

LIFETIME BRANDS, INC
Form DEF 14A
May 04, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

LIFETIME BRANDS, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

LIFETIME BRANDS, INC.

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**One Merrick Avenue
Westbury, New York 11590**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON June 8, 2006**

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Notice is hereby given that the Annual Meeting of Stockholders of Lifetime Brands, Inc., a Delaware corporation (the Company), will be held at the offices of the Company, One Merrick Avenue, Westbury, New York 11590 on Thursday June 8, 2006, at 10:30 a.m., local time, for the following purposes:

- (1) To elect a board of eight directors to serve until the next Annual Meeting of Stockholders or until their successors are duly elected and qualified;
- (2) To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company;
- (3) To approve an amendment to the Company's 2000 Long-Term Incentive Plan to increase the number of shares of the Company's common stock available for grant under the plan by 750,000 to 2,500,000, and to re-approve the performance criteria which may be utilized in establishing specific targets to be attained as a condition to the vesting of one or more stock-based awards under the Company's 2000 Long-Term Incentive Plan so as to qualify the compensation attributable to those awards as performance-based compensation under Section 162(m) of the Internal Revenue Code (the Code); and
- (4) To re-approve the performance criteria, effective January 1, 2005, which has been and may continue to be utilized under the Company's 2000 Incentive Bonus Compensation Plan so as to qualify the payment of certain cash bonuses as performance-based compensation under Section 162(m) of the Code.
- (5) To transact such other business as may properly come before the meeting, or any adjournment(s) or postponement(s) thereof.

Stockholders of record at the close of business on April 27, 2006 are entitled to notice of and to vote at the Annual Meeting and any adjournment(s) or postponement(s) thereof. A complete list of the stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder at the Company's offices, One Merrick Avenue, Westbury, New York 11590, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of at least 10 days prior to the Annual Meeting.

By Order of the Board of Directors

Craig Phillips, Secretary

Westbury, New York

May 2, 2006

THE BOARD OF DIRECTORS EXTENDS A CORDIAL INVITATION TO ALL STOCKHOLDERS TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN AS PROMPTLY AS POSSIBLE THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE. STOCKHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

LIFETIME BRANDS, INC.

**One Merrick Avenue
Westbury, New York 11590**

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To be held on June 8, 2006

INTRODUCTION

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This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of Lifetime Brands, Inc., a Delaware corporation (the Company), for use at the Annual Meeting of Stockholders of the Company (the Meeting) to be held on the date, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders of record at the close of business on April 27, 2006 are entitled to notice of and to vote at the Meeting. This Proxy Statement and the accompanying Proxy shall be mailed to stockholders on or about May 10, 2006.

THE MEETING

Voting at the Meeting

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On April 27, 2006, there were 13,002,454 shares of the Company's common stock, \$.01 par value (the Common Stock), issued and outstanding. Each share of Common Stock entitles the holder thereof to one vote on all matters submitted to a vote of stockholders at the Meeting.

A majority of the Company's outstanding shares of Common Stock represented at the Meeting, in person or by proxy, shall constitute a quorum. Assuming a quorum is present, (1) the affirmative vote of a plurality of the shares so represented is necessary for the election of directors, (2) the affirmative vote of a majority of the shares so represented is necessary to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company, (3) the affirmative vote of a majority of the shares so represented is necessary to approve the amendment to the Company's 2000 Long-Term Incentive Plan to increase the number of shares of the Company's common stock available for grant under the plan by 750,000 to 2,500,000, and to re-approve the performance criteria which may be utilized under the plan to qualify compensation attributable to certain awards as performance-based compensation under Section 162(m) of the Code, and (4) the affirmative vote of a majority of the shares so represented is necessary to re-approve the performance criteria, effective January 1, 2005, which has been and may continue to be utilized under the Company's 2000 Incentive Bonus Compensation Plan so as to qualify the payment of certain cash bonuses as performance-based compensation under Section 162(m) of the Code.

Proxies and Proxy Solicitation

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All shares of Common Stock represented by properly executed proxies will be voted at the Meeting in accordance with the directions marked on the proxies, unless such proxies have previously been revoked. If no directions are indicated on such proxies, they will be voted for the election of each nominee named below under Election of Directors and for the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company. If any other matters are properly presented at the Meeting for action, the proxy holders will vote the proxies (which confer discretionary authority upon such holders to vote on such matters) in accordance with their best judgment. Each proxy executed and returned by a stockholder may be revoked at any time before it is voted by timely submission of a written notice of revocation or by submission of a duly

executed proxy bearing a later date (in either case directed to the Secretary of the Company), or, if a stockholder is present at the Meeting, he may elect to revoke his proxy and vote his shares personally. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business.

If a stockholder, present in person or by proxy, abstains on any matter, such stockholder's shares of Common Stock will not be voted on such matter. Thus, an abstention from voting on any matter has the same legal effect as a vote against the matter, even though the stockholder may interpret such action differently. Except for determining the presence or absence of a quorum for the transaction of business, broker non-votes are not counted for any purpose in determining whether a matter has been approved.

The Company will bear the cost of preparing, printing, assembling and mailing the proxy, this Proxy Statement and other material which may be sent to stockholders in connection with this solicitation. It is contemplated that brokerage houses will forward the proxy materials to beneficial holders at the request of the Company. In addition to the solicitation of proxies by the use of the mails, officers and other employees of the Company may solicit proxies by telephone without being paid any additional compensation. The Company will reimburse such persons for their reasonable out-of-pocket expenses in accordance with the regulations of the Securities and Exchange Commission.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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The following table sets forth information regarding beneficial ownership of the Common Stock as of April 27, 2006 (except where otherwise noted) based on a review of information filed with the United States Securities and Exchange Commission (SEC) and the Company's stock records with respect to (a) each person known to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (b) each Director or nominee for a directorship of the Company, (c) each executive officer of the Company, and (d) all Directors, nominees and executive officers as a group. Unless otherwise stated, each of such persons has sole voting and investment power with respect to such shares.

Name and Address	Number of Shares Beneficially Owned*	Percent of Shares Beneficially Owned*
Directors and Executive Officers		
Jeffrey Siegel (1)	1,188,574(2)	9.14%
Craig Phillips (1)	814,392(3)	6.26
Ronald Shiftan (1)	456,845(4)	3.51
Evan Miller (1)	89,783(5)	
Robert McNally (1)	70,420(6)	
Larry Sklute (1)	68,000(7)	
Robert Reichenbach (1)	67,000(7)	
Howard Bernstein (1)	6,590(8)	
Cherrie Nanninga (1)	6,590(9)	
William Westerfield (1)	5,590(10)	
Sheldon Misher (1)	5,590(10)	
Michael Jeary (1)	590	
All directors and executive officers as a group (12 persons)	2,794,459(11)	21.38
5% Shareholders		
FMR Corp. 82 Devonshire Street, Boston, MA 02109	1,528,517(12)	11.76
Milton L. Cohen and Norma M. Cohen 133 Everit Avenue, Hewlett Bay Park, NY 11557	1,126,234(13)	8.66
Bruce Cohen 1 Evans Drive, Brookville, NY 11545	757,576(14)	5.83
Schwartz Investment Counsel, Inc. and Schwartz Investment Trust 3707 W. Maple Rd., suite 100 Bloomfield Hills, MI 48301	731,668(15)	5.63
Tracy Wells 30 Wedgewood Drive, Hopkinton, MA 01748	706,465(16)	5.43
Laura Miller 1312 Harbor Road, Hewlett Harbor, NY 11598	695,954(17)	5.35
Jodie Glickman 1233 Beech Street Unit 35 Atlantic Beach, NY 11509	678,651(18)	5.22

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- (*) Calculated on the basis of 13,002,454 shares of common stock outstanding on April 27, 2006, except that shares underlying options exercisable within 60 days are deemed to be outstanding for purposes of calculating the beneficial ownership of securities owned by the holder of such options and by the group.
- (1) The address of such individuals is c/o the Company, One Merrick Avenue, Westbury, NY 11590.
- (2) Based on the Schedule 13G dated January 10, 2006 filed with the SEC reporting beneficial ownership of the Company's securities held by Jeffrey Siegel as of November 23, 2005 and subsequent information provided to the Company, includes: (i) 1,010 shares of Common Stock owned by Mr. Siegel's wife of which Mr. Siegel disclaims beneficial ownership. Does not include: (ii) 718,465 shares owned by eight separate irrevocable trusts for the benefit of Jeffrey Siegel's children, nieces, nephews and grandchildren. Jeffrey Siegel is not a trustee of these trusts and disclaims beneficial ownership of the shares held by the trusts.
- (3) Based on the Schedule 13G dated February 6, 2006 filed with the SEC reporting beneficial ownership of the Company's securities held by Craig Phillips as of November 23, 2005 and subsequent information provided to the Company. Consists of: (i) 748,414 shares owned directly by Craig Phillips, (ii) 28,278 shares held by an irrevocable trust for the benefit of Craig Phillips and (iii) 37,700 shares issuable upon the exercise of options which are exercisable within 60 days.
- (4) Includes 431,000 shares issuable upon the exercise of options which are exercisable within 60 days.
- (5) Consists of: (i) 100 shares owned directly by Evan Miller, (ii) 50,000 shares issuable upon the exercise of options which are exercisable within 60 days and (iii) 39,683 shares held in an irrevocable trust for the benefit of Evan Miller, for which Laura Miller is the sole trustee.
- (6) Consists of: (i) 11,000 shares owned directly by Robert McNally and (ii) 59,420 shares owned jointly by Robert McNally and his wife.
- (7) Consists of shares issuable upon the exercise of options which are exercisable within 60 days.
- (8) Includes 1,000 shares issuable upon the exercise of options which are issuable within 60 days.
- (9) Includes of 6,000 shares issuable upon the exercise of options which are exercisable within 60 days.
- (10) Includes of 5,000 shares issuable upon the exercise of options which are exercisable within 60 days.

- (11) Includes 670,700 shares issuable upon the exercise of stock options that are exercisable within 60 days.
- (12) Based on the Schedule 13G filed with the SEC on February 14, 2006, by Edward C. Johnson III and FMR Corp., as the parent company of Fidelity Management and Research Company (Fidelity). Fidelity is a wholly-owned subsidiary of FMR Corp., a registered investment adviser under the Investment Advisers Act of 1940 and the beneficial owner of 1,464,117 shares of common stock as a result of acting as investment adviser to various investment companies registered under the Investment Company Act of 1940 (the Fidelity Funds). Ownership by one of the Fidelity Funds, Fidelity Small Cap Stock Fund, amounted to 1,050,140 shares of common stock. Each of FMR Corp. and Mr. Johnson, through their respective direct or indirect control of Fidelity, has the sole power to dispose of the 1,464,117 shares. However, neither FMR Corp. nor Mr. Johnson has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds which power resides with the Fidelity Funds boards of trustees. Fidelity Management Trust Company (FMTC), a wholly-owned subsidiary of FMR Corp. and a bank as defined in the Securities Exchange Act of 1934, is the beneficial owner of 64,400 shares of common stock as a result of its serving as investment manager of the institutional accounts. Each of Mr. Johnson and FMR Corp., through their respective direct or indirect control of FMTC, has sole dispositive power over 64,400 shares of common stock owned by the institutional accounts.
- (13) Based on the Schedule 13D filed with the SEC on February 14, 2006 reporting beneficial ownership of the Company s securities held by Milton L. Cohen as of December 31, 2005 and subsequent information provided to the Company. Consists of 1,126,234 shares beneficially owned by Milton L. Cohen. Pursuant to a Durable General Power of Attorney executed by Milton L. Cohen in favor of his wife, Norma M. Cohen, Mrs. Cohen has shared voting and dispositive power over such shares.
- (14) Based on the Schedule 13D filed with the SEC on December 1, 2005 reporting beneficial ownership of the Company s securities held by Bruce Cohen as of November 23, 2005 and subsequent information provided to the Company. Consists of: (i) 263,150 shares of Common Stock held in an irrevocable trust for the benefit of Mr. Cohen, for which Mr. Cohen, Mrs. Glickman and Mrs. Miller are the trustees (the Bruce Cohen Trust), (ii) 19,768 shares of Common Stock owned directly by Mr. Cohen, and (iii) the following shares of Common Stock for which Mr. Cohen disclaims beneficial ownership: (a) 159,759 shares of Common Stock held in two irrevocable trusts for the benefit of Mrs. Glickman, for which Mr. Cohen, Mrs. Glickman and Mrs. Miller are the trustees (the Jodie Glickman Trusts), (b) 158,635 shares of Common Stock held in two irrevocable trusts for the benefit of Mrs. Miller, for which Mr. Cohen, Mrs. Glickman and Mrs. Miller are the trustees (the Laura Miller Trusts), and (c) 156,264 shares of Common Stock held in four irrevocable trusts for the benefit of Mr. Cohen s wife and children, for which Mr. Cohen is the sole trustee (the Cohen Family Trusts).
- (15) Based on the Schedule 13G, dated February 9, 2006, filed with the SEC reporting beneficial ownership of the Company s securities as of December 31, 2005 held by Schwartz Investment Counsel, Inc. (SICI), FEIN 38-2325495 251,668 shares, and Schwartz Investment Trust (SIT), on behalf of its series Funds, Schwartz Value Fund, FEIN 31-6456713 and Ave Maria Catholic Values Fund, FEIN 38-3594145 480,000 shares.

- (16) Based on the Schedule 13G, dated February 2, 2006, filed with the SEC reporting beneficial ownership of the Company's securities held by Tracy Wells as of November 23, 2005 and subsequent information provided to the Company. Consists of: (i) 225,111 shares held in an irrevocable trust for the benefit of Tracy Wells and (ii) the following shares, for which Tracy Wells disclaims beneficial ownership: (a) 235,111 shares held in an irrevocable trust for the benefit of Daniel Siegel, for which Tracy Wells and Daniel Siegel are co-trustees, (b) 235,111 shares held in an irrevocable trust for the benefit of Clifford Siegel, for which Tracy Wells and Clifford Siegel are co-trustees, and (c) 11,132 shares held in an irrevocable trust for the benefit of Ms. Sarah Francis Young, for which Tracy Wells is the sole trustee.
- (17) Based on the Schedule 13D filed with the SEC on December 1, 2005 reporting beneficial ownership of the Company's securities held by Laura Miller as of November 23, 2005 and subsequent information provided to the Company. Consists of: (i) 158,635 shares of Common Stock held in the Laura Miller Trusts, and (ii) the following shares of Common Stock for which Mrs. Miller disclaims beneficial ownership: (a) 263,150 shares of Common Stock held in the Bruce Cohen Trust, (b) 159,759 shares of Common Stock held in the Jodie Glickman Trusts, and (c) 114,410 shares of Common Stock held in four irrevocable trusts for the benefit of Mrs. Miller's husband and children, for which Mrs. Miller is the sole trustee (the Miller Family Trusts). Excludes 50,000 shares of Common Stock issuable to Evan Miller upon the exercise of options which are exercisable within 60 days and 100 shares of Common Stock owned directly by Evan Miller.
- (18) Based on the Schedule 13D filed with the SEC on December 1, 2005 reporting beneficial ownership of the Company's securities held by Jodie Glickman as of November 23, 2005 and subsequent information provided to the Company. Consist of (i) 159,759 shares of Common Stock held in the Jodie Glickman Trusts, (ii) 29,844 shares of Common Stock owned directly by Mrs. Glickman, and (iii) the following shares of Common Stock for which Mrs. Glickman disclaims beneficial ownership: (a) 263,150 shares of Common Stock held in the Bruce Cohen Trust, (b) 158,635 shares of Common Stock held in the Laura Miller Trusts, and (c) 67,263 shares of Common Stock held in four irrevocable trusts for the benefit of Mrs. Glickman's husband, children and grandchild, for which Mrs. Glickman is the sole trustee.
- () Less than 1% of outstanding shares.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

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A board of eight directors is to be elected at the Meeting to hold office until the next Annual Meeting of Stockholders, or until their successors are duly elected and qualified. The following nominees have been recommended by the Board of Directors. Each of the nominees are current Directors of the Company. It is the intention of the persons named in the enclosed proxy to vote the shares covered thereby for the election of the eight persons named below, unless the proxy contains contrary instructions:

Name	Age	Position	Director of the Company or Its Predecessor Since
Jeffrey Siegel	64	Chairman of the Board of Directors, Chief Executive Officer, and President	1967
Ronald Shiftan	61	Vice Chairman, Chief Operating Officer and Director	