SL INDUSTRIES INC
Form 10-K/A
April 28, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 1-4987

SL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	21-0682685
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
520 Fellowship Road, Suite A114, Mt. Laurel, NJ	08054
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **856-727-1500**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.20 par value	NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES__ NO[X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES__ NO[X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities

Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [X] NO _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___ Accelerated filer [X] Non-accelerated filer ______ Smaller reporting company ______

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES__ NO[X]

As of the last business day of the Registrant s most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant was $84,454,000 based on the closing price of the Registrant s common stock on the NYSE MKT on that date. Shares of the Registrant s common stock beneficially owned by each executive officer and director of the Registrant and by each person known by the Registrant to beneficially own 10% or more of its outstanding common stock have been excluded, in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of common stock outstanding as of April 14, 2016 was 3,969,560.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

The purpose of this Amendment No. 1 on Form 10-K/A (the Amendment No.1) is to amend and restate Part III, Items 10 through 14, of the previously filed Annual Report on Form 10-K of SL Industries, Inc. (the Company) for the year ended December 31, 2015, filed with the Securities and Exchange Commission (SEC) on March 15, 2016 (the Original Form 10-K), to include information previously omitted in reliance on General Instruction G to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement prepared in connection with the election of directors. The Company has determined to include such Part III information by amendment of the Original Form 10-K rather than by incorporation by reference to a proxy statement. Accordingly, Part III and Part IV of the Original Form 10-K is hereby amended and restated as set forth below.

There are no other changes to the Original Form 10-K other than those set forth below. This Amendment No. 1 on Form 10-K/A does not reflect events occurring after the filing of the Original Form 10-K, nor does it modify or update disclosures therein in any way other than as required to reflect the amendment set forth below. Among other things, forward-looking statements made in the Original Form 10-K have not been revised to reflect events that occurred or facts that became known to us after the filing of the Original Form 10-K, and such forward-looking statements should be read in their historical context.

As a result of this amendment, the Company is also filing the certifications required under Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to this Amendment No. 1 to Form 10-K.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Director Qualifications

Set forth below are the names and ages of the Company s directors and their principal occupations at present and for the past five years. There are, to the knowledge of the Company, no agreements or understandings by which these individuals were so selected. No family relationships exist between any directors or executive officers, as such term is defined in Item 401 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Our Board of Directors (the Board) has adopted independence standards for directors that conform to the standards required by the NYSE MKT LLC (NYSE MKT) for listed companies. Based on the Company s director independence standards, the Board has affirmatively determined that Messrs. Gray, Risher and Schwarz are independent.

Name	Age	Current Offices with the Company	Director Since
Avrum Gray (1)(2)(3)(4)	80	Director	2002
Glen M. Kassan	72	Chairman, Director	2002
Warren G. Lichtenstein	50	Director	2010 2002-2008 1993-1997
James A. Risher (1)(2)(4)	73	Director	2003
Mark E. Schwarz (1)(2)(3)	55	Director	2002

(1) Member of Audit Committee.

(2) Member of Compensation Committee.

(3) Member of Nominating and Corporate Governance Committee.

(4) Member of Special Committee.

The Company believes that the collective skills, experiences and qualifications of its directors provides the Board with the expertise and experience necessary to advance the interests of the Company s stockholders. While the Board has not established any specific, minimum standards that must be met by each director, it uses a variety of criteria to evaluate directors qualifications. In addition to the individual attributes of each director described below, the Company believes directors must exhibit the highest standards of professional and personal ethics and values. Directors should also possess a broad experience at the policy-making level in business, exhibit commitment to enhancing stockholder value, have no current or potential conflict of interest, devote sufficient time to carry out his/her duties and have the ability to provide insight and practical wisdom based on past experience.

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Business Background

The following is a summary of the business experience of each of the persons named above and the primary aspects of their experience, qualifications, attributes or skills that led to the conclusion that each individual is qualified to serve on the Board:

Avrum Gray, age 80, was elected as a director on May 23, 2002. Mr. Gray is the Chairman of G-Bar Limited Partnership, one of the nation s largest independent options trading firms and a leading specialist in computer-based arbitrage activities in the derivative markets, and has held this position since 1982. From 2000 until December 2009, Mr. Gray was a director of Nashua Corporation, a specialty paper, label and printing supplies manufacturer. From 1999 until December 2009, Mr. Gray was a director of the LGL Group, Inc. (formerly the Lynch Corporation), a holding company with subsidiaries engaged in manufacturing and distributing frequency control devices and other equipment. From 2003 to 2009, Mr. Gray was a director of Material Sciences Corporation, a materials solution provider. Mr. Gray is the former Chairman of the Board of Lynch Systems, Inc., a glass press supplier to the television and computer industry, and a former CEO of Alloy Consolidated Industries, a privately held manufacturer of components and devices for the automotive aftermarket. Additionally, Mr. Gray has been Chairman of the Board of Spertus College, as well as a board member of the Illinois Institute of Technology, the Stuart School and a number of philanthropic organizations, including the Jewish Federation of Chicago. As a result of these and other professional experiences, the Company has concluded Mr. Gray is qualified to serve as a director based on his positions of leadership in other public and private companies.

Glen M. Kassan, age 72, was elected as Chairman of the Board on May 14, 2008 and was Vice Chairman of the Board from August 2005 until May 2008. Mr. Kassan has served as a director on the Board since January 2002 and previously served as President of the Company from February 2002 until August 2005, as interim Chief Executive Officer (CEO) from June 14, 2010 to June 29, 2010, and as interim Chief Financial Officer (CFO) from June 14, 2010 to August 30, 2010. Mr. Kassan has served as a director of ModusLink Global Solutions, Inc. (Moduslink), a company engaged in supply chain and logistics services, since March 2013, and has serviced as ModusLink s Vice Chairman of the Board since May 2, 2014, and as its Chief Administrative Officer from May 2, 2014 until January 31, 2015. Since 2006, Mr. Kassan has served as a Managing Director Steel Partners LLC (Steel Partners), a subsidiary of Steel Partners Holdings L.P. (SPH), a global diversified holding company that owns and operates businesses and has significant interests in leading companies in a variety of industries, including diversified industrial products, energy, defense, banking, insurance, and food products and services, and was previously an operating partner of Steel Partners. He has been associated with Steel Partners and its affiliates since August 1999. Mr. Kassan served as the Vice President, CFO and Secretary of the predecessor entity of SPH from June 2000 to April 2007. He has served as a director of Handy & Harman Ltd. (HNH), a diversified manufacturer of engineered niche industrial products, since July 2005 and as the Vice Chairman of the Board and CEO of HNH from October 2005 to December 2012. He was a director of United Industrial Corporation (United Industrial), a company principally focused on the design, production and support of defense systems, which was acquired by Textron Inc., from October 2002 to November 2007. As a result of these and other professional experiences, including his years of experience and record of success in leadership positions in manufacturing, industrial and other public companies having attributes similar to our Company as well as the expertise he possesses in capital markets and corporate finance, we believe Mr. Kassan is qualified to serve as Chairman of the Board.

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Warren G. Lichtenstein, age 50, was elected as a director on March 30, 2010 to fill the vacancy created by the resignation of a former director. From February 2002 until August 2005, Mr. Lichtenstein served as CEO of the Company. He had previously served as a director (formerly Chairman of the Board) of the Company from January 2002 to May 2008 and from 1993 to 1997. Mr. Lichtenstein served as the Chairman and Chief Executive Officer of Steel Partners Holdings GP Inc. (Steel Holdings GP) from July 2009 to February 2013, and as Executive Chairman since February 2013. Steel Holdings GP is the general partner of SPH. Mr. Lichtenstein is the Chairman and Chief Executive Officer of Steel Partners and has been associated with Steel Partners and its affiliates since 1990. Since March 2013, Mr. Lichtenstein has served as Chairman of the Board of ModusLink. Mr. Lichtenstein has served as a director of Aerojet Rocketdyne Holdings, Inc. (formerly GenCorp, Inc.), a NYSE-listed manufacturer of aerospace and defense products and systems with a real estate business segment, since March 2008 and has served as the Chairman of the Board since March 2013. Mr. Lichtenstein has served as a director (currently Chairman of the Board) of Steel Excel Inc. (Steel Excel), a company whose business currently consists of Steel Sports Inc. and Steel Energy Services Ltd., since October 2010 and Chairman of the Board since May 2011. In 2011 Mr. Lichtenstein founded Steel Sports, Inc., a subsidiary of Steel Excel dedicated to building a network of participatory and experience-based sports-related businesses, with a particular emphasis on youth sports. Mr. Lichtenstein has served as the Chairman of the Board of HNH since July 2005. Mr. Lichtenstein has served on the board of directors of over twenty public companies. The Board has determined that Mr. Lichtenstein s extensive experience in corporate finance, executive management, investing and his service as a director and advisor to a diverse group of public companies enable him to assist in the management of the Company.

James A. Risher, age 73, was elected as a director on May 29, 2003. Mr. Risher has been the Managing Partner of Lumina Group, LLC, a private company engaged in the business of consulting and investing in small and mid-size companies, since 1998. Mr. Risher has served as a director of DGT Holdings Corp. (formerly Del Global Technologies Corp.) (DGT) since April 2005. He was also the President and CEO of DGT from August 2006 through August 2009. From February 2001 to May 2002, Mr. Risher served as Chairman of the Board and CEO of BlueStar Battery Systems International, Inc. (BlueStar), a Canadian public company that is an e-commerce distributor of electrical and electronic products to selected automotive aftermarket segments and targeted industrial markets. BlueStar filed CCAA (a petition for reorganization under Canadian bankruptcy laws) in August 2001, and a plan of reorganization was approved in November 2001. From 1986 to 1998, Mr. Risher served as a director, CEO and President of Exide Electronics Group, Inc. (Exide), a global leader in the uninterruptible power supply industry. He also served as Chairman of the Board of Exide from December 1997 to July 1998. Mr. Risher was also a director of Wilhelmina International, Inc. (Wilhelmina) (formerly New Century Equity Holdings Corp.), a talent representation company, from October 2004 until January 2010. As a result of these and other professional experiences, including numerous leadership positions in other public and private companies, as well as his knowledge of the Company and the industries in which it operates, the Company has concluded that Mr. Risher is qualified to serve as a director.

Mark E. Schwarz, age 55, was elected as a director on January 24, 2002. He is the Chairman of the Board and CEO of NCM Services, Inc. (NCMS), a private investment and management services company. NCMS is the Managing Member of Newcastle Capital Group, L.L.C., the general partner of Newcastle Capital Management, L.P. (NCM). Mr. Schwarz is the Chairman of the Board, CEO and Portfolio Manager of NCM, which is the general partner of Newcastle Partners, L.P., a private investment firm he founded in 1993. Mr. Schwarz presently serves as Executive Chairman of the Board of Directors of Hallmark Financial Services, Inc. (Hallmark), a specialty property and casualty insurer. He was elected Executive Chairman of Hallmark in August 2006. He served as CEO of Hallmark from January 2003 until August 2006, and as President from November 2003 through March 2006. Mr. Schwarz presently serves as Chairman of the boards of directors of Rave Restaurant Group, Inc., an operator and franchisor of pizza restaurants; and Wilhelmina International, Inc., a model management and talent representation company. Within the past five years, Mr. Schwarz has served as a director of Bell Industries, Inc., a company primarily engaged in providing computer systems integration services; and MedQuist, Inc., a provider of clinical documentation workflow solutions in support of electronic health records. He also serves as a director of various privately held companies. With nearly 20 years experience as an investment manager and a business executive, Mr. Schwarz brings significant leadership, financial expertise, operational skills and public company board of directors and executive experience to the Board. Through investments made by NCM and its affiliates, Mr. Schwarz has broad and substantial experience analyzing and advising public companies, including with respect to issues such as corporate governance, capital raising, capital allocation and general operational and business strategy, and has been closely involved in the operations of companies across a range of industries in both director and executive capacities. As a result of these and other professional experiences, including his extensive business and investment expertise and broad director experience, the Company has concluded that Mr. Schwarz is qualified to serve as a director.

Executive Officers who are not Directors

William T. Fejes, Jr., age 60, has served as President and CEO of the Company since June 29, 2010. From 2007 until April 2010, Mr. Fejes was the Chief Operating Officer of Seakeeper, Inc., a company that designs, manufactures and markets motion stabilization equipment for boats under 50 meters in length. Prior to joining Seakeeper, Inc., Mr. Fejes was the President and CEO of TB Wood s Corporation (TB Wood s), a public company that designs, manufactures and markets industrial power transmission components, with plants in the United States, Mexico and Italy, from 2004 to 2007, and was a director of TB Wood s from 2004 to 2005. Mr. Fejes also held various executive and management roles at Danaher Corporation, a public company that designs, manufactures and markets industrial and consumer products, for 18 years. From March 2009 to February 2015, Mr. Fejes served as a director of Broadwind Energy, a public company for which he also served as the Chairman of the Governance / Nominating Committee, as a member of the Audit and as a member of the Compensation Committees. From 2008 to 2010, Mr. Fejes was a Director of Automation Solutions, Inc., a privately held distributor of factory automation equipment.

Louis J. Belardi, age 65, has served as CFO of the Company since August 30, 2010, and as the Company s Secretary and Treasurer since July 2010. Mr. Belardi previously served as the Corporate Controller of the Company from 2004 until August 29, 2010, during which time he was responsible for management of the Company s corporate accounting, SEC reporting functions and Sarbanes Oxley compliance. Prior to joining the Company, Mr. Belardi was a partner in his own management consulting firm that specialized in providing financial consulting to public corporations. Before entering consulting, he was promoted through several financial roles to the position of Vice President Finance and Administration at Aydin Corporation, now part of L-3 Communications. Mr. Belardi started his career as a CPA at Price Waterhouse and has an MBA in finance.

Audit Committee

The Company has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee has adopted a written charter, which is available on the Investor Relations section of the Company s website (www.slindustries.com) under the tab Corporate Governance (http://sli.irpage.net/governance.php). The adequacy of the charter has been reviewed and assessed by the Audit Committee on an annual basis. The members of the Audit Committee during 2015 were Avrum Gray, James A. Risher, and Mark E. Schwarz, each of whom is independent under the criteria for being independent set forth under Section 803A of the listing standards of the NYSE MKT. In addition, the Board has determined that Avrum Gray, the Chairman of the Audit Committee and a non-management director, is an audit committee financial expert, as defined by Item 407(d)(5) of Regulation S-K, serving on the Audit Committee. The primary purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee the Company s financial reporting activities. The Audit Committee annually selects independent public accountants to serve as auditors of the Company s books, records and accounts. The Audit Committee reviews the scope of the audits performed by such auditors, the audit reports prepared by them and discusses with the auditors those matters required to be discussed by Auditing Standard No. 16. The Audit Committee also reviews and monitors the Company s internal accounting procedures and discusses the

Company s Audited Financial Statements with management.

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Risk Oversight

Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk management oversight role, the Board has the responsibility to satisfy itself that the risk management processes implemented by management are adequate and functioning as designed. As a critical part of this risk management oversight role, the Board encourages full and open communication between management and the Board. The Company s Chairman meets periodically with the CEO and President and other members of management to discuss strategy and risks facing the Company. Senior management attends Board meetings and is available to address any questions or concerns raised by the Board on risk management-related and other matters. The Board periodically receives presentations from senior management on strategic matters involving the Company s operations to enable it to understand the Company s risk identification, risk management and risk mitigation strategies.

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in areas of financial risk, internal controls, and compliance with legal and regulatory requirements. The Compensation Committee assists the Board in overseeing risk management in the areas of compensation policies and programs. The Nominating and Corporate Governance Committee assists the Board in overseeing risk management associated with the independence of the Board, Board organization, membership and structure and potential conflicts of interest.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s directors and officers, and persons who own more than 10% of a registered class of its equity securities, to file reports of ownership and changes in ownership (typically, Forms 3, 4 and/or 5) of such equity securities with the SEC. Such entities are also required by SEC regulations to furnish the Company with copies of all such Section 16(a) reports.

Based solely on a review of Forms 3, 4 and 5 and amendments thereto furnished to the Company, the Company believes that during the fiscal year ended December 31, 2015, its directors and officers, and greater than 10% beneficial owners, have complied with all Section 16(a) filing requirements, except for the inadvertent late filing by Mr. Fejes of one Form 4, reporting one transaction; and Mr. Belardi of one Form 4, reporting one transaction.

Code of Conduct and Ethics

The Company has adopted a Code of Conduct and Ethics (the Code of Ethics) that applies to all of its directors, officers and employees. The Code of Ethics is reasonably designed to deter wrongdoing and to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (ii) full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the SEC and in other public communications made by the Company, (iii) compliance with applicable governmental laws, rules and regulations, (iv) the prompt internal reporting of violations of the Code of Ethics to appropriate persons identified in the Code of Ethics, and (v) accountability for adherence to the Code of Ethics. The Code of Ethics is available on the Investor Relations section of the Company s website (www.slindustries.com) under the tab Corporate Governance . The Code of Ethics may also be requested in print, without charge, by writing to: Louis J. Belardi, Secretary, SL Industries, Inc., 520 Fellowship Road, Suite A-114, Mount Laurel, New Jersey 08054. Amendments to the Code of Ethics and any grant of a waiver from a provision of the Code of Ethics requiring disclosure under applicable SEC rules will be disclosed on the Investor Relations section of the Company s website (www.slindustries.com) under the tab Corporate Governance .

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ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

This Compensation Discussion and Analysis section discusses the Company s executive compensation philosophy, decisions and practices for the 2015 fiscal year. As set forth in the Summary Compensation Table below, our named executive officers (collectively, the NEOs or Named Executive Officers) for fiscal year 2015 were William T. Fejes, President and Chief Executive Officer (Principle Executive Officer), and Louis J. Belardi, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer).

Compensation Philosophy

The goal of the Company s compensation program for the NEOs and other members of the Company senior management team is to build long-term value for the Company s stockholders. In furtherance of this goal, the Compensation Committee has developed an executive compensation program designed to: (i) attract and retain a quality executive with the leadership skills, attributes and experience necessary to succeed in an enterprise with the Company s diverse product offerings and global reach; (ii) link compensation to the achievement of both Company and individual performance goals; and (iii) balance the NEOs motivation to achieve near-term corporate goals with consistent performance over the long-term, which the Company believes best correlates with the creation of long-term stockholder value.

Elements of Executive Compensation and How Each Relates to Overall Compensation Objectives

To achieve the above objectives, the Compensation Committee has developed a compensation program that includes:

- Base salary;
- Cash bonuses;
- Equity compensation; and
- Retirement, health, and other benefits.

The elements are intended to reward the NEOs for building long-term stockholder value and achieving specified annual goals for personal and company-wide performance.

Base compensation. Base salary payable to the NEOs is reviewed annually by the Compensation Committee, who has the ultimate authority to determine compensation of the Company s executive officers, but may form and delegate authority to subcommittees when appropriate. After review, the Compensation Committee recommends for approval by the independent, outside, non-employee directors of the Board, the compensation of the Chief Executive Officer in relation to the evaluation of the performance of the Chief Executive Officer. The Compensation Committee reviews and approves the performance evaluations and the compensation of the other executive officers of the Company, including the Chief Financial Officer. The payment of base salary is intended to recognize particularly the experience, skills, knowledge and responsibility required of Messrs. Fejes and Belardi.

Cash bonuses. Bonuses are payable to the NEOs and other members of the Company senior management team pursuant to the terms of bonus plans adopted annually by the Compensation Committee, in the form of cash bonus payments and equity grants for achieving certain performance goals established for them. The Company s 2013 Bonus Plan, 2014 Bonus Plan, and 2015 Bonus Plan (the Bonus Plans) include two components. The first component is a short term incentive plan (Short Term Incentive Plan or STIP) and the second component is a long term incentive plan (Long Term Incentive Plan or LTIP). 100% of the STIP and 50% of the LTIP are paid in cash while the remaining 50% of the LTIP is paid in restricted stock units (RSUs). The structure of the Bonus Plans is designed to provide short-term incentives to participants for achieving annual targets, while also motivating and rewarding eligible participants for achieving longer term growth goals. Cash bonuses are described in greater detail in this Amendment No. 1 on Form 10-K/A under the headings Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table and Performance-Based Incentives.

Equity compensation. Equity compensation, in the form of stock options, is awarded from time to time to the Company s NEOs and other members of the Company senior management team pursuant to the Company s 2008 Incentive Stock Plan (2008 Plan). Equity compensation, in the form of RSUs, is awarded annually to the Company s NEOs and other members of the Company senior management team pursuant to the terms of the LTIP bonus plans previously mentioned, which are pursuant to the Company s 2008 Plan. The primary purpose of awarding equity compensation is to align the financial interest of our NEOs with those of our stockholders. The Compensation Committee believes that awards of equity compensation achieve this goal because the NEOs realize additional value from such awards on the same basis as our stockholders. Moreover, because the stock options and RSUs granted to the Company s NEOs requires vesting, such rewards promote loyalty to the Company and recipients are further incentivized to focus on the long-term creation of value for stockholders.

Retirement, health, and other benefits. The Company provides payments for term life insurance and 401(k) matching contributions to Mr. Fejes pursuant to his employment agreement with the Company as an additional incentive to retain his employment. The Company provides payments for term life insurance, 401(k) matching contributions, and a car allowance to Mr. Belardi as an additional incentive to retain his employment.

Compensation Consultant

Mr. Fejes, at the direction of the Compensation Committee, retained the Hay Group in 2011 to provide market compensation data and analysis for the directors and executive management of the Company and each of its subsidiaries. In preparing its report to the Compensation Committee, the Hay Group used market data from its Industrial Executive Compensation Report. The Industrial Executive Compensation Report is an annual survey of executive pay practices in the U.S Market and uses data from over 300 companies to provide information on a broad cross-section of industrial companies in the United States. The Hay Group was again retained in 2014 and 2015 to analyze the market competitiveness of two executive jobs at the Company and its subsidiaries, including the CEO position. In performing this analysis, the Hay Group used data from an industrial organization sample in Hay Group s 2013 and 2014 executive compensation survey. The Compensation Committee considers the Hay Group s reports and analysis in structuring its compensation policy for directors and executive officers.

The Compensation Committee determined that the work of the Hay Group did not raise any conflicts of interest in 2015. In making this assessment, the Compensation Committee considered the independence factors enumerated in new Rule 10C-1(b) under the Exchange Act, including the fact that the Hay Group does not provide any other services to the Company, the level of fees received from the Company as a percentage of the Hay Group s total revenue, policies and procedures employed by the Hay Group to prevent conflicts of interest, and whether the individual Hay Group advisers to the Compensation Committee own any stock of the Company or have any business or personal relationships with members of the Compensation Committee or our executive officers.

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Consideration of Shareholder Say-on-Pay Vote

The Company provides its stockholders with the opportunity to cast an annual advisory vote on executive compensation (say-on-pay proposal). At the 2015 Annual Meeting of Stockholders, 99.46% of the votes cast by our stockholders on the advisory vote on executive compensation proposal were in favor of our NEO compensation as described in the proxy statement for the 2015 Annual Meeting of Stockholders. The Compensation Committee evaluated these results and concluded that this vote reflects our stockholders support of the Company s approach to executive compensation. Accordingly, in 2015, the Company did not change its approach to executive compensation or make any significant changes to its executive compensation program based on stockholder feedback. The Compensation Committee expects to continue to consider the outcome of the Company s say-on-pay votes and other stockholder discussions when making future compensation decisions for the NEOs. In alignment with our philosophy on stockholders say-on-pay, and with the results of the say-on-pay frequency vote held in May 2013, the Company will continue to hold non binding stockholder say-on-pay votes annually.

Role of Executives in Establishing Compensation

Mr. Fejes, our President and Chief Executive Officer, and the Compensation Committee regularly discuss the Company s compensation issues and the performance and retention of its NEOs and executive management. Mr. Fejes typically recommends to the Compensation Committee for its review, modification and approval the annual base salary, bonus, and equity awards (if any) for the other members of the executive management team.

Certain members of the executive management team, including Mr. Fejes, regularly attend portions of Compensation Committee meetings in order to provide information and recommendations to the Compensation Committee as requested, although the Compensation Committee meets in executive session with only Compensation Committee members present when it deems appropriate.

Factors Considered in Determining the Amount of Each Element of Compensation

The level of Mr. Fejes and Mr. Belardi s overall compensation is reviewed by the Compensation Committee not less than annually. The factors considered in determining Mr. Fejes and Mr. Belardi s base pay include those related both to overall performance of the Company and the individual performance of Mr. Fejes and Mr. Belardi. In determining annual base salary levels, consideration is also given to comparable compensation data provided by the Hay Group, as described above, for individuals holding similarly responsible positions at other companies. The determination of bonus amounts are based on the achievement of certain predetermined metrics set forth in the Bonus Plans, which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the headings Narrative Disclosure to Summary Compensation Table and Performance-Based Incentives section.

The timing, amount and form of equity compensation awards are determined by the Compensation Committee in consultation with key officers of the Company and other members of the Board. The Compensation Committee does not have a formal policy with respect to the timing and amount of equity compensation grants. Rather, in determining whether to approve equity compensation awards and the amount of such award, the Compensation Committee considers a number of factors, including the recipient s position, contribution to the Company s growth and profitability, length of service, prior equity-based compensation awards and shares of the Company s stock owned, as well as the overall performance of the Company.

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Although substantial portions of the Company s compensation program are performance-based, the Compensation Committee does not believe that the risks arising from the Company s compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company. In order to ensure this, the Compensation Committee has established certain policies, which include caps on individual compensation awards. The payment of all cash bonuses and the vesting of equity grants under the Bonus Plans are subject to the final determination of the Compensation Committee prior to payment or vesting. Under the 2015 Bonus Plan, Mr. Fejes may earn a maximum bonus of 150% of base salary and Mr. Belardi may earn a maximum bonus of 112.5% of base salary. The maximum payout (STIP + LTIP) in any year is limited to 7.5% of the Company s PBEBITDA (pre-bonus earnings from continuing operations before interest, taxes, depreciation, amortization and certain adjustments) from continuing operations.

Potential Payments Upon Termination or a Change in Control

The Company provides the opportunity for Messrs. Fejes and Belardi to be protected under certain termination and/or change in control provisions of various agreements. The Company provides these protections in order to attract and retain an appropriate caliber of talent for these positions. The Compensation Committee believes that the use of such protections are an essential element of executive compensation and assist the Company in recruiting and retaining talented executives. The termination and/or change in control provisions are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Potential Payments Upon Termination Or Change in Control.

Additional Tax and Accounting Implications

Section 162(m) of the Internal Revenue Code limits to $1 million per year the federal income tax deduction to public corporations for compensation paid for any fiscal year to the Company s Chief Executive Officer and the other NEOs (other than the CFO) included in the Summary Compensation Table. This limitation does not apply to qualifying performance-based compensation. Section 162(m) considerations, as well as financial accounting implications, are factors considered when developing executive compensation programs. However, the Compensation Committee primarily considers the Company s business purpose when structuring compensation arrangements with NEOs as appropriate to support the Company s strategic business objectives and the attraction and retention of executives.

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Summary Compensation Table

The following table sets forth the compensation for each of the Named Executive Officers for fiscal years 2015, 2014 and 2013.

Name and Principal Position	Year	Salary	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
		($)	($)(1)	($)(2)	($)(3)	($)(4)	($)
(a)	(b)	(c)	(e)	(f)	(g)	(i)	(j)
William T. Fejes Jr.	2015	475,000	47,513	-	278,791	10,272	811,576
President and Chief	2014	450,000	123,748	635,896	277,995	9,606	1,497,245
Executive Officer	2013	424,000	116,592	-	203,121	9,456	753,169
Louis J. Belardi	2015	278,000	55,582	-	95,871	25,884	455,337
Chief Financial Officer,	2014	267,000	53,398	190,769	129,598	24,387	665,152
Treasurer and Secretary	2013	252,000	50,398	-	95,793	26,985	425,176

(1) *2015* - On February 13, 2015, Mr. Fejes and Mr. Belardi were each granted RSUs under the Company s 2015 Long Term Incentive Plan (2015 LTIP). Each RSU represents a contingent right to receive one share of the Company s common stock. The RSUs, or a portion thereof, vest upon the satisfaction of specified performance targets, to be determined by March 15, 2018, based upon the audited financial statements for 2015 through 2017, subject to the conditions and requirements in the RSU grant letter. The amounts shown represent the aggregate grant date fair value of RSUs granted during 2015 (if target performance conditions are achieved), as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718), and do not represent the actual values that will be realized by the NEOs. The total grant date fair value of the awards if the target performance conditions are achieved over the three year period are $47,513, or 1,213 shares, for Mr. Fejes and $55,582, or 1,419 shares, for Mr. Belardi. The total grant date fair value of the awards if the maximum performance conditions are achieved over the three year period are $71,250, or 1,819 shares, for Mr. Fejes and $83,393, or 2,129 shares, for Mr. Belardi. For additional information, see the terms of the 2015 LTIP which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

2014 - On March 3, 2014, Mr. Fejes and Mr. Belardi were each granted RSUs under the Company s 2014 Long Term Incentive Plan (2014 LTIP). Each RSU represents a contingent right to receive one share of the Company s common stock. The RSUs, or a portion thereof, vest upon the satisfaction of specified performance targets, to be determined by March 15, 2017, based upon the audited financial statements for 2014 through 2016, subject to the conditions and requirements in the RSU grant letter. The amounts shown represent the aggregate grant date fair value of RSUs granted during 2014 (if target performance conditions are achieved), as determined in accordance with FASB ASC Topic 718, and do not represent the actual values that will be realized by the NEOs. The total grant date fair value of the awards if the target performance conditions are achieved over the three year period are $123,748, or 4,716 shares, for Mr. Fejes and $53,398, or 2,035 shares, for Mr. Belardi. The total grant date fair value of the awards if the maximum performance conditions are achieved over the three year period are $185,625, or 7,074 shares, for Mr. Fejes and $80,100, or 3,053 shares, for Mr. Belardi. For additional information, see the terms of the 2014 LTIP which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

2013 - On March 5, 2013, Mr. Fejes and Mr. Belardi were each granted RSUs under the Company s 2013 Long Term Incentive Plan (2013 LTIP). Each RSU represents a contingent right to receive one share of the Company s common stock. The RSUs, or a portion thereof, vest upon the satisfaction of specified performance targets, were determined by March 15, 2016, based upon the audited financial statements for 2013 through 2015, subject to the conditions and requirements in the RSU grant letter. The amounts shown represent the aggregate grant date fair value of RSUs granted during 2013 (if target performance conditions are achieved), as determined in accordance with FASB ASC Topic 718, and do not represent the actual values that will be realized by the NEOs. The total grant date fair value of the awards if the target performance conditions are achieved over the three year period are $116,592, or 6,082 shares, for Mr. Fejes and $50,398, or 2,629 shares, for Mr. Belardi. The total grant date fair value of the awards if the maximum performance conditions are achieved over the three year period are $174,900, or 9,124 shares, for Mr. Fejes and $75,600, or 3,944 shares, for Mr. Belardi. At the conclusion of the 2013 LTIP performance period, Mr. Fejes earned 4,621 RSUs while Mr. Belardi earned 1,998 RSUs, and on March 11, 2016, the Company issued 4,621 shares of common stock to Mr. Fejes and 1,998 shares of common stock to Mr. Belardi in settlement of the vested RSUs. The value realized on the vest date for the 2013 LTIP RSUs earned by Mr. Fejes was $153,186 and $66,234 for Mr. Belardi. For additional information, see the terms of the 2013 LTIP which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

(2) On March 3, 2014, Mr. Fejes was granted the option to purchase 70,000 shares of the Company s common stock (stock options) and Mr. Belardi was granted the option to purchase 21,000 shares of the Company s common stock. The stock options, which expire 5 years from the date of grant, were granted at fair market value pursuant to the Company s 2008 Incentive Stock Plan (2008 Plan) and vest 50% on the second anniversary and 50% on the third anniversary of the grant date, pursuant to the terms of option grant letter agreements. The amounts shown represent the aggregate grant date fair value of stock options granted during 2014, determined in accordance with FASB ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 23 to our consolidated financial statements included in the Original Form 10-K. No stock options were granted to NEOs during fiscal 2015 and 2013.

(3) Non-Equity Incentive Plan Compensation is composed entirely of incentive bonuses under the Company s annual STIP and LTIP plans. These amounts represent discretionary performance bonuses earned during fiscal years 2015, 2014 and 2013.

2015 - If applicable components and thresholds were achieved under the incentive plans concluding in fiscal 2015, the NEOs would be eligible for awards under (i) the Short Term Incentive Plan earned in fiscal 2015 and paid in 2016 (the 2015 STIP), and (ii) the 2013 LTIP, which awards would be deemed earned at the conclusion of the last fiscal year covered by the 2013 LTIP (fiscal 2015) and paid in 2016. The amounts reflected in this column for fiscal 2015 include payments of $190,204 to Mr. Fejes and $57,580 to Mr. Belardi under the 2015 STIP and payments of $88,587 to Mr. Fejes and $38,291 to Mr. Belardi under the 2013 LTIP.

2014 - If applicable components and thresholds were achieved under the incentive plans concluding in fiscal 2014, the NEOs would be eligible for awards under (i) the Short Term Incentive Plan earned in fiscal 2014 and paid in 2015 (the 2014 STIP), and (ii) the 2012 Long Term Incentive Plan (2012 LTIP), which awards would be deemed earned at the conclusion of the last fiscal year covered by the 2012 LTIP (fiscal 2014) and paid in 2015. The amounts reflected in this column for fiscal 2014 include payments of $277,995 to Mr. Fejes and $129,598 to Mr. Belardi under the 2014 STIP, but does not include payments to Messrs. Fejes or Belardi under the 2012 LTIP since the minimum financial factor component of the 2012 LTIP was not achieved.

2013 - If applicable components and thresholds were achieved under the incentive plans concluding in fiscal 2013, the NEOs would be eligible for awards under (i) the Short Term Incentive Plan earned in fiscal 2013 and paid in 2014 (the 2013 STIP), and (ii) the 2011 Long Term Incentive Plan (2011 LTIP), which awards would be deemed earned at the conclusion of the last fiscal year covered by the 2011 LTIP (fiscal 2013) and paid in 2014. The amounts reflected in this column for fiscal 2013 include payments of $203,121 to Mr. Fejes and $95,793 to Mr. Belardi under the 2013 STIP but does not include payments to Messrs. Fejes and Belardi under the 2011 LTIP since the minimum financial factor component of the 2011 LTIP was not achieved.

For additional information, see the terms of the incentive bonus plans which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

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(4) *2015* - The amounts reported in the All Other Compensation column for fiscal 2015 include: (1) Mr. Fejes $7,950 deferred compensation match expense under the Company s 401(k) plan, and $2,322 premiums paid by the Company for group term life insurance; and (2) Mr. Belardi s $14,528 car expense reimbursement, $7,950 deferred compensation match expense under the Company s 401(k) plan, and $3,406 premiums paid by the Company for group term life insurance.

2014 - The amounts reported in the All Other Compensation column for fiscal 2014 include: (1) Mr. Fejes $7,800 deferred compensation match expense under the Company s 401(k) plan, and $1,806 premiums paid by the Company for group term life insurance; and (2) Mr. Belardi s $13,815 car expense reimbursement, $7,800 deferred compensation match expense under the Company s 401(k) plan, and $2,772 premiums paid by the Company for group term life insurance.

2013 - The amounts reported in the All Other Compensation column for fiscal 2013 include: (1) Mr. Fejes $7,650 deferred compensation match expense under the Company s 401(k) plan, and $1,806 premiums paid by the Company for group term life insurance; and (2) Mr. Belardi s $16,563 car expense reimbursement, $7,650 deferred compensation match expense under the Company s 401(k) plan, and $2,772 premiums paid by the Company for group term life insurance.

Grant of Plan-Based Awards

The following table provides information on all plan-based awards granted to the Company s named executive officers during the year ended December 31, 2015.

		Estimated Possible/Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Possible/Future Payouts Under Equity Incentive Plan Awards (2)			Grant Date Fair Value of Stock and Option Awards (3)
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(l)**
William T. Fejes Jr.	2/13/15	213,750	427,500	641,250				
	2/13/15				606	1,213	1,819	47,513
Louis J. Belardi	2/13/15	76,450	152,900	229,350				
	2/13/15				710	1,419	2,129	55,582

(1) The amounts represent the threshold, target, and maximum cash payout that may be achieved pursuant to the 2015 STIP and 2015 LTIP. For additional information, see the terms of the 2015 STIP and 2015 LTIP which are described in greater detail in this Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

(2) The amounts represent the threshold, target, and maximum RSUs that may be achieved pursuant to the 2015 LTIP. For additional information, see the terms of the 2015 LTIP which is described in greater detail in this

Amendment No. 1 on Form 10-K/A under the heading Performance-Based Incentives.

(3) The amounts shown represent the aggregate grant date fair value of stock awards granted during 2015 pursuant to the 2015 LTIP in accordance with ASC Topic 718. The amounts were valued at the grant date fair value price of $39.17, as reported by NYSE MKT.

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Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

The compensation paid to Messrs. Fejes and Belardi for 2015 includes salary, stock awards, non-equity incentive compensation and certain other compensation previously mentioned in the notes to the Summary Compensation Table. The non-equity incentive compensation column does not include any payments under the 2015 LTIP or the 2014 LTIP because these amounts are not deemed earned until the conclusion of the last fiscal year covered by such plans. The non-equity incentive compensation column includes a payment of $278,791 to Mr. Fejes, which is comprised of $190,204 under the 2015 STIP and $88,587 under the 2013 LTIP. The non-equity incentive compensation column includes a payment of $95,871 to Mr. Belardi s, which is comprised of $57,580 under the 2015 STIP and $38,291 under the 2013 LTIP.

The compensation paid to Messrs. Fejes and Belardi for 2014 includes salary, stock awards, option awards, non-equity incentive compensation and certain other compensation previously mentioned in the notes to the Summary Compensation Table. The non-equity incentive compensation column does not include any payments under the 2014 LTIP or the 2013 LTIP because these amounts are not deemed earned until the conclusion of the last fiscal year covered by such plans. The non-equity incentive compensation column includes payments of $277,995 to Mr. Fejes and $129,598 to Mr. Belardi under the 2014 STIP. The non-equity incentive compensation column does not include payments to Messrs. Fejes and Belardi under the 2012 LTIP since the minimum financial factor component of the 2012 LTIP was not achieved.

The compensation paid to Messrs. Fejes and Belardi for 2013 includes salary, stock awards, non-equity incentive compensation and certain other compensation previously mentioned in the notes to the Summary Compensation Table. The non-equity incentive compensation column does not include any payments under the 2013 LTIP or the 2012 LTIP because these amounts are not deemed earned until the conclusion of the last fiscal year covered by such plans. The non-equity incentive compensation column includes payment of $203,121 to Mr. Fejes and $95,793 to Mr. Belardi under the 2013 STIP. The non-equity incentive compensation column also did not include payments to Messrs. Fejes and Belardi under the 2011 LTIP since the financial factor component of 2011 LTIP was not achieved.

In 2015, salaries and bonuses accounted for approximately 94% of total compensation for the Company s principal exe