

WMS INDUSTRIES INC /DE/
Form DEF 14A
October 21, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §204.14a-12

WMS INDUSTRIES INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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800 South Northpoint Boulevard

Waukegan, Illinois 60085

October 20, 2010

NOTICE OF ANNUAL MEETING

Thursday, December 9, 2010

9:00 a.m., Central Time

The Four Seasons Hotel

120 E. Delaware Place

Chicago, Illinois 60611

AGENDA:

1. To elect a board of nine directors;
2. To ratify the appointment of Ernst & Young as our independent registered public accounting firm for our fiscal year ending June 30, 2011; and
3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on October 14, 2010 are entitled to notice of and to vote at our Annual Meeting and any adjournments thereof. A list of the stockholders entitled to vote will be available for examination by any of our stockholders for any purpose germane to the Annual Meeting during regular business hours at our principal executive offices for the period beginning ten calendar days prior to the December 9, 2010 meeting until the end of the meeting.

YOUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ALL DIRECTOR NOMINEES AND FOR PROPOSAL 2.

By Order of the Board,

Kathleen J. McJohn

Vice President, General Counsel

and Secretary

**YOU ARE REQUESTED, WHETHER OR NOT YOU PLAN TO BE PRESENT AT THE
ANNUAL MEETING, TO MARK, DATE, SIGN AND RETURN PROMPTLY THE
ACCOMPANYING PROXY IN THE ENCLOSED PREPAID ENVELOPE.**

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ANNUAL MEETING

WMS INDUSTRIES INC.

PROXY STATEMENT

IMPORTANT NOTICE

**REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDERS MEETING
TO BE HELD ON DECEMBER 9, 2010**

This Notice of Annual Meeting, Proxy Statement, Proxy Card and our 2010 Annual Report are being mailed to stockholders beginning on or about October 21, 2010.

PLEASE NOTE: ALTHOUGH WE HAVE SEPARATELY MAILED THESE DOCUMENTS TO OUR STOCKHOLDERS OF RECORD AS OF OCTOBER 14, 2010, OUR 2010 ANNUAL REPORT, NOTICE OF ANNUAL MEETING, PROXY STATEMENT AND PROXY CARD ARE ALSO AVAILABLE ONLINE AT <http://ir.wms.com>.

IMPORTANT VOTING INFORMATION

If you hold your shares through a broker, bank or other financial institution, the Securities and Exchange Commission has approved a New York Stock Exchange rule that changes the manner in which your vote in the election of directors will be handled at our upcoming 2010 Annual Meeting.

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Now only you can vote your shares in the election of directors, so your participation in voting is important. In the past, if you did not transmit your voting instructions before the stockholder meeting, your broker was allowed to vote on your behalf on the election of directors and other matters considered to be routine. Stockholders who hold our shares through a broker, bank or other financial institution will receive proxy materials and a Voting Instruction Form from their broker, bank or other financial institution before each stockholder meeting. In order for your broker to vote on your behalf on the election of directors, you must provide specific instructions by completing and returning the Voting Instruction Form either electronically or by mail or following the instructions provided to you to vote your shares via telephone or the Internet. For your vote to be counted, you now need to communicate your voting decisions to your broker, bank or other financial institution before the date of the stockholder meeting.

Your Participation in Voting the Shares You Own Is Important

Voting your shares is important to ensure that you have a say in the governance of your company and to fulfill the objectives of the majority voting standard that we apply in the election of directors. Please review the proxy materials and follow the instructions to vote your shares. We hope you will exercise your voting rights and fully participate as a stockholder in our company's future.

More Information Is Available

If you have any questions about this new rule or the proxy voting process in general, please contact the broker, bank or other financial institution where you hold your shares. The Securities and Exchange Commission also has a website (www.sec.gov/spotlight/proxymatters.shtml) with more information about your rights as a stockholder.

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FREQUENTLY ASKED QUESTIONS

1. *Why did I receive this Proxy Statement?*

Our Board is soliciting proxies for our 2010 Annual Meeting and any adjournment of that meeting. We have retained Georgeson Shareholder Communications, Inc., to assist in the distribution of our proxy materials. We will pay the entire cost of this solicitation, including Georgeson's fee which we expect to be approximately \$2,000. When we ask for your proxy, we are required to provide you with a Proxy Statement containing the information specified by law.

2. *What may I vote on at the Annual Meeting?*

You may vote on:

- Ø The election of nine directors to serve on our Board.
- Ø The ratification of the appointment of Ernst & Young as our independent registered public accounting firm for our fiscal year ending June 30, 2011.
- Ø Other matters properly brought before the Annual Meeting.

3. *How does the Board recommend that I vote on the Proposals?*

Our Board recommends that you vote:

- Ø FOR each of the director nominees to serve on our Board.
- Ø FOR the ratification of the appointment of Ernst & Young as our independent registered public accounting firm for our fiscal year ending June 30, 2011.

4. *Will any other items be considered at the Annual Meeting?*

We do not expect any other items of business to be addressed at the Annual Meeting. Nonetheless, if any such items do arise, your proxy will give discretionary authority to the persons named on the proxy to vote on such items. These persons will use their best judgment in voting your proxy.

5. Who is entitled to vote?

Holders of shares of our common stock as of the close of business on October 14, 2010, the Record Date, are entitled to vote on all items properly presented at the Annual Meeting. On the Record Date, 57,770,804 shares of our common stock were outstanding. Every stockholder is entitled to one vote for each share of common stock held. A list of these stockholders will be available during ordinary business hours at our principal place of business, located at 800 South Northpoint Blvd., Waukegan, Illinois 60085, from our Corporate Secretary at least ten calendar days before December 9, 2010. The list of stockholders will also be available at the Annual Meeting.

6. How do I vote?

You may vote in person by attending the Annual Meeting or you may vote by mail by completing and properly signing each proxy card you receive and returning it to us in the prepaid envelope. When received, your proxy will be voted as you direct by one of the individuals indicated on the card (your proxy). If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the election of all of the director nominees and FOR the ratification of the appointment of Ernst & Young as our independent registered public accounting firm.

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7. *Who can attend the Annual Meeting?*

Only stockholders as of the close of business on October 14, 2010, holders of proxies for those stockholders and other persons invited by us can attend. If your shares are held by your broker in street name, you must bring a letter from your broker or a copy of your instruction form from your broker to the meeting showing that you were the direct or indirect (beneficial) owner of the shares on October 14, 2010 to attend the meeting.

8. *Can I change my vote after I return my Proxy Card?*

Yes. You may change your vote at any time before the voting concludes at the Annual Meeting by taking any one of the following actions:

- Ø Sending in another proxy signed on a later date by mail.

- Ø Notifying our Corporate Secretary in writing before the Annual Meeting that you wish to revoke your proxy.

- Ø Voting in person at the Annual Meeting.

9. *How do I vote my shares if they are held by my broker?*

If your shares are held by your broker in street name, you will receive a form from your broker seeking instruction as to how your shares should be voted. We urge you to complete this form and instruct your broker how to vote on your behalf. You can also vote in person at the Annual Meeting, but you must bring a letter from the broker showing that you were the beneficial owner of your shares on October 14, 2010. See Important Voting Information above.

10. *What is a Quorum ?*

A quorum is a majority of our outstanding shares of common stock. The shares may be present at the Annual Meeting or represented by proxy. There must be a quorum for the Annual Meeting to be held. If you submit a properly executed proxy card, even if you abstain from voting, you will be considered part of the quorum. Broker non-votes are also considered a part of the quorum. Broker non-votes occur when a broker holding shares for a beneficial owner does not vote on a particular matter because under the rules of the New York Stock Exchange, the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. See Important Voting Information above.

11. *How are matters passed or defeated at the Annual Meeting?*

- Ø Proposal 1, election of directors. Under Delaware law, the nine director nominees receiving the highest number of affirmative votes will be elected. Our Board has adopted a policy requiring that in an uncontested election any director nominee who receives a greater

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number of votes withheld than votes for his or her election must tender his or her resignation to the Board for consideration by our Nominating and Corporate Governance Committee and our Board. For purposes of this calculation, abstentions will not be counted. A properly executed proxy marked WITHHOLD AUTHORITY with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

- Ø Proposal 2, ratification of the appointment of our independent registered public accounting firm. We must receive affirmative votes from more than 50% of the shares that are present and entitled to vote in order for this proposal to be approved. An abstention has the same effect as a vote AGAINST this proposal.

12. Who will count the votes?

Proxies will be tabulated by our transfer agent, American Stock Transfer and Trust Company.

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13. *Is my vote confidential?*

Proxy cards, ballots and voting tabulations that identify individual stockholders are mailed or returned directly to American Stock Transfer and Trust Company and handled in a manner that protects your voting privacy. Your vote will not be disclosed except (i) as needed to permit American Stock Transfer and Trust Company to tabulate and certify the vote and (ii) as required by law. However, comments written on the proxy card may be forwarded to management. In that case, your identity may not be kept confidential.

14. *Delivery of documents to stockholders sharing an address*

If you are the beneficial owner, but not the record holder of our shares, your broker, bank or other nominee may only deliver one copy of our Notice of Annual Meeting, Proxy Statement, Proxy Card and 2010 Annual Report to multiple stockholders who share an address unless that nominee has received contrary instructions from you or one or more of the other stockholders at the same address. We will deliver promptly, upon written or oral request, a separate copy of our Notice of Annual Meeting, Proxy Statement, Proxy Card and 2010 Annual Report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of these documents, now or in the future, should submit this request by writing to American Stock Transfer and Trust Company, 59 Maiden Lane, Plaza Level, New York, NY 10038 or by calling (800) 937-5449 or (718) 921-8124. Beneficial owners sharing an address who are receiving multiple copies of these documents and who wish to receive a single copy in the future will need to contact their broker, bank or other nominee to request that only one copy of each document be mailed to all stockholders at the shared address in the future.

15. *Can I view these proxy materials online?*

Yes, although we have mailed these documents to our record stockholders, our 2010 Annual Report, Notice of Annual Meeting, Proxy Statement and Proxy Card are also available online on our Investor Relations Website at <http://ir.wms.com>.

16. *Where can I find the voting results from the Annual Meeting?*

We will publish the voting results from our Annual Meeting in a Current Report on Form 8-K, which we will file with the Securities and Exchange Commission on or about December 15, 2010. To view our Current Report on Form 8-K online, go to our Investor Relations Website at <http://ir.wms.com> and click on the Securities and Exchange Commission Filings link.

17. *When are stockholder proposals due for the 2011 Annual Meeting?*

We must receive any stockholder proposals of matters to be acted upon at our 2011 Annual Meeting that are submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 on or before June 28, 2011, in order to consider including them in our proxy materials for that meeting. Except as otherwise permitted under Rule 14a-8, in order for a matter to be acted upon at an Annual Meeting, notice of stockholder proposals must be delivered to us not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is more than 30 days before or more than 70 days after such anniversary date, notice by a stockholder must be delivered not earlier than the 120th day prior to an Annual Meeting and not later than the tenth day following the day on which we first publicly announce the date of the meeting. All notices must be delivered to our Corporate Secretary at 800 South Northpoint Blvd., Waukegan, Illinois 60085. Next year, provided we do not change our meeting date as described above, the submission period for stockholder notices and director nominations will extend from August 11, 2011 to September 10, 2011, except as

otherwise permitted under Rule 14a-8.

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Our Board currently consists of ten directors.

One of our current directors, Mr. Harold H. Bach, Jr. notified us that he will retire from our Board at the 2010 Annual Meeting and will not stand for re-election to the Board. Mr. Bach will become a Director Emeritus. Upon the recommendation of our Nominating and Corporate Governance Committee, our Board has nominated the nine persons named below for election as directors to serve for a term expiring at our 2011 Annual Meeting or until their respective successors are elected and qualify, except that in accordance with our By-laws such service will terminate immediately if any gaming regulatory authority communicates its determination that such individual is not suitable for being licensed or is not licensable by such authority. Our by-laws provide that the number of directors constituting the entire Board shall not be less than one nor more than 15 as fixed from time to time by resolution adopted by our Board. Our Board has fixed that number at ten. The Board is in the process of seeking a candidate to fill the vacancy created by Mr. Bach's retirement but does not expect to have completed the process of selecting a candidate prior to our 2010 Annual Meeting. The Board has nominated nine directors for election at that meeting and consequently, if all nine directors are elected, there will be one vacancy on the Board, which the Board expects to fill prior to our 2011 Annual Meeting. Proxies may not be voted for a greater number of persons than the nine nominees named. All of the nominees are presently directors.

Unless authority to vote for the election of directors is withheld, the proxy holders named in the enclosed proxy will vote all shares represented thereby in favor of the election of each of the nominees named below. If any of the nominees are unable to serve or refuse to serve as directors, an event which the Board does not anticipate, the proxies will be voted in favor of those nominees who do remain as candidates, except as you otherwise specify, and may be voted for substituted nominees designated by the Board.

Name of Nominee (Age)	Position with Company and Principal Occupation	Director Since
Robert J. Bahash (65)	Director; Executive Vice President and Chief Financial Officer of The McGraw-Hill Companies	2007
Brian R. Gamache (51)	Chairman of the Board; Chief Executive Officer	2001
Patricia M. Nazemetz (60)	Director; Chief Human Resources and Ethics Officer of Xerox Corporation	2007
Louis J. Nicastro (82)	Founding Director; Retired Chairman and Chief Executive Officer of WMS Industries Inc.	1974
Neil D. Nicastro (53)	Director; Retired President and Chief Executive Officer of Midway Games Inc.	1986
Edward W. Rabin, Jr. (63)	Lead Director; Retired President of Hyatt Hotels Corporation	2005
Ira S. Sheinfeld (72)	Director; Partner, Hogan Lovells (Attorneys-at-Law)	1993
Bobby L. Siller (65)	Director; Retired Member of the Nevada Gaming Control Board	2008
William J. Vareschi, Jr. (68)	Director; Retired Chief Executive Officer and Vice Chairman of Central Parking Corporation	2004

Robert J. Bahash joined our Board in 2007. He has served as Executive Vice President and Chief Financial Officer for The McGraw-Hill Companies since 1988. Mr. Bahash has been with McGraw-Hill since 1974 and has held a number of finance-related positions. Mr. Bahash is a member of the American Institute of Certified Public Accountants, the Financial Executives Institute, and the New Jersey Society of Certified Public Accountants. Mr. Bahash is a certified public accountant and chair of our Audit and Ethics Committee and a member of our Compensation Committee.

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The Board believes that the deliberations of our Board, particularly with respect to financial reporting, executive compensation, corporate governance and risk management, are significantly enhanced by Mr. Bahash's many years experience as the Chief Financial Officer of a major public company and his training as a certified public accountant.

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Brian R. Gamache has served as our Chairman of the Board and Chief Executive Officer since being named Chairman in July 2008. Mr. Gamache originally joined WMS in 1990, when he served in various executive capacities for our former hotel and resort subsidiaries, rising to the position of President and Chief Operating Officer. At the time of WMS' 1997 spin-off of WHG Resorts & Casinos Inc. (WHG), Mr. Gamache left WMS to devote his full time to WHG. Subsequent to the 1997 sale of WHG, Mr. Gamache served as President of the Luxury and Resort Division of Wyndham International from 1998 until April 2000. Mr. Gamache then rejoined WMS as President and Chief Operating Officer, and was named President and Chief Executive Officer, concurrently with his appointment to the Board, in June 2001. Mr. Gamache is a director of KapStone Paper and Packaging Corporation (NYSE: KS). Mr. Gamache is also a member of the Board of the American Gaming Association serving as the Chair of its Finance Committee, and is a Trustee of Lake Forest Academy and the Lake Forest Country Day School.

The Board believes that Mr. Gamache's extensive knowledge of our company and its predecessors, his experience and current leadership as our Chief Executive Officer, and his experience as a director of another publicly traded company provide invaluable contributions to the deliberations of our Board in all areas of our business.

Patricia M. Nazemetz joined our Board in 2007. She has served as Chief Human Resources and Ethics Officer for Xerox Corporation since 2007. Ms. Nazemetz has also served as a Vice President for Xerox Corporation since January 1999. Ms. Nazemetz has been with Xerox since 1979 and has held a number of human resource related positions. She is a member of the Board of Catholic Health Services of Long Island, a large not-for-profit health and hospital system and just completed a 13 year commitment as a trustee of Fordham University. Ms. Nazemetz is Chair of our Compensation Committee and a member of our Nominating and Corporate Governance Committee.

The Board believes that the deliberations of our Board, particularly with respect to human resources and corporate governance matters, are significantly enhanced by Ms. Nazemetz' more than 35 years experience as a human resources professional with deep expertise in executive compensation, employee stock programs, pensions and health care, and her 20 years of executive level experience, including corporate governance, board and senior management relationships, succession planning and leadership development experience as well as exposure to all aspects of the business of a Fortune 500 company.

Louis J. Nicastro has served as a director since our incorporation in 1974. Mr. Nicastro served as our Chairman of the Board from 1974 until 2008. Mr. Nicastro is designated as our Founding Director in recognition of his contributions to our company. Additionally, he was our Chief Executive Officer from 1998 until June 2001 and was also President from 1998 to April 2000. Mr. Nicastro also served as our Chief Executive Officer or Co-Chief Executive Officer from 1974 to 1996 and as President during the periods 1985-1988 and 1990-1991, among other executive positions. Mr. Nicastro is Neil D. Nicastro's father.

The Board believes that Mr. Nicastro's extensive knowledge of our company and its predecessors, including Midway Games Inc. (coin operated arcade video games and home video games), Williams Electronics, Inc. (pinball games) and WHG Resorts & Casinos Inc. (hotels and casinos), his experience as the Chief Executive Officer of each of those companies while they were New York Stock Exchange listed companies, and his leadership of those companies through several difficult previous economic cycles provides invaluable contributions to the deliberations of our Board particularly with respect to strategic planning and risk management.

Neil D. Nicastro has served on our Board since 1986. He has also served in various executive positions for us, including President, Chief Executive Officer and Chief Operating Officer, beginning in 1986 until his resignation from all executive positions with us in 1998. Mr. Nicastro served as Midway Games Inc.'s President from 1991 until May 2003 and Chief Executive Officer from 1996 to May 2003. He also served as Midway's Chairman of the Board from 1996 until June 2004. Mr. Nicastro is Louis J. Nicastro's son. Mr. Nicastro is a member of our Gaming Compliance Committee.

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The Board believes that Mr. Nicastro's extensive knowledge of our company and its predecessors and his experience as the Chief Executive Officer of Midway while it was a New York Stock Exchange listed company provides invaluable contributions to the deliberations of our Board particularly with respect to business operations and risk management.

Edward W. Rabin, Jr. joined our Board in 2005 and became our Lead Director in July 2008. Mr. Rabin served as the President of Hyatt Hotels Corporation from 2003 until his retirement in January 2006. Between 1989 and 2003, Mr. Rabin served as Executive Vice President for Hyatt, and was named Chief Operating Officer in 2000. Mr. Rabin is a director of PrivateBancorp, Inc. (NASDAQ-PVTB), Sally Beauty Holdings (NYSE: SBH) and Oneida Ltd. Mr. Rabin is a member of PrivateBancorp, Inc.'s Audit, Compensation and Corporate Governance Committees. Mr. Rabin is a member of Sally Beauty Holdings' Compensation and Nominating and Governance Committees. Mr. Rabin is currently a member of our Compensation and Audit and Ethics Committees.

The Board believes that the deliberations of our Board, particularly with respect to business operations, financial reporting, executive compensation, corporate governance and risk management, are significantly enhanced by Mr. Rabin's many years experience as an executive of a major corporation and his experience as a director of other publicly traded companies.

Ira S. Sheinfeld joined our Board in 1993. He has been a member of the law firm of Hogan Lovells U.S. LLP and predecessor law firms, Hogan & Hartson, LLP and Squadron, Ellenoff, Plesent & Sheinfeld LLP, New York, New York, for more than five years. Mr. Sheinfeld has three years of audit experience at Ernst & Young, was a partner at Deloitte and Touche and has 17 years experience as a WMS director. Mr. Sheinfeld is a Certified Public Accountant. Mr. Sheinfeld is a former director of Midway Games, Inc.

The Board believes that the deliberations of our Board, particularly with respect to tax, accounting and legal matters, are significantly enhanced by Mr. Sheinfeld's many years experience as a business, tax, regulatory and mergers and acquisitions advisor to clients as a partner in Deloitte & Touche and Hogan Lovells and its predecessor firms.

Bobby L. Siller joined our Board in 2008. He was one of three members of the Nevada State Gaming Control Board serving for eight years from January 1999 until December 31, 2006. Prior to his appointment to the Nevada State Gaming Control Board, he served for 25 years with the Federal Bureau of Investigation (FBI). At the FBI, he was Special Agent-in-Charge of the Las Vegas Division for three years, as well as Agent-in-Charge at bureau offices in Dayton, Ohio and Dallas, Texas, and as an administrator with the FBI Academy in Quantico, Virginia. Mr. Siller was previously a commissioner for the Pokagon Band Gaming Commission in Michigan. Mr. Siller is a member of our Gaming Compliance Committee and our Nominating and Corporate Governance Committee.

The Board believes that the deliberations of our Board, particularly with respect to regulatory and corporate governance matters, are significantly enhanced by Mr. Siller's many years of experience as a gaming regulator and with the FBI.

William J. Vareschi, Jr. joined our Board in 2004. He was the Chief Executive Officer and Vice Chairman of the Board of Central Parking Corporation from April 2001 until his retirement in May 2003. Before joining Central Parking Corporation in April 2001, his prior business career of more than 35 years was spent with the General Electric Company, which he joined in 1965. He held numerous financial management positions within GE, including Chief Financial Officer for GE Plastics Europe (in the Netherlands), GE Lighting (Cleveland, Ohio) and GE Aircraft Engines (Cincinnati, Ohio). In 1996, Mr. Vareschi became President and Chief Executive Officer of GE Engine Services, a position he held until July 2000. Mr. Vareschi also serves as lead director, Chair of the Executive Committee and a member of the Audit Committee of

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WESCO International Inc. (NYSE: WCC). Mr. Vareschi serves as Chair of our Nominating and Corporate Governance Committee and is a member of our Audit and Ethics Committee.

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The Board believes that the deliberations of our Board, particularly with respect to corporate governance, business operations, financial reporting and risk management, are significantly enhanced by Mr. Vareschi's more than 35 years of professional experience, including experience as a Chief Executive Officer, a Chief Financial Officer of multiple divisions of a Fortune 500 company and his experience as a director of a publicly traded company.

Vote Required to Elect Nominees

Under Delaware law, the affirmative vote of a plurality of the shares present in person or by proxy at the Annual Meeting is required to elect directors, meaning that the nine director nominees receiving the highest number of votes will be elected. Our Board has adopted a policy requiring that in an uncontested election any director nominee who receives a greater number of votes withheld than votes for his or her election must tender his or her resignation to our Board for consideration by our Nominating and Corporate Governance Committee and our Board. For purposes of this calculation, abstentions will not be counted.

OUR BOARD RECOMMENDS THAT YOU VOTE FOR ALL OF THE NOMINEES FOR ELECTION AS DIRECTORS.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS,
DIRECTORS AND EXECUTIVE OFFICERS**

Principal Stockholders

The following table sets forth information as of the dates noted in the footnotes about persons that, to our knowledge, as of October 14, 2010 beneficially owned more than 5% of our outstanding shares of common stock, determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
FMR LLC	4,660,776(1)	8.1%
82 Devonshire Street Boston, MA 02109		
Kornitzer Capital Management	3,156,059(2)	5.5%
5420 West 61st Place		

Shawnee Mission, KS 66205

- (1) Based upon an Amendment to Schedule 13G dated February 16, 2010, filed with the Securities and Exchange Commission by FMR LLC (FMR). FMR reported that it has sole voting power over 109,030 shares and sole dispositive power over 4,660,776 shares as a result of acting as investment advisor to various investment companies holding shares and including 4,551,746 shares over which Edward C. Johnson 3rd, Chairman of FMR, FMR and the funds have the sole power to dispose.
- (2) Based upon an Amendment to Schedule 13G dated January 22, 2010, filed with the Securities and Exchange Commission by Kornitzer Capital Management, Inc. (KCM). KCM reported that it has sole voting power over 3,156,059 shares and sole dispositive power over 3,063,148 shares as a result of acting as investment advisor to other persons.

Table of Contents**Security Ownership of Directors, Nominees and Executive Officers**

The following table sets forth, as of October 14, 2010, information about the beneficial ownership of our common stock by each of our directors (all of whom are nominees, except Mr. Bach) and our executive officers named in the Summary Compensation Table below and by all of our directors and executive officers as a group, determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934. Unless otherwise indicated, all shares shown as beneficially owned are held with sole voting and investment power. All persons individually listed beneficially own less than 1% of our outstanding shares. Our directors and executive officers as a group beneficially own 2.9% of our outstanding shares.

Name of Beneficial Owner	Total Beneficially Owned (1)	Number of Vested Options (1)	Number of Shares of Restricted Stock or Units	Number of Deferred Units (2)
Harold H. Bach, Jr.	22,451		11,099	4,978
Robert J. Bahash*	57,006	25,000	4,463	
Orrin J. Edidin	160,746	96,311	34,682	