director and nominee for director of the Company; and (iv) by all directors and executive officers of the Company as a group. All persons listed have sole voting and investment power with respect to their shares of Common Stock. All share amounts have been adjusted for the 1 for 10 stock distributions to shareholders of record on April 30, 2005, July 31, 2003 and 2002.

<u>Name and Address</u> <u>Beneficial Owner</u>	<u>Number of Common</u> <u>Shares Beneficially</u> <u>Owned</u>	<u>Percent</u> <u>of Class</u>	<u>Title</u>
Raymond J. Smith 701-7 Koehler Ave. Ronkonkoma, NY 11779	479,493	9.56 %	Chairman of the Board of Directors
Christopher J. Ryan 701-7 Koehler Ave. Ronkonkoma, NY 11779	324,422	6.47 %	Chief Executive Officer, President, Secretary, General Counsel and Director
John J. Collins, Jr.	103,728(1)	2.07 %	Director
Eric O. Hallman	37,112 (1)	0.74 %	Director
Michael E. Cirenza	550(3)	.01%	Director
Stephen M. Bachelder	7,250(2)	.15%	Director
John Kreft	5,500(2)	.11%	Director
Gary Pokrassa	2,740	.05%	Chief Financial Officer
All officers and directors As a group (12 persons)	962,126 (4)	19.2%	
Royce & Associates, LLC 1414 Avenue of the Americas New York, NY 10019	316,700 (5)	6.31%	

Included in the above are fully exercisable options to purchase the Company's common stock, as follows:

(1) 1,210 shares granted on June 18, 2003 and 1,331 shares granted on June 21, 2000 to each of Mr. Hallman and Mr. Collins, current directors;

(2) 5,500 shares granted November 19, 2004 to each Mr. Bachelder and Mr. Kreft, current directors;

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- (3) 550 shares granted June 18, 2003, to Michael Cirenza, a current director;
- (4) 17,963 shares granted between June 21, 2000 and November 19, 2004, which also includes 1,331 option shares outstanding to Walter J. Raleigh, a former director;
- (5) According to a Schedule 13G filed with the SEC on January 30, 2006, on behalf of Royce & Associates, LLC (“Royce”), Royce possesses sole investment and voting power over the above shares.

CORPORATE GOVERNANCE

We operate within a comprehensive plan of corporate governance for the purpose of defining responsibilities, setting high standards of professional and personal conduct, and assuring compliance with such responsibilities and standards. We regularly monitor developments in the area of corporate governance and have done so since the year 2000. In July 2002, Congress passed the Sarbanes-Oxley Act of 2002, which, among other things, establishes or provides the basis for a number of new corporate governance standards and disclosure requirements. In addition, the Nasdaq Stock Market (“Nasdaq”) has also adopted changes to its corporate governance and listing requirements.

Codes

- We have adopted a “Code of Ethics” (please refer to Appendix B in this Proxy Statement). This Code applies to all directors, officers, and employees of our Company. Information concerning any alleged violations are to be reported in writing to Michael Cirenza, EVP and CFO Country-Life, LLC, 180 Vanderbilt Motor Parkway, Hauppauge, NY 11788. Mr. Cirenza is an independent director and member of the Audit Committee. Additional copies of our “Code of Ethics” for Directors, Officers, and Employee,s our “Audit Committee Charter”(please also refer to Appendix A in This Proxy Statement) and our Nominating Committee Charter can be obtained by writing to Secretary, Lakeland Industries, Inc. 701Koehler Avenue, Suite 7, Ronkonkoma, NY 11743, or visit our website at www.lakeland.com under “Corporate Governance”.
- We intend to satisfy the disclosure requirement under Item 5.05 (c) of form 8-K regarding certain amendments to, or waivers from a provision of this code of ethics by posting such information on our website, at the address and location specified above, within four business days of such amendment or waiver.

Shareholder Communication with Members of the Board of Directors

- You can contact any of our directors by writing them: Board of Directors, c/o Corporate Secretary’s Office, Lakeland Industries, Inc., 701 Koehler Avenue, Suite 7, Ronkonkoma, NY 11779. Employees and others who wish to contact the Board or any member of the Audit Committee may do so anonymously, if they wish, by using this address. Such correspondence will not be screened and will be forwarded in its entirety.

Personal Loans to Executive Officers and Directors

- The Company does not make loans to our directors or officers and complies with and will operate in a manner consistent with an act of legislation outlawing extensions of credit in the form of personal loans to or for its directors and executive officers.

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Director and Executive Officer Stock Transactions

- Under the regulations of the Securities and Exchange Commission (“SEC”), directors and executive officers are required to file notice with the SEC within two (2) business days of any purchase or sale of the Company’s stock. Information on filings made by any of our directors or executive officers can be found on the Company’s web site at <http://www.lakeland.com> under “Financial Information” then “Insiders.”

Stockholder Approval of Equity Compensation Plans

- The Company requires stockholder approval of all Company equity compensation plans, and amendments thereto, including any re-pricing of options contemplated by the Company, whenever such approval is necessary under NASDAQ corporate governance rules.

Board Attendance

- Each member of the Board of Directors is expected to make a reasonable effort to attend all meetings of the Board of Directors, all applicable committee meetings, and each annual meeting of shareholders. While no formal policy with respect to attendance has been adopted, attendance at these meetings is encouraged and expected. All members of the Board of Directors attended the June, 2005 Annual Meeting of Shareholders and each of the current members of the Board of Directors is expected to attend the June 21, 2006 Annual Meeting of Shareholders. During fiscal 2006, the Board of Directors met on four occasions. All directors attended at least seventy-five percent of the aggregate number of meetings of the Board and Board committees on which they served.

Governance Principles

- Lakeland has long upheld a set of basic beliefs to guide our actions. Among those beliefs is the responsibility to conduct ourselves with the highest standards of ethical behavior when relating to customers, suppliers, employees, investors and the communities where we work. Five of our seven directors are independent as defined by the SEC and NASDAQ. We have three director committees - Nominating, Compensation, and Audit - and all three committees are staffed only by independent directors. These three Committees and their charters are more fully described on pages 10-11 and Appendices A and B.

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