

TWIN DISC INC  
Form SC 13D/A  
June 30, 2017

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934 (Amendment No. 11)

Twin Disc, Incorporated  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

(CUSIP Number)

901476101

David Goldman  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, New York 10580-1435  
(914) 921-5000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

June 29, 2017

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

CUSIP No. 901476101

1 Names of reporting persons  
 I.R.S. identification nos. of  
 above persons (entities only)  
 Gabelli Funds, LLC  
 I.D. No.

13-4044523

2 Check the appropriate box if  
 a member of a group (SEE  
 INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE  
 INSTRUCTIONS)

00-Funds of investment  
 advisory clients

5 Check box if disclosure of  
 legal proceedings is required  
 pursuant to items 2 (d) or 2  
 (e)

6 Citizenship or place of  
 organization  
 New York

Number Of :<sup>7</sup> Sole voting power

Shares : 316,780 (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : 316,780 (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
 beneficially owned by each  
 reporting person

12 316,780 (Item 5)  
Check box if the aggregate  
amount in row (11) excludes  
certain shares

13 (SEE INSTRUCTIONS)  
Percent of class represented  
by amount in row (11)

14 2.75%  
Type of reporting person  
(SEE INSTRUCTIONS)  
IA, CO

2

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CUSIP No. 901476101

1 Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

GAMCO Asset  
Management, Inc. I.D. No.  
13-4044521

2 Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE  
INSTRUCTIONS)

00-Funds of investment  
advisory clients

5 Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6 Citizenship or place of  
organization  
New York

Number Of :<sup>7</sup> Sole voting power

Shares : 1,091,751 (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : 1,203,151 (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person

12 1,203,151 (Item 5)  
Check box if the aggregate  
amount in row (11) excludes  
certain shares

13 (SEE INSTRUCTIONS)  
Percent of class represented  
by amount in row (11)

14 10.44%  
Type of reporting person  
(SEE INSTRUCTIONS)  
IA, CO

3

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CUSIP No. 901476101

1 Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)  
Teton Advisors, Inc.

I.D. No.

13-4008049

2 Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE  
INSTRUCTIONS)

00 – Funds of investment  
advisory client.

5 Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6 Citizenship or place of  
organization  
Delaware

Number Of :<sup>7</sup> Sole voting power

Shares : 336,069 (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : 336,069 (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person

12 336,069 (Item 5)  
Check box if the aggregate  
amount in row (11) excludes  
certain shares

13 (SEE INSTRUCTIONS)  
Percent of class represented  
by amount in row (11)

14 2.92%  
Type of reporting person  
(SEE INSTRUCTIONS)  
IA, CO

4

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CUSIP No. 901476101

Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

1 Gabelli & Company  
Investment Advisers, Inc.

I.D. No.

13-3379374

Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

2

(b)

3 Sec use only

4 Source of funds (SEE  
INSTRUCTIONS)

00 – Client funds

5 Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6 Citizenship or place of  
organization  
Delaware

Number Of :<sup>7</sup> Sole voting power

Shares : 6,900 (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : 6,900 (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person



12 6,900 (Item 5)  
Check box if the aggregate  
amount in row (11) excludes  
certain shares  
(SEE INSTRUCTIONS)

13 Percent of class represented  
by amount in row (11)

14 0.06%  
Type of reporting person  
(SEE INSTRUCTIONS)  
HC, CO, IA

5

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CUSIP No. 901476101

Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

1 GGCP, Inc.

I.D. No.

13-3056041

Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

2

(b)

3

Sec use only

4

Source of funds (SEE  
INSTRUCTIONS)  
None

5

Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6

Citizenship or place of  
organization  
Wyoming

Number Of :<sup>7</sup> Sole voting power

Shares : None (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : None (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person

None (Item 5)

12 Check box if the aggregate amount in row (11) excludes certain shares  
(SEE INSTRUCTIONS) X

13 Percent of class represented by amount in row (11)

0.00%

14 Type of reporting person  
(SEE INSTRUCTIONS)  
HC, CO

6

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CUSIP No. 901476101

Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

1 Associated Capital  
Group, Inc.

I.D. No. 47-3965991  
Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE  
INSTRUCTIONS)  
WC

5 Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6 Citizenship or place of  
organization  
Delaware

Number Of :<sup>7</sup> Sole voting power

Shares : 9,750 (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : 9,750 (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person

9,750 (Item 5)

12 Check box if the aggregate  
amount in row (11) excludes  
certain shares  
(SEE INSTRUCTIONS) X

13 Percent of class represented  
by amount in row (11)

0.08%

14 Type of reporting person  
(SEE INSTRUCTIONS)  
HC, CO

7

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CUSIP No. 901476101

Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

1           GAMCO Investors,  
          Inc.

I.D. No. 13-4007862  
Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

(b)

3           Sec use only

4           Source of funds (SEE  
          INSTRUCTIONS)  
          None

5           Check box if disclosure of  
          legal proceedings is required  
          pursuant to items 2 (d) or 2  
          (e)

6           Citizenship or place of  
          organization  
          Delaware

Number Of :<sup>7</sup> Sole voting power

Shares :  
          None (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned :  
          None

By Each :<sup>9</sup> Sole dispositive power

Reporting :  
          None (Item 5)

Person :<sup>10</sup> Shared dispositive power

With :  
          None

11          Aggregate amount  
          beneficially owned by each  
          reporting person

None (Item 5)

12 Check box if the aggregate  
amount in row (11) excludes  
certain shares  
(SEE INSTRUCTIONS) X

13 Percent of class represented  
by amount in row (11)

0.00%

14 Type of reporting person  
(SEE INSTRUCTIONS)  
HC, CO

8

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CUSIP No. 901476101

1 Names of reporting persons  
I.R.S. identification nos. of  
above persons (entities only)

Mario J. Gabelli

2 Check the appropriate box if  
a member of a group (SEE  
INSTRUCTIONS) (a)

(b)

3 Sec use only

4 Source of funds (SEE  
INSTRUCTIONS)  
None

5 Check box if disclosure of  
legal proceedings is required  
pursuant to items 2 (d) or 2  
(e)

6 Citizenship or place of  
organization  
USA

Number Of :<sup>7</sup> Sole voting power

Shares : None (Item 5)

Beneficially :<sup>8</sup> Shared voting power

Owned : None

By Each :<sup>9</sup> Sole dispositive power

Reporting : None (Item 5)

Person :<sup>10</sup> Shared dispositive power

With : None

11 Aggregate amount  
beneficially owned by each  
reporting person

None (Item 5)

12 Check box if the aggregate  
amount in row (11) excludes



certain shares  
(SEE INSTRUCTIONS) X

13 Percent of class represented  
by amount in row (11)

0.00%  
14 Type of reporting person  
(SEE INSTRUCTIONS)  
IN

9

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Item 1. Security and Issuer

This Amendment No. 11 to Schedule 13D on the Common Stock of Twin Disc, Incorporated (the "Issuer") is being filed on behalf of the undersigned to amend the Schedule 13D, as amended (the "Schedule 13D") which was originally filed on August 25, 2011. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Schedule 13D.

Item 2. Identity and Background

Item 2 to Schedule 13D is amended, in pertinent part, as follows:

This statement is being filed by Mario J. Gabelli ("Mario Gabelli") and various entities which he directly or indirectly controls or for which he acts as chief investment officer. These entities, except for LICT Corporation ("LICT"), CIBL, Inc. ("CIBL") and ICTC Group, Inc. ("ICTC"), engage in various aspects of the securities business, primarily as investment adviser to various institutional and individual clients, including registered investment companies and pension plans, and as general partner or the equivalent of various private investment partnerships or private funds. Certain of these entities may also make investments for their own accounts.

The foregoing persons in the aggregate often own beneficially more than 5% of a class of equity securities of a particular issuer. Although several of the foregoing persons are treated as institutional investors for purposes of reporting their beneficial ownership on the short-form Schedule 13G, the holdings of those who do not qualify as institutional investors may exceed the 1% threshold presented for filing on Schedule 13G or implementation of their investment philosophy may from time to time require action which could be viewed as not completely passive. In order to avoid any question as to whether their beneficial ownership is being reported on the proper form and in order to provide greater investment flexibility and administrative uniformity, these persons have decided to file their beneficial ownership reports on the more detailed Schedule 13D form rather than on the short-form Schedule 13G and thereby to provide more expansive disclosure than may be necessary.

(a), (b) and (c) - This statement is being filed by one or more of the following persons: GGCP, Inc. ("GGCP"), GGCP Holdings LLC ("GGCP Holdings"), GAMCO Investors, Inc. ("GBL"), Associated Capital Group, Inc. ("AC"), Gabelli Funds, LLC ("Gabelli Funds"), GAMCO Asset Management Inc. ("GAMCO"), Teton Advisors, Inc. ("Teton Advisors"), Gabelli & Company Investment Advisers, Inc. ("GCIA"), G.research, LLC ("G.research"), MJG Associates, Inc. ("MJG Associates"), Gabelli Foundation, Inc. ("Foundation"), MJG-IV Limited Partnership ("MJG-IV"), Mario Gabelli, LICT, CIBL and ICTC. Those of the foregoing persons signing this Schedule 13D are hereinafter referred to as the "Reporting Persons".

GGCP makes investments for its own account and is the manager and a member of GGCP Holdings which is the controlling shareholder of GBL and AC. GBL, a public company listed on the New York Stock Exchange, is the parent company for a variety of companies engaged in the securities business, including certain of those named below. AC, a public company listed on the New York Stock Exchange, is the parent company for a variety of companies engaged in the securities business, including certain of those listed below.

GAMCO, a wholly-owned subsidiary of GBL, is an investment adviser registered under the Investment Advisers Act of 1940, as amended ("Advisers Act"). GAMCO is an investment manager providing discretionary managed account services for employee benefit plans, private investors, endowments, foundations and others.

GCIA, a wholly owned subsidiary of AC, is an investment adviser registered under the Advisers Act and serves as a general partner or investment manager to limited partnerships and offshore investment companies and other accounts. As a part of its business, GCIA may purchase or sell securities for its own account. GCIA is a general partner or investment manager of a number of funds or partnerships, including Gabelli Associates Fund, L.P., Gabelli Associates Fund II, L.P., Gabelli Associates Limited, Gabelli Associates Limited II E, ALCE Partners, L.P., Gabelli Capital Structure Arbitrage Fund LP, Gabelli Capital Structure Arbitrage Fund Limited, Gabelli Intermediate Credit Fund L.P., GAMA Select Energy + L.P., GAMCO Medical Opportunities L.P., and Gabelli Multimedia Partners, L.P. G.research, a wholly owned subsidiary of GCIA, is a broker-dealer registered under the Securities Exchange Act of 1934, as amended ("1934 Act"), which as a part of its business regularly purchases and sells securities for its own account.

Gabelli Funds, a wholly owned subsidiary of GBL, is a limited liability company. Gabelli Funds is an investment adviser registered under the Advisers Act which provides advisory services for The Gabelli Equity Trust Inc., The Gabelli Asset Fund, The GAMCO Growth Fund, The Gabelli Convertible and Income Securities Fund Inc., The

Gabelli Value 25 Fund Inc., The Gabelli Small Cap Growth Fund, The Gabelli Equity Income Fund, The Gabelli ABC Fund, The GAMCO Global Telecommunications Fund, The Gabelli Gold Fund, Inc., The Gabelli Multimedia Trust Inc., The Gabelli Global Rising Income & Dividend Fund, The Gabelli Capital Asset Fund, The GAMCO International Growth Fund, Inc., The GAMCO Global Growth Fund, The Gabelli Utility Trust, The GAMCO Global Opportunity Fund, The Gabelli Utilities Fund, The Gabelli Dividend Growth Fund, The GAMCO Mathers Fund, The Gabelli Focus Five Fund, The Comstock Capital Value Fund, The Gabelli Dividend and Income Trust, The Gabelli Global Utility & Income Trust, The GAMCO Global Gold, Natural Resources, & Income Trust, The GAMCO Natural Resources Gold & Income Trust, The GDL Fund, Gabelli Enterprise Mergers & Acquisitions Fund, The Gabelli ESG Fund, Inc., The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust, The Gabelli Global Small and Mid Cap Value Trust, Gabelli Value Plus+ Trust, The Gabelli Go Anywhere Trust, Bancroft Fund Ltd. and Ellsworth Growth & Income Fund Ltd. (collectively, the "Funds"), which are registered investment companies. Gabelli Funds is also the investment adviser to the Gabelli Media Mogul NextShares, the Gabelli Food of All Nations NextShares and The GAMCO International SICAV (sub-funds GAMCO Merger Arbitrage and GAMCO All Cap Value), a UCITS III vehicle.

Teton Advisors, an investment adviser registered under the Advisers Act, provides discretionary advisory services to The TETON Westwood Mighty Mites<sup>sm</sup> Fund, The TETON Westwood Income Fund, The TETON Westwood SmallCap Equity Fund, and The TETON Westwood Mid-Cap Equity Fund.

MJG Associates provides advisory services to private investment partnerships and offshore funds. Mario Gabelli is the sole shareholder, director and employee of MJG Associates. MJG Associates is the Investment Manager of Gabelli International Limited and Gabelli Fund, LDC. Mario J. Gabelli is the general partner of Gabelli Performance Partnership, LP.

The Foundation is a private foundation. Mario Gabelli is the Chairman, a Trustee and the Investment Manager of the Foundation. Elisa M. Wilson is the President of the Foundation.

LICT is a holding company with operating subsidiaries engaged primarily in the rural telephone industry. LICT actively pursues new identifying potential target businesses and performing due diligence on suitable business combinations. There is no limit on the amount of these out-of-pocket expenses; provided, however, that to the extent such out-of-pocket expenses exceed the available proceeds not deposited in the trust account and interest income of up to \$2.75 million on the balance in the trust account (subject to the holdback of a sufficient amount of interest income to pay any due and unpaid taxes on such \$2.75 million), such out-of-pocket expenses would not be reimbursed by us unless we consummate an initial business combination. Our audit committee will review and approve all payments made to our initial stockholders, sponsors, officers and directors, and any payments made to members of our audit committee will be reviewed and approved by our Board of Directors, with the interested director or directors abstaining from such review and approval.

#### **Compensation Committee Interlocks and Insider Participation**

Because none of our officers or directors presently receive compensation from us, we do not presently have a compensation committee.

No members of our Board of Directors has a relationship that would constitute an interlocking relationship with executive officers or directors of the Company or another entity.

#### **Compensation Committee Report**

Our Board of Directors has reviewed and discussed the Compensation Discussion and Analysis with management, and, based on such review and discussion, the Board of Directors determined that the Compensation, Discussion and Analysis be included in this Proxy Statement.

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

On July 18, 2007, we issued an aggregate of 4,312,500 shares of our common stock to Flat Ridge Investments LLC, LLM Structured Equity Fund L.P. and LLM Investors L.P., in exchange for an aggregate purchase price of \$25,000 in cash. Subsequent to the purchase of these shares, (i) Flat Ridge Investments LLC transferred at cost an aggregate of 431,252 of these shares to SJC Capital LLC, an entity affiliated with William Cvengros, one of our directors, and Michael P. Castine, Michael Downey and Daniel Gressel, each of whom is a director, (ii) LLM Structured Equity Fund L.P. and LLM Investors L.P. transferred at cost an aggregate of 345,000 of these shares to Capital Management

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Systems, Inc., (iii) LLM Structured Equity Fund L.P., LLM Investors L.P. and Capital Management Systems, Inc. transferred at cost an aggregate of 215,625 of these shares to James J. Cahill, our chief financial officer and secretary, (iv) LLM Structured Equity Fund L.P. transferred at cost an aggregate of 64,688 of these shares to James J. Cahill and (v) SJC Capital LLC, LLM Structured Equity Fund L.P., LLM Investors L.P., Michael P. Castine, Michael Downey, Daniel Gressel and Capital Management Systems, Inc. transferred at cost an aggregate of 161,721 of these shares to Flat Ridge Investments LLC. In October, 2007, the aggregate outstanding 4,312,500 shares of common stock were increased to 7,187,500 shares of common stock as a result of a 5-for-3 stock split declared by our Board of Directors. Subsequent to the stock split, Flat Ridge Investments LLC, LLM Structured Equity Fund L.P., LLM Investors L.P. and Capital Management Systems, Inc. transferred at cost an aggregate of 158,724 of these shares to John Merchant, one of our directors.

On December 21, 2007, upon the expiration of the underwriters over-allotment option granted in connection with our initial public offering, we repurchased an aggregate of 937,500 shares of founders' common stock from our initial stockholders at a price equal to \$0.0001 per share. In connection with such repurchase, we recorded the aggregate fair value of the shares purchased to treasury stock and a corresponding credit to additional paid-in capital based on the difference between the fair market value of the shares of common stock repurchased and the price equal to \$0.0001 per share (which was an

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aggregate total of \$93.75 for all 937,500 shares). Upon receipt, the repurchased shares were immediately cancelled, which resulted in the retirement of the treasury stock and a corresponding charge to additional paid-in capital.

The initial stockholders holding a majority of such shares are entitled to make up to three demands that we register these shares pursuant to an agreement signed on November 14, 2007. The holders of the majority of these shares may elect to exercise these registration rights at any time generally commencing nine months after the consummation of our initial business combination. In addition, these stockholders have certain "piggy-back" registration rights with respect to registration statements filed by us subsequent to the date on which these shares of common stock are released from escrow. We will bear the expenses of registering these securities.

Flat Ridge Investments LLC, LLM Structured Equity Fund L.P., LLM Investors L.P. and Capital Management Systems, Inc. have purchased an aggregate of 5,250,000 warrants at a price of \$1.00 per warrant (\$5.25 million in the aggregate) in a private placement that occurred simultaneously with the consummation of our initial public offering. The proceeds from the sale of the sponsors' warrants in the private placement were deposited into the trust account and subject to the trust agreement and are part of the funds to be distributed to our public stockholders in the event that we are unable to complete an initial business combination. The sponsors' warrants are identical to the warrants included in the units sold to the public in our initial public offering, except that the sponsors' warrants (i) are non-redeemable so long as they are held by any of the sponsors or their permitted transferees, (ii) are subject to certain transfer restrictions and will not be exercisable while they are subject to these transfer restrictions and (iii) may be exercised for cash or on a cashless basis. The sponsors have agreed not to transfer, assign or sell any of the sponsors' warrants until the date that is 30 days after the date we complete our initial business combination; provided however that transfers can be made before such time to permitted transferees who agree in writing to be bound by such transfer restrictions. For so long as the sponsors' warrants are subject to such transfer restrictions they will be held in an escrow account maintained by Continental Stock Transfer & Trust Company.

The holders of the majority of these sponsors' warrants (or underlying shares) are entitled to make up to three demands that we register these securities pursuant to the registration rights agreement referred to above. The holders of the majority of these securities may elect to exercise these registration rights with respect to such securities at any time after we consummate an initial business combination. In addition, these holders will have certain "piggy-back" registration rights with respect to registration statements filed subsequent to such date. We will bear the expenses incurred in connection with the filing of any such registration statement.

Each of Teleos Management, L.L.C., an entity affiliated with Daniel Gressel, one of our directors, and LLM Capital Partners LLC, an entity affiliated with Patrick J. Landers, our president and a director, LLM Structured Equity Fund L.P. and LLM Investors L.P., has agreed that, commencing on November 14, 2007 through the acquisition of a target business, it will make available to us office space and certain office and secretarial services, as we may require from time to time. We have agreed to pay Teleos Management, L.L.C., \$4,500 per month and LLM Capital Partners LLC, \$3,000 per month for these services (amended December 31, 2008 to \$4,083.15 and \$2,722.10, respectively). This arrangement is solely for our benefit and is not intended to provide Mr. Gressel or Mr. Landers compensation in lieu of a salary. We believe, based on rents and fees for similar services in the Naples, Florida and Boston, Massachusetts metropolitan areas, that the fee charged by each of Teleos Management, L.L.C. and LLM Capital Partners LLC, is at least as favorable as we could have obtained from an unaffiliated person.

To fund pre-offering expenses associated with our initial public offering, Flat Ridge Investments LLC, LLM Structured Equity Fund L.P. and LLM Investors L.P. advanced an aggregate of \$200,000 to us in exchange for a promissory note, without interest, which was repaid from the proceeds of our initial public offering.

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We will reimburse our officers and directors for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf such as identifying and investigating possible target businesses and business combinations. There is no limit on the amount of out-of-pocket expenses that could be incurred; provided, however, that to the extent such out-of-pocket expenses exceed the available proceeds not deposited in the trust account and interest income of up to \$2.75 million on the balance in the trust account (subject to the holdback of a sufficient amount of interest income to pay any due and unpaid taxes on such \$2.75 million), such out-of-pocket expenses would not be reimbursed by us unless we consummate an initial business combination. Our audit committee will review and approve all payments made to our initial stockholders, sponsors, officers and directors, and any payments made to members of our audit committee will be reviewed and approved by our Board of Directors, with the interested director or directors abstaining from such review and approval.

We have entered into a business opportunity right of first review agreement with David A. Minella, our chairman and chief executive officer, who is affiliated with Flat Ridge Investments LLC, one of our sponsors, Patrick J. Landers, our president and a director, who is affiliated with LLM Structured Equity Fund L.P. and LLM Investors L.P., two of our sponsors, James J. Cahill, our chief financial officer and secretary, William Landman, one of our directors, who is affiliated with Capital Management Systems, Inc., one of our sponsors, and Michael P. Castine, William Cvengros, Michael Downey, Daniel Gressel and John Merchant, each of whom is a director, and each of our sponsors, which provides that from November 14, 2007 until the earlier of the consummation of our initial business combination or our liquidation in the event we do not consummate an initial business combination, we will have a right of first review with respect to business combination opportunities of which Messrs. Minella, Landers, Cahill, Landman, Castine, Cvengros, Downey, Gressel, Merchant and each of our sponsors, and companies or other entities that they manage or control become aware, in the financial services industry with an enterprise value of \$195 million or more.

Other than the \$7,500 per month administrative fee (amended December 31, 2008 to \$6,805.25 per month) and reimbursable out-of-pocket expenses payable to our officers and directors, no compensation or fees of any kind, including finders' fees, consulting fees or other similar compensation, will be paid to awarded to or earned by any of our initial stockholders, sponsors, officers or directors, or to any of their respective affiliates, prior to or with respect to the initial business combination (regardless of the type of transaction that it is).

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials furnished to our stockholders. It is unlikely the amount of such compensation will be known at the time of a stockholder meeting held to consider our initial business combination, as it will be up to the directors of the post-combination business to determine executive and director compensation. In this event, such compensation will be publicly disclosed at the time of its determination in a Current Report on Form 8-K, as required by the SEC.

All ongoing and future transactions between us and any director or member of our management team, initial stockholders, sponsors, or their respective affiliates, including financing, will be on terms believed by us at that time, based upon other similar arrangements known to us, to be no less favorable than are available from unaffiliated third parties. Such transactions will require prior approval in each instance by our audit committee. We will not enter into our initial business combination with an entity that is affiliated with any of our officers, directors, sponsors or initial stockholders. All affiliated transactions will be on terms no less favorable to us than could be obtained from independent parties. All affiliated transactions must be approved by a majority of our independent and disinterested directors.

Table of Contents**PROPOSAL NO. 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee of the Board of Directors has appointed the firm of McGladrey & Pullen, LLP as independent registered public accountants to audit and report on the financial statements of Prospect for fiscal year 2009, and to perform such other appropriate accounting and related services as may be required by the Audit Committee. The affirmative vote of the holders of a majority of the shares of our common stock present or represented by proxy at the Annual Meeting at which a quorum is present and entitled to vote in respect thereto is required to ratify the selection of McGladrey & Pullen, LLP for the purposes set forth above. The Audit Committee and the Board of Directors recommend that the stockholders vote **FOR** ratification of the appointment of McGladrey & Pullen, LLP. If the stockholders do not ratify the appointment of McGladrey & Pullen, LLP, the appointment of the independent registered public accountants will be reconsidered by the Audit Committee. However, the Audit Committee will not be obliged to select a different auditor. McGladrey & Pullen, LLP served as our independent registered public accountants for fiscal year 2008. Representatives of McGladrey & Pullen, LLP are not expected to be present at the Annual Meeting.

**Independent Registered Public Accounting Firm's Fees and Services**

The following sets forth fees billed for the audit and other services provided by McGladrey & Pullen, LLP for fiscal year 2008:

<b>Fee Category</b>	<b>Fiscal 2008 Fees</b>
Audit fees <sup>(1)</sup>	\$79,523
Audit related fees <sup>(2)</sup>	\$
Tax fees <sup>(3)</sup>	\$ 5,000
All other fees <sup>(4)</sup>	\$
<b>Total</b>	<b>\$84,523</b>

- (1) Audit fees consist of fees for the audit of our year end financial statements and for the review of the interim financial statement included in our Quarterly Report on Form 10-Q.
- (2) There were no fees for audit-related services rendered by McGladrey & Pullen, LLP for the fiscal year ended December 31, 2008.
- (3) Tax fees consist of tax services provided by RSM McGladrey, an affiliate of McGladrey & Pullen, LLP.
- (4) We did not incur any fees with McGladrey & Pullen, LLP for the fiscal year ended December 31, 2008 other than those described above.

**Pre-Approval Policies and Procedures**

All services rendered by McGladrey & Pullen, LLP are permissible under applicable laws and regulations regarding the independence of the independent registered public accounting firm, and all such services were pre-approved by the Audit Committee. The Audit Committee Charter requires that the Audit Committee pre-approve the services to be provided by McGladrey & Pullen, LLP; the Audit Committee delegated that approval authority to the Chairman of the Audit Committee with respect to all matters other than the annual engagement of the independent registered public accountants.

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**REQUIRED VOTE**

Ratification of the appointment of the independent public accountants requires the affirmative vote of a majority of the shares present or represented by proxy at the Annual Meeting, provided a quorum exists.

**The Board of Directors recommends that the stockholders vote FOR the ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accountants for fiscal year 2009.**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our officers, directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. Officers, directors and 10% stockholders are required by regulation to furnish us with copies of all Section 16(a) forms they file. Based solely on copies of such forms received, we believe that, during the fiscal year ended December 31, 2008, all 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were met in a timely manner.

**STOCKHOLDER PROPOSALS**

The Annual Meeting of stockholders will be held on August 11, 2009 unless the date is changed by the Board of Directors. If you are a stockholder and you want to include a proposal in the proxy statement for that annual meeting, you need to provide it to Prospect by no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the Annual Meeting was made, whichever first occurs. You should direct any proposals to Prospect's Secretary at Prospect's principal executive office. Applicable SEC rules and regulations govern the submission of stockholder proposals and our consideration of them for inclusion in next year's proxy statement.

A stockholder who wants to present a proposal at the 2010 annual meeting (but not to include the proposal in our proxy statement) or to nominate a person for election as a director must comply with the requirements set forth in our Bylaws. Our Bylaws require, among other things, that Prospect's Secretary receive written notice from the record holder of intent to present such proposal or nomination, which must be delivered to or mailed and received at Prospect's principal executive offices no less than ninety (90) days and no more than one hundred and twenty (120) days prior to the annual meeting; provided, however, that in the event that less than ninety (90) days notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by a stockholder, to be timely, must be received no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever first occurs. The notice must contain the information required by our Bylaws. You may obtain a print copy of our Bylaws upon request from our Corporate Secretary at Prospect Acquisition Corp., 9130 Galleria Court, Suite 318, Naples, Florida 34109. The officer of the Company presiding at the meeting may exclude any matter that is not properly presented in accordance with the Bylaws.

**DIRECTIONS TO ANNUAL MEETING**

You can obtain directions to the annual meeting by visiting <http://www.professionalsuitesnaples.com> and clicking on the "location" tab.



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**WHERE YOU CAN FIND MORE INFORMATION**

Prospect files reports, Proxy Statements and other information with the SEC as required by the Exchange Act.

You may read and copy reports, proxy statements and other information filed by Prospect with the SEC at its public reference room located at 100 F Street, N.E., Washington, D.C. 20549-1004.

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain copies of the materials described above at prescribed rates by writing to the SEC, Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-1004.

Prospect files its reports, proxy statements and other information electronically with the SEC. You may access information on Prospect at the SEC web site containing reports, proxy statements and other information at <http://www.sec.gov>.

This Proxy Statement describes the material elements of relevant contracts, exhibits and other information described in this Proxy.

All information contained or incorporated by reference in this Proxy relating to Prospect has been supplied by Prospect.

If you would like additional copies of this Proxy you should contact:

David A. Minella  
Chief Executive Officer and Chairman of the Board, Prospect Acquisition Corp.  
9130 Galleria Court, Suite 318  
Naples, Florida 34109  
(239) 254-4481

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*APPENDIX A*

**AUDIT COMMITTEE CHARTER  
OF  
PROSPECT ACQUISITION CORP.**

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Adopted: October 16, 2007

**AUDIT COMMITTEE CHARTER  
OF  
PROSPECT ACQUISITION CORP.**

**I. PURPOSE**

The Audit Committee is appointed by the Board of Directors ("**Board**") of Prospect Acquisition Corp. (the "**Company**") to assist the Board in monitoring (i) the integrity of the annual, quarterly and other financial statements of the Company, (ii) the independent auditor's qualifications and independence, (iii) the performance of the Company's independent auditor and (iv) the compliance by the Company with legal and regulatory requirements. The Audit Committee shall also review and approve all related-party transactions and prepare the report required by the rules of the Securities and Exchange Commission ("**SEC**") to be included in the Company's annual proxy statement.

**II. COMMITTEE MEMBERSHIP**

The Audit Committee shall consist of no fewer than three members, absent a temporary vacancy. The Audit Committee shall meet the "Independent Directors and Audit Committee" requirements of the American Stock Exchange and the independence and experience requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the rules and regulations of the SEC.

The members of the Audit Committee shall be appointed by the Board. Audit Committee members may be replaced by the Board. There shall be a Chairman of the Audit Committee (the "**Chairman**"), whom shall also be appointed by the Board. The Chairman shall be a member of the Audit Committee and, if present, shall preside at each meeting of the Audit Committee. The Chairman shall advise and counsel with the executives of the Company and shall perform such other duties as may from time to time be assigned to the Chairman by the Audit Committee or the Board.

**III. MEETINGS**

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet periodically with management and the Company's independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

**IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Audit Committee shall have the sole authority to appoint or replace the Company's independent auditor. The Audit Committee shall be directly responsible for determining the compensation and oversight of the work of the Company's independent auditor (including resolution of disagreements between management and the Company's independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Company's independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by the Company's independent auditor, including the fees and terms thereof (subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit). The Audit Committee may form and delegate authority to subcommittees of the Audit Committee consisting of one or more Audit Committee members when appropriate, including the authority to

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grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to (i) the Company's independent auditor for the purpose of rendering or issuing an audit report and (ii) any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Audit Committee annually shall review the Audit Committee's own performance.

The Audit Committee shall:

A. *Financial Statement and Disclosure Matters*

1. Meet with the Company's independent auditor prior to the audit to review the scope, planning and staffing of the audit.
2. Review and discuss with management and the Company's independent auditor the Company's annual audited financial statements, and recommend to the Board whether the Company's audited financial statements should be included in the Company's Annual Report on Form 10-K.
3. Review and discuss with management and the Company's independent auditor the Company's quarterly financial statements prior to the filing of the Company's Quarterly Report on Form 10-Q with the SEC, including the results of the review of the Company's quarterly financial statements by the Company's independent auditor.
4. Discuss with management and the Company's independent auditor, as appropriate, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including:
  - (a) any significant changes in the Company's selection or application of accounting principles;
  - (b) the Company's critical accounting policies and practices;
  - (c) all alternative treatments of financial information within GAAP that have been discussed with management and the ramifications of the use of such alternative accounting principles;
  - (d) any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; and
  - (e) any material written communications between the Company's independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Discuss with management the Company's earnings press releases generally, including the use of "pro forma" or "adjusted" non-GAAP information, and any financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be general and include the types of information to be disclosed and the types

of presentations to be made.

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6. Discuss with management and the independent auditor the effect on the Company's financial statements of (i) regulatory and accounting initiatives and (ii) off-balance sheet structures.
7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. Discuss with the Company's independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
9. Review disclosures made to the Audit Committee by the Company's CEO and CFO (or individuals performing similar functions) during their certification process for the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

#### *B. Oversight of the Company's Relationship with the Independent Auditor*

1. At least annually, obtain and review a report from the Company's independent auditor, consistent with Independence Standards Board Standard 1, regarding (i) the internal quality-control procedures of the Company's independent auditor, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues and (iv) all relationships between the Company's independent auditor and the Company.
2. Evaluate the qualifications, performance and independence of the Company's independent auditor, including whether the independent auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the internal auditor. The Audit Committee shall present its conclusions with respect to the Company's independent auditor to the Board.
3. Verify the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the Company's independent auditing firm on a regular basis.
4. Oversee the Company's hiring of employees or former employees of the Company's independent auditor who participated in any capacity in the audit of the Company.
5. Be available to the Company's independent auditor during the year for consultation purposes.

#### *C. Compliance Oversight Responsibilities*

1. Obtain assurance from the Company's independent auditor that Section 10A(b) of the Exchange Act has not been implicated.



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2. Review and approve all related-party transactions.
3. Inquire and discuss with management the Company's compliance with applicable laws and regulations and with the Company's Code of Ethics in effect at such time, if any, and, where applicable, recommend policies and procedures for future compliance.
4. Establish procedures (which may be incorporated in the Company's Code of Ethics, in effect at such time, if any) for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or reports which raise material issues regarding the Company's financial statements or accounting policies.
5. Discuss with management and the Company's independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
6. Discuss with the Company's General Counsel legal matters that may have a material impact on the Company's financial statements or the Company's compliance policies.
7. Review and approve all payments made to the Company's officers and directors or its or their affiliates. Any payments made to members of the Audit Committee will be reviewed and approved by the Board, with the interested director or directors abstaining from such review and approval.
8. Review the requirements of Article SIXTH (or any successor article thereto) of the Company's Amended and Restated Certificate of Incorporation ("*Article Sixth*") at each quarterly meeting of the Audit Committee to determine compliance by the Company with the requirements thereof, and review the terms of all agreements (the "*IPO Agreements*") between the Company and any of its officers or directors included as exhibits to the Registration Statement on Form S-1 filed by the Company with the SEC to register the Company's initial public offering at each quarterly meeting of the Audit Committee to determine whether the parties to each IPO Agreement are in compliance with such agreement. If any noncompliance is identified, then the Audit Committee shall immediately take all action necessary to rectify the noncompliance or otherwise cause compliance with the requirements of Article Sixth or the terms and provisions of each IPO Agreement.

**V. LIMITATION OF AUDIT COMMITTEE'S ROLE**

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the Company's independent auditor.



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*APPENDIX B*

**NOMINATING COMMITTEE CHARTER  
OF  
PROSPECT ACQUISITION CORP.**

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Adopted: October 16, 2007

**NOMINATING COMMITTEE CHARTER  
OF  
PROSPECT ACQUISITION CORP.**

The responsibilities and powers of the Nominating Committee of the Board of Directors (the "**Board**") of Prospect Acquisition Corp. (the "**Company**"), as delegated by the Board, are set forth in this charter (this "**Charter**"). Whenever the Nominating Committee takes an action, it shall exercise its independent judgment on an informed basis that the action is in the best interests of the Company and its stockholders.

**I. PURPOSE**

As set forth herein, the Nominating Committee shall, among other things, discharge the responsibilities of the Board relating to the appropriate size, functioning and needs of the Board including, but not limited to, recruitment and retention of high quality Board members and the composition and structure of committees of the Board.

**II. MEMBERSHIP**

The Nominating Committee shall consist of at least two members of the Board as determined from time to time by the Board. Each member shall be "independent" in accordance with the listing standards of the American Stock Exchange, as amended from time to time.

The Board shall elect the members of the Nominating Committee at the first Board meeting practicable following the Company's annual meeting of stockholders and may make changes from time to time pursuant to the provisions below. Unless a chairman of the Nominating Committee is elected by the Board, the members of the Nominating Committee shall designate a chairman of the Nominating Committee by majority vote of the full Nominating Committee membership.

A Nominating Committee member may resign by delivering his or her written resignation to the chairman of the Board, or may be removed by majority vote of the Board by delivery to such member of written notice of removal, to take effect at a date specified therein, or upon delivery of such written notice to such member if no date is specified.

**III. MEETINGS AND COMMITTEE ACTION**

The Nominating Committee shall meet at such times as it deems necessary to fulfill its responsibilities. Meetings of the Nominating Committee shall be called by the chairman of the Nominating Committee upon such notice as is provided for in the Company's by-laws with respect to meetings of the Board. A majority of the Nominating Committee members shall constitute a quorum; provided that if the Nominating Committee consists of only two members, then both of the Nominating Committee members shall be required to constitute a quorum. Actions of the Nominating Committee may be taken in person at a meeting or in writing without a meeting. Actions taken at a meeting, to be valid, shall require the approval of a majority of the members of the Nominating Committee present and voting. Actions taken in writing, to be valid, shall be signed by all members of the Nominating Committee. The Nominating Committee shall report its minutes from each meeting to the Board.

The chairman of the Nominating Committee may establish such rules as may from time to time be necessary or appropriate for the conduct of the business of the Nominating Committee. At each meeting, the chairman of the Nominating Committee shall appoint as secretary a person who may, but need not, be a member of the Nominating Committee. A certificate of the secretary of the Nominating Committee or minutes of a meeting of the Nominating Committee executed by the secretary setting

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forth the names of the members of the Nominating Committee present at the meeting or actions taken by the Nominating Committee at the meeting shall be sufficient evidence at all times as to the members of the Nominating Committee who were present, or such actions taken.

**IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

Developing the criteria and qualifications for membership on the Board.

Recruiting, reviewing and nominating candidates for election to the Board or to fill vacancies on the Board.

Reviewing candidates for election to the Board proposed by stockholders, and conducting appropriate inquiries into the background and qualifications of any such candidates.

Establishing subcommittees for the purpose of evaluating special or unique matters.

Monitoring and making recommendations regarding Board committee functions, contributions and composition.

Evaluating, on an annual basis, the Nominating Committee's performance.

**V. REPORTING**

The Nominating Committee shall prepare a statement each year concerning its compliance with this Charter for inclusion in the Company's proxy statement.

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**PROSPECT ACQUISITION CORP.**

**Board of Director Candidate Guidelines**

The Nominating Committee of Prospect Acquisition Corp. (the "*Company*") will identify, evaluate and recommend candidates to become members of the Company's Board of Directors ("*Board*") with the goal of creating a balance of knowledge and experience on the Board. Nominations to the Board may also be submitted to the Nominating Committee by the Company's stockholders in accordance with the Company's policy for stockholder nominations of Board candidates, a copy of which is attached hereto. Candidates will be reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of the Company's stockholders. In conducting this assessment, the Nominating Committee will consider and evaluate each candidate for election to the Board based upon its assessment of the following criteria:

Whether the candidate is independent pursuant to the requirements of the American Stock Exchange.

Whether the candidate is accomplished in his or her field and has a reputation, both personally and professionally, that is consistent with the image and reputation of the Company.

Whether the candidate has demonstrated notable or significant achievements in business, education or public service.

Whether the candidate has the ability to read and understand basic financial statements. The Nominating Committee will also determine if a candidate satisfies the criteria for being an "audit committee financial expert," as defined by the Securities and Exchange Commission ("*SEC*").

Whether the candidate has relevant education, experience and expertise and would be able to provide insights and practical wisdom based upon that education, experience and expertise.

Whether the candidate has knowledge of the Company and issues affecting the Company.

Whether the candidate is committed to enhancing stockholder value and serving the interests of the stockholders.

Whether the candidate fully understands, or has the capacity to fully understand, the legal responsibilities of a director and the governance processes of a public company.

Whether the candidate has a strong sense of professionalism, is of high moral and ethical character and would be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility.

Whether the candidate has, and would be willing to commit, the required hours necessary to discharge the duties of Board membership.

Whether the candidate has any prohibitive interlocking relationships or conflicts of interest.

Whether the candidate is able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

Whether the candidate is able to suggest business opportunities to the Company.

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**PROSPECT ACQUISITION CORP.**

**Policy for Stockholder Nominations of Board Candidates**

Stockholders who wish to recommend to the Nominating Committee a candidate for election to the Board should send their letters to Prospect Acquisition Corp., 695 East Main Street, Stamford, Connecticut 06901, Attention: Nominating Committee. The Corporate Secretary will promptly forward all such letters to the members of the Nominating Committee. Stockholders must follow certain procedures to recommend to the Nominating Committee candidates for election as directors. In general, in order to provide sufficient time to enable the Nominating Committee to evaluate candidates recommended by stockholders in connection with selecting candidates for nomination in connection with the Company's annual meeting of stockholders, the Corporate Secretary must receive the stockholder's recommendation no later than thirty (30) days after the end of the Company's fiscal year.

The recommendation must contain the following information about the candidate:

Name;

Age;

Business and current residence addresses, as well as residence addresses for the past twenty (20) years;

Principal occupation or employment and employment history (name and address of employer and job title) for the past ten (10) years (or such shorter period as the candidate has been in the workforce);

Educational background;

Permission for the Company to conduct a background investigation, including the right to obtain education, employment and credit information;

The number of shares of common stock of the Company beneficially owned by the candidate;

The information that would be required to be disclosed by the Company about the candidate under the rules of the SEC in a Proxy Statement soliciting proxies for the election of such candidate as a director (which currently includes information required by Items 401, 404 and 405 of Regulation S-K); and

A signed consent of the nominee to serve as a director of the Company, if elected.













