Myers Larry W
Form 4
June 12, 2018

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Myers Larry W

(Last) (First) (Middle)

501 E. LEWIS & CLARK PARKWAY

(Street)

CLARKSVILLE, IN 47129

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
First Savings Financial Group Inc [FSFG]

3. Date of Earliest Transaction (Month/Day/Year)
06/11/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/11/2018		W	V	6,000	A	$ 0	21,376 (1)	D	
Common Stock								60,281	I	By 401(k)
Common Stock								9,980	I	By ESOP
Common Stock								26,350	I	By Spouse's IRA

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Options	$ 13.25							05/18/2011	05/18/2020	Common Stock	15,735 (2)
Non-Statutory Stock Options	$ 13.25							05/18/2011	05/18/2020	Common Stock	393 (2)
Stock Options	$ 40.09							11/21/2017	11/21/2026	Common Stock	11,100 (3)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Myers Larry W 501 E. LEWIS & CLARK PARKWAY CLARKSVILLE, IN 47129	X		President & CEO	

Signatures

/s/ Larry W. Myers	06/12/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Includes shares of restricted stock which vest at a rate of 20% commencing on November 21, 2017.

(2) Options are fully vested.

(3) Stock options vest at a rate of 20% per year commencing on November 21, 2017.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Jack Friedman

2006

1,040,000

250,000

1,884,600

—

—

—

28,000

3,202,000

Chairman and Chief Executive Officer

Stephen G. Berman

2006

1,040,000

250,000

1,884,600

—

—

—

25,500

3,199,500

Chief Operating Officer, President and Secretary

Joel M. Bennett

2006
360,000
300,000
—
—
—
—
14,700
674,700

Executive Vice President and Chief Financial Officer

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(1) Pursuant to the 2002 Plan, on January 1, 2006, 120,000 shares of restricted stock were granted to the Named Officer, of which 50% vest on January 1, 2007 and 50% vest on January 1, 2008, subject to acceleration. Based on the Company's 2006 financial performance, the vesting of 30,000 of the January 1, 2008 vesting shares were accelerated. The amount in this column reflects the expense recorded in the Company's 2006 financial statements and was calculated as the product of (a) 90,000 shares of restricted stock multiplied by (b) $20.94, the last sales price of our common stock, as reported by Nasdaq on January 1, 2006, the date the shares were granted, reflecting the 60,000 shares vested on January 1, 2007 and 30,000 of the remaining 60,000 shares whose vesting accelerated based on the Company's 2006 financial performance. See " - Critical accounting Policies."

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(2) Represents automobile allowances paid in the amount of $18,000, $18,000 and $7,200, respectively, to Messrs. Friedman, Berman and Bennett and matching contributions made by us to the Named Officer's 401(k) defined contribution plan in the amount of $10,000, $7,500 and $7,500, respectively, for Messrs. Friedman, Berman and Bennett. See " - Employee Pension Plan."

The following table sets forth certain information regarding the annual bonus performance structure for our fiscal year ended December 31, 2006 for the Named Officers:

Grants of Plan-Based Awards

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Closing Price of Stock on Grant Date	Grant Date Fair Value Of Stock and Option Awards
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**(#)**	**(#)**	**($/Sh)**	**($)**	**($) (1)**
Jack Friedman	1/1/06	—	—	—	—	—	—	120,000	—	—	20.94	2,512,800
Stephen G. Berman	1/1/06	—	—	—	—	—	—	120,000	—	—	20.94	2,512,800
Jack Friedman (2)	—	832,000	1,040,000	3,120,000	—	—	—	—	—	—	—	—
Stephen G. Berman (2)	—	832,000	1,040,000	3,120,000	—	—	—	—	—	—	—	—

(1) The product of (x) $20.94 (the closing sale price of the common stock on December 30, 2005) multiplied by (y) the number of restricted shares granted on January 1, 2006.

(2) As previously discussed, the minimum threshold was not met and none of these payments were made.

The following table sets forth certain information regarding all equity-based compensation awards outstanding as of December 31, 2006 by the Named Officers:

Outstanding Equity Awards At Fiscal Year-End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Equity Incentive Plan Awards: Number of Securities**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock that Have**	**Market Value of Shares or Units of Stock that Have**	**Equity Incentive Plan Awards: Number of Unearned Shares,**	**Equity Incentive Plan Awards: Market or Payout**

			Underlying Unexercised Unearned Options (#)			**Not Vested (#)**	**Not Vested ($) (1)**	**Units or Other Rights that Have Not Vested (#)**	**Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Jack Friedman	175,000	—	—	16.25	7/11/07	120,000	2,620,800	—	—
Stephen G. Berman	175,000	—	—	16.25	7/11/07	120,000	2,620,800	—	—
Joel M. Bennett	20,000	—	—	16.25	7/11/07	—	—	—	—

(1) The product of (x) $21.84 (the closing sale price of the common stock on December 29, 2006) multiplied by (y) the number of unvested restricted shares outstanding.

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The following table sets forth certain information regarding amount realized upon the vesting and exercise of any equity-based compensation awards during 2006 by the Named Officers:

Options Exercises And Stock Vested

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($) (1)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($) (2)**
Jack Friedman	18,955	277,406	120,000	2,702,400
Stephen G. Berman	18,955	277,406	120,000	2,702,400
Joel M. Bennett	64,870	969,482	—	—

(1) Represents the product of (x) the difference between the closing sale price of the common stock on the date of exercise less the exercise price, multiplied by (y) the number of shares acquired on exercise.

(2) Represents the product of (x) the closing sale price of the common stock on the date of vesting multiplied by (y) the number of restricted shares vested.

Potential Payments upon Termination or Change in Control

The following tables describe potential payments and other benefits that would have been received by each Named Officer at, following or in connection with any termination, including, without limitation, resignation, severance, retirement or a constructive termination of such Named Officer, or a change in control of our Company or a change in such Named Officer's responsibilities. The potential payments listed below assume that there is no earned but unpaid base salary at December 31, 2006. Under our vacation policy, the Named Officers would not receive payment for 2007 vacation unless they were employed at January 1, 2007. Any vested stock options held by the Named Officers at December 31, 2006 were then fully vested and exercisable. Accordingly, no value for stock options is included in the tables below.

Jack Friedman	**Upon Retirement**	**Quits For "Good Reason" (3)**	**Upon Death**	**Upon "Disability" (4)**	**Termination Without "Cause"**	**Termination For "Cause" (5)**	**Involuntary Termination In Connection with Change of Control(6)**
Base Salary	$ -	$ 520,000	$ -	$ 731,250	$ 520,000	$ -	$ 3,109,600(7)
Retirement Benefit (1)	-	-	-	-	-	-	-
Restricted Stock - Performance-Based	-	-	-	-	-	-	2,620,800(8)
Annual Cash Incentive Award (2)	-	-	-	-	-	-	-

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Stephen G. Berman	Upon Retirement	Quits For "Good Reason" (3)	Upon Death	Upon "Disability" (4)	Termination Without Cause	Termination For "Cause" (5)	Involuntary Termination In Connection with Change of Control(6)
Base Salary	$ -	$ 520,000	$ -	$ -	$ 520,000	$ -	$ 3,109,600(7)
Restricted Stock - Performance-Based	-	-	-	-	-	-	2,620,800(8)
Annual Cash Incentive Award (2)	-	-	-	-	-	-	-

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(1) Mr. Friedman's employment agreement with us (see " - Employment Agreements") provides that if he retires and is at least 67 years old, then he is entitled to be paid an annual retirement benefit of $975,000 (the "Retirement Benefit") during the 10-year period following his retirement; provided, however, that Mr. Friedman must agree to serve as our non-executive Chairman Emeritus for so long as may be requested by the Board of Directors; and provided further, however, that if Mr. Friedman dies before the payment of his entire Retirement Benefit, the remaining Retirement Benefit will be reduced such that his designated beneficiary or estate, as the case may be, will receive in a lump sum the positive difference, if any, between $2,925,000 and any Retirement Benefit already paid to him. Mr. Friedman was not yet 67 years of age at December 31, 2006.

(2) Assumes that if the Named Officer is terminated on December 31, 2006, they were employed through the end of the incentive period.

(3) Defined as (i) our violation or failure to perform or satisfy any material covenant, condition or obligation required to be performed or satisfied by us, or (ii) the material change in the nature or scope of the duties, obligations, rights or powers of the Named Officer's employment resulting from any action or failure to act by us.

(4) Defined as a Named Officer's inability to perform his duties by reason of any disability or incapacity (due to any physical or mental injury, illness or defect) for an aggregate of 180 days in any consecutive 12-month period.

(5) Defined as (i) the Named Officer's conviction of, or entering a plea of guilty or nolo contendere (which plea is not withdrawn prior to its approval by the court) to, a felony offense and either the Named Officer's failure to perfect an appeal of such conviction prior to the expiration of the maximum period of time within which, under applicable law or rules of court, such appeal may be perfected or, if he does perfect such an appeal, the sustaining of his conviction of a felony offense on appeal; or (ii) the determination by our Board of Directors, after due inquiry, based on convincing evidence, that the Named Officer has:

(A) committed fraud against, or embezzled or misappropriated funds or other assets of, our Company;

(B) violated, or caused us or any of our officers, employees or other agents, or any other individual or entity to violate, any material law, rule, regulation or ordinance, or any material written policy, rule or directive of our Company or our Board of Directors;

(C) willfully, or because of gross or persistent inaction, failed properly to perform his duties or acted in a manner detrimental to, or adverse to our interests; or

(D) violated, or failed to perform or satisfy any material covenant, condition or obligation required to be performed or satisfied by him under his employment agreement with us;

and that, in the case of any violation or failure referred to in clause (B), (C) or (D), above, such violation or failure has caused, or is reasonably likely to cause, us to suffer or incur a substantial casualty, loss, penalty, expense or other liability or cost.

(6) Section 280G of the Code disallows a company's tax deduction for what are defined as "excess parachute payments" and Section 4999 of the Code imposes a 20% excise tax on any person who receives excess parachute payments. As discussed above, Messrs. Friedman and Berman are entitled to certain payments upon termination of their employment, including termination following a change in control of our Company. Under the terms of their respective employment agreements (see " - Employment Agreements"), neither Mr. Friedman nor Mr. Berman are entitled to any payments that would be an excess parachute payment, and such payments are to be reduced by the least amount necessary to avoid the excise tax. Accordingly, our tax deduction would not be disallowed under Section 280G of the Code, and no excise tax would be imposed under Section 4999 of the Code.

(7) Under the terms of Messrs. Friedman's and Berman's respective employment agreements (see " - Employment Agreements"), if a change of control occurs, then they each have the right to terminate their employment and receive a payment equal to 2.99 times their then current annual salary (which was $1,040,000 in 2006).

(8) Each of Messrs. Friedman and Berman were granted and are scheduled to be granted restricted stock of our Company in accordance with the terms of their respective employment agreements (see " - Employment Agreements"). Pursuant to the terms of those employment agreements, vesting accelerates for performance-based restricted stock upon a change in control, whether or not the relevant performance targets are met. Furthermore, under our Third Amended and Restated 1995 Stock Option Plan and 2002 Stock Award and Incentive Plan, in the event of a change in control, stock options granted under those plans become immediately exercisable in full and under our 2002 Stock Award and Incentive Plan, shares of restricted stock granted under that plan are immediately vested. The stock price used to calculate values in the above tables is $21.84 per share, the closing price on the last trading day of 2006.

Compensation of Directors

For 2006, each of our non-employee directors received (i) a cash stipend of $30,000 (which amount will be increased to $45,000 beginning on January 1, 2008) for serving on the Board, (ii) $1,000 for each board or committee meeting attended (whether in person or by telephone), and (iii) a grant of restricted shares of our common stock valued at $121,000 (which amount will be increased to $125,000 beginning on January 1, 2008) using a per share value equal to the average closing price of our common stock for the last ten trading days of December in the year preceding the grant date. Directors are also reimbursed for reasonable expenses incurred in attending meetings. The Chairman of the Audit Committee receives a cash stipend of $25,000 for serving in such capacity and the Chairmen of the Compensation Committee and the Nominating and Corporate Governance Committee each receive cash stipends of $10,000 for serving in such capacities.

Newly-elected non-employee directors will receive a portion of the foregoing annual consideration, pro rated according to the portion of the year in which they serve in such capacity.

The following table sets forth the compensation we paid to our non-employee directors for our fiscal year ended December 31, 2006:

Director Compensation

Name	Year	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Dan Almagor	2006	66,000	120,028	—	—	—	—	186,028
David Blatte	2006	76,000	120,028	—	—	—	—	196,028
Robert Glick	2006	65,000	120,028	—	—	—	—	185,028
Michael Miller	2006	51,000	120,028	—	—	—	—	171,028
Murray Skala	2006	36,000	120,028	—	—	—	—	156,028

(1) Represents the product of (a) 5,732 shares of restricted stock multiplied by (b) $20.94, the last sales price of our common stock, as reported by Nasdaq on January 1, 2006, the date the shares were granted, all of which shares vested on January 1, 2007.

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Employment Agreements and Termination of Employment Arrangements

In March 2003 we amended and restated our employment agreements with each of the Named Officers.

Mr. Friedman's amended and restated employment agreement, pursuant to which he serves as our Chairman and Chief Executive Officer, provides for an annual base salary in 2007 of $1,065,000. Mr. Friedman's agreement expires December 31, 2010. His base salary is subject to annual increases determined by our Board of Directors, but in an amount not less than $25,000 per annum. For each fiscal year between 2007 through 2010, Mr. Friedman's bonus will depend on our achieving certain earnings per share growth targets, with such earnings per share growth targets to be determined annually by the Compensation Committee of our Board of Directors. Depending on the levels of earnings per share growth that we achieve in each fiscal year, Mr. Friedman will receive an annual bonus from 0% to up to 200% of his base salary. This bonus will be paid in accordance with the terms and conditions of our 2002 Stock Award and Incentive Plan. In addition, in consideration for modifying and replacing the pre-tax income formula provided in his prior employment agreement for determining his annual bonus, and for entering into the amended employment agreement, Mr. Friedman was granted the right to be issued an aggregate of 1,080,000 shares of restricted stock. The first tranche of restricted stock, totaling 240,000 shares, was granted at the time the agreement became effective, and 120,000 shares were granted on each of January 1, 2004, 2005, 2006 and 2007 (or 480,000 shares in the aggregate). In each subsequent year of the employment agreement term, Mr. Friedman will receive 120,000 shares of restricted stock. The grant of these shares is in accordance with our 2002 Stock Award and Incentive Plan, and the vesting of each tranche of restricted stock is subject to our achieving pre-tax income in excess of $2,000,000 in the fiscal year that the grant is made. Each tranche of restricted stock granted or to be granted from January 1, 2004 through January 1, 2008 is subject to a two-year vesting period, which may be accelerated to one year if we achieve certain earnings per share growth targets. Each tranche of restricted stock to be granted thereafter through January 1, 2010, is subject to a one-year vesting period. Finally, the agreement provides that Mr. Friedman upon his retirement at or after age 67 will receive a single-life annuity retirement payment equal to $975,000 a year for a period of 10 years, or in the event of his death during such retirement period, his estate will receive a death benefit equal to the difference between $2,925,000 and any prior retirement benefits previously paid to him; provided, however, that Mr. Friedman must agree to serve as Chairman Emeritus of our Board of Directors, if requested to do so by such Board.

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Mr. Berman's amended and restated employment agreement, pursuant to which he serves as our President and Chief Operating Officer, provides for an annual base salary in 2007 of $1,065,000. Mr. Berman's agreement expires December 31, 2010. His base salary is subject to annual increases determined by our Board of Directors, but in an amount not less than $25,000 per annum. For our fiscal year ended December 31, 2006, Mr. Berman received a bonus of $250,000. For each fiscal year between 2007 through 2010, Mr. Berman's bonus will depend on our achieving certain earnings per share growth targets, with such earnings per share growth targets to be determined annually by the Compensation Committee of our Board of Directors. Depending on the levels of earnings per share growth that we achieve in each fiscal year, Mr. Berman will receive an annual bonus of from 0% to up to 200% of his base salary. This bonus will be paid in accordance with the terms and conditions of our 2002 Stock Award and Incentive Plan. In addition, in consideration for modifying and replacing the pre-tax income formula provided in his prior employment agreement for determining his annual bonus, and for entering into the amended employment agreement, Mr. Berman was granted the right to be issued an aggregate of 1,080,000 shares of restricted stock. The first tranche of restricted stock, totaling 240,000 shares, was granted at the time the agreement became effective, and 120,000 shares were granted on each of January 1, 2004, 2005, 2006 and 2007 (or 480,000 shares in the aggregate). In each subsequent year of the employment agreement term, Mr. Berman will receive 120,000 shares of restricted stock. The grant of these shares is in accordance with our 2002 Stock Award and Incentive Plan, and the vesting of each tranche of restricted stock is subject to our achieving pre-tax income in excess of $2,000,000 in the fiscal year that the grant is made. Each tranche of restricted stock granted or to be granted from January 1, 2004 through January 1, 2008 is subject to a two-year vesting period, which may be accelerated to one year if we achieve certain earnings per share growth targets. Each tranche of restricted stock to be granted thereafter through January 1, 2010, is subject to a one-year vesting period.

Mr. Bennett's amended and restated employment agreement, pursuant to which Mr. Bennett serves as our Executive Vice President and Chief Financial Officer, expired December 31, 2006. On February 12, 2007, the Board of Directors directed management to enter into a three year employment agreement with Mr. Bennett, pursuant to which he will receive (i) a base salary of $400,000 per year; (ii) an annual discretionary bonus of up to 50% of his annual base salary, based on performance; (iii) a $1,000 per month car allowance; and (iv) a one-time grant of 15,000 shares of restricted stock, vesting over four years in equal annual installments of 3,750 shares each commencing on the first anniversary of the grant provided he remains employed by us on each anniversary date. Such employment agreement has not yet been finalized.

If we terminate Mr. Friedman's or Mr. Berman's employment other than "for cause" or if such Named Officer resigns because of our material breach of the employment agreement or because we cause a material change in his employment, we are required to make a lump-sum severance payment in an amount equal to his base salary and bonus during the balance of the term of the employment agreement, based on his then applicable annual base salary and bonus. In the event of the termination of his employment under certain circumstances after a "Change of Control" (as defined in each employment agreement), we are required to make a one-time payment of an amount equal to 2.99 times of the "base amount" of such Named Officer determined in accordance with the applicable provisions of the Internal Revenue Code.

The foregoing is only a summary of the material terms of our employment agreements with the Named Officers. For a complete description, copies of such agreements are annexed herein in their entirety as exhibits or are otherwise incorporated herein by reference.

Employee Pension Plan

We sponsor for our U.S. employees (including the Named Officers), a defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan provides that employees may defer up to 50% of their annual compensation subject to annual dollar limitations, and that we will make a matching contribution equal to 100% of each employee's deferral, up to 5% of the employee's annual compensation. Our matching contributions, which vest immediately, totaled $0.4 million, $0.5 million and $0.7 million for 2004, 2005 and 2006, respectively.

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Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a director or member of a compensation committee (or other board committee performing equivalent functions) of any other entity, one of whose executive officers served as a director or a member of our Compensation Committee.

REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS

The Audit Committee has (i) reviewed and discussed with management our Company's audited financial statements for 2006; (ii) discussed with BDO Seidman, LLP, our Company's independent auditors for 2006, the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications with Audit Committees*; (iii) received the written disclosures and the letter from the independent auditors as required by Independent Standards Board Standard No. 1, *Independence Discussions with Audit Committees*; (iv) considered whether the non-audit services provided by the independent auditors, if any, are compatible with maintaining the auditor's independence; and (v) discussed with the auditors the auditors' independence. The Audit Committee further approves our Company's engagement of independent auditors prior to the rendering by such auditors of any audit or non-audit services.

Based on the review and discussions outlined above, the Audit Committee recommended to the Board of Directors that the audited financial statements for 2006 be included in our Company's Annual Report on Form 10-K for such fiscal year.

Audit Committee

David C. Blatte, *Chairman*
Robert E. Glick
Michael G. Miller

RATIFICATION OF THE APPOINTMENT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(Proposal No. 2)

Upon the recommendation of our Audit Committee, our Board of Directors has appointed the firm of BDO Seidman, LLP as our principal independent auditors for the fiscal year ending December 31, 2007, subject to ratification by the stockholders. BDO Seidman, LLP replaced PKF, Certified Public Accountants, A Professional Corporation ("PKF"), as our independent auditors in June 2006. PKF had served as our independent auditors since our inception in 1995.

If the appointment of BDO Seidman, LLP is not ratified or if it declines to act or their engagement is otherwise discontinued, the Board of Directors will appoint other independent auditors. Representatives of BDO Seidman, LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement at the Annual Meeting, if they so desire, and will be available to respond to appropriate questions from stockholders.

Fees

Before our principal accountant is engaged by us to render audit or non-audit services, where required by the rules and regulations promulgated by the Securities and Exchange Commission and/or Nasdaq, such engagement is approved by the Audit Committee.

The following are the fees of BDO Seidman, LLP, our principal auditor since June 28, 2006, for services rendered in connection with the 2006 audit (all of which have been pre-approved by the Audit Committee):

		2006
Audit Fees	$	631,700
Audit Related Fees	$	—
Tax Fees	$	—
All Other Fees	$	—

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The following are the fees billed us by PKF, Certified Public Accountants, A Professional Corporation, our auditor from inception through and including March 31, 2006, for services rendered thereby during 2006 and 2005 (all of which have been pre-approved by the Audit Committee):

		2005		2006
Audit Fees	$	731,579	$	69,257
Audit Related Fees	$	36,249	$	—
Tax Fees	$	53,436	$	—
All Other Fees	$	12,180	$	30,988

Audit Fees consist of the aggregate fees for professional services rendered for the audit of our annual financial statements and the reviews of the financial statements included in our Forms 10-Q and for any other services that were normally provided by our auditors in connection with our statutory and regulatory filings or engagements.

Audit Related Fees consist of the aggregate fees billed for professional services rendered for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and were not otherwise included in Audit Fees.

Tax Fees consist of the aggregate fees billed for professional services rendered for tax consulting. Included in such Tax Fees were fees for consultancy, review, and advice related to our income tax provision and the appropriate presentation on our financial statements of the income tax related accounts.

All Other Fees consist of the aggregate fees billed for products and services provided by our auditors and not otherwise included in Audit Fees, Audit Related Fees or Tax Fees. Included in such Other Fees were fees for services rendered by the auditors in connection with our private and public offerings conducted during such periods, as well as reviews related to our acquisition efforts.

Our Audit Committee has considered whether the provision of the non-audit services described above is compatible with maintaining our auditors' independence and determined that such services are appropriate.

Retention of New Independent Auditors

On June 29, 2006, we announced in a Current Report on Form 8-K (as amended on July 6, 2006 on Form 8-K/A) that, on June 28, 2006, we had dismissed PKF as our independent auditors and replaced them on June 29, 2006 with BDO Seidman, LLP. We further announced as follows:

1. The reports of PKF on our consolidated financial statements as of and for the years ended December 31, 2005 and 2004 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

2. Our Audit Committee participated in and approved the decision to change independent registered public accounting firms.

3. During the years ended December 31, 2005 and 2004 and through June 28, 2006, there had been no disagreements with PKF on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements if not resolved to the satisfaction of PKF would have caused it to make reference thereto in connection with its report on the financial statements for such years.

4. During the years ended December 31, 2005 and 2004 and through June 28, 2006, there had been no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

5. During the two most recent fiscal years and through June 29, 2006, we had not consulted with BDO Seidman, LLP regarding any of the following:

(i) The application of accounting principles to a specific transaction, either completed or proposed;

(ii) The type of audit opinion that might be rendered on our consolidated financial statements, and none of the following was provided to us: (a) a written report, or (b) oral advice that BDO Seidman, LLP concluded was an important factor considered by us in reaching a decision as to an accounting, auditing or financial reporting issue;

(iii) Any matter that was the subject of a disagreement, as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K; or

(iv) Any matter that was a reportable event, as that item is defined in Item 304(a)(1)(v) of Regulation S-K.

We had further included as an exhibit to the Current Report on Form 8-K and to the Amendment No. 1 on Form 8-K/A, a letter from PKF addressed to the Securities and Exchange Commission that it agreed with the statements concerning it in such Forms 8-K and 8-K/A.

BOARD RECOMMENDATION

The Board of Directors believes that the approval of the foregoing two proposals is in the best interests of our Company and its stockholders and, therefore, recommends that the stockholders vote FOR such proposals.

STOCKHOLDERS PROPOSALS FOR 2008 ANNUAL MEETING

We must receive a stockholder proposal (and any supporting statement) to be considered for inclusion in our proxy statement and proxy for our annual meeting in 2008 at our principal executive offices on or before March 13, 2008. Any other proposal that a stockholder intends to present at that meeting may be deemed untimely unless we have received written notice of such proposal on or before May 27, 2008. Stockholders should send proposals and notices addressed to JAKKS Pacific, Inc., 22619 Pacific Coast Highway, Malibu, California 90265, Attention: Stephen G. Berman, Secretary.

OTHER MATTERS

We have not received any other proposal or notice of any stockholder’s intention to present any proposal at our annual meeting, and we are not aware of any matter, other than those discussed above in this Proxy Statement, to be presented at the meeting. If any other matter is properly brought before the annual meeting, the persons named in the attached proxy intend to vote on such matter as directed by our Board of Directors.

We will bear all costs of solicitation of proxies. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, telegraph, facsimile, mail and personal interviews, and we reserve the right to compensate outside agencies for the purpose of soliciting proxies. We will request brokers, custodians and fiduciaries to forward proxy soliciting material to the owners of shares held in their names and we will reimburse them for out-of-pocket expenses incurred on our behalf.

We will provide, without charge, upon the written request of any person from whom proxies for this meeting were solicited, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006,

including the financial statements and financial statement schedules. Anyone requesting such document shall submit the request in writing to: JAKKS Pacific, Inc., 22619 Pacific Coast Highway, Malibu, CA 90265, Attn.: Joel Bennett, Chief Financial Officer.

By Order of the Board of Directors,

/s/ Stephen G. Berman
Stephen G. Berman, *Secretary*

July 11, 2007

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THE BOARD OF DIRECTORS HOPES THAT STOCKHOLDERS WILL ATTEND THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE. STOCKHOLDERS WHO ATTEND THE ANNUAL MEETING MAY VOTE THEIR SHARES PERSONALLY, EVEN THOUGH THEY HAVE SENT IN THEIR PROXIES.

Charter of the
Compensation Committee
of the Board of Directors
of JAKKS Pacific, Inc.

Adopted: September 9, 2005

The Board of Directors of JAKKS Pacific, Inc. (the “Corporation”; “Company” refers to the Corporation and its consolidated subsidiaries) has adopted this charter for its Compensation Committee (the “Committee”). This charter is intended to supplement the provisions in the Corporation’s By-laws pertaining to the Committee.

<u>Composition</u>

Number and Qualifications. The Committee shall have at least two members. Each Director who serves on the Committee must be affirmatively determined by the Corporation’s Board of Directors to meet the requirements established by the Corporation’s By-laws, as well as Nasdaq (or the market upon which the Corporation’s securities are then traded), to be considered an “independent” member of the Board. In addition, the Committee members shall also satisfy the relevant requirements established pursuant to regulations under Section 16(b) of the Securities and Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code of 1986.

Appointment. The Board of Directors shall elect the chairman and other members of the Committee on an annual basis, generally at the first meeting of the Board of Directors following the Corporation’s annual stockholders meeting.

Removal. The Board of Directors may, pursuant to the By-laws, remove a member of the Committee, or replace the chairman, provided that the Board must, at all times, assure that the Committee will have a chairman and sufficient members to satisfy the requirements set forth above relating to the number and qualifications of Committee members.

<u>Purpose and Responsibilities</u>

Consistent with the Corporation’s By-laws, the Committee shall have the following purpose and responsibilities:

Compensation of Executives and Other Employees and Non-Employee Directors

- **General Policy & Annual Review**. The Committee shall be responsible for setting the Corporation’s general policy, in consultation with management, regarding compensation and for reviewing, no less than annually, the compensation provided to the Corporation’s Chief Executive Officer and such other senior executives and other employees of the Company as the Committee or the Board of Directors may, from time to time, determine should be subject to the Committee’s direct purview. The Committee shall also be responsible for establishing and reviewing the compensation and benefits given to the Corporation’s non-employee directors.

- **Responsibility for Determining Compensation**. The Committee shall be responsible for determining the compensation (including salary, bonus, equity-based grants, and any other long-term cash or equity-based compensation) for the Corporation’s Chief Executive Officer and for other senior executives or employees as are subject to the Committee’s direct purview (subject to the terms of any existing employment or other existing compensation agreements between the Corporation and any such executive) and the Corporation’s non-employee directors.

· **Process for Determining Compensation**. In determining compensation for the CEO and such other senior executives and employees, the Committee shall consider, among other factors: the Company's overall performance, shareholder return, the achievement of specific performance objectives that the Committee shall establish on an annual basis, compensation previously provided to such executives and other employees, and the value of compensation provided to individuals in similar positions at comparable companies. The Committee may also consult with other Directors and management as it sees fit.

· **Compensation Disclosure**. The Committee may exercise oversight of the Corporation's disclosures regarding executive and employee and non-employee director compensation, including approving a report on executive compensation to be included in the Corporation's annual proxy statement.

· **Benefits**. The Committee shall review at least annually the benefits provided to the CEO and such other senior executives and employees (other than salary, bonus, equity-based grants, and any other long-term cash or equity-based compensation considered by the Committee in determining compensation to such officers, as provided above).

Other Compensation and Benefit Matters

· **General Oversight**. The Committee shall generally oversee the Company's overall compensation structure and benefit plans. The Committee shall also, as it deems appropriate, review and recommend compensation and benefit plans for Board approval.

· **Incentive Compensation**. The Committee shall administer the Corporation's executive bonus and equity-based incentive plans to the extent delegated by the Board or as provided in such plans.

· **Regulatory Oversight**. The Committee shall have the authority to oversee the Company's response to the enactment of any Federal or state statutes, laws, rules, regulations or other governmental or administrative acts affecting compensation.

<u>Committee Operations</u>

Meeting Schedule. The Committee shall approve its schedule of meetings and shall meet at least one time per fiscal year. The Committee may also hold additional meetings at the direction of the Committee Chairman or at the request of any other Committee member. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent.

Attendance at Meetings. Members of management shall be invited to attend the meeting at the discretion of the Committee Chairman. All outside Directors who are not Committee members may, at their discretion, attend Committee meetings, provided that: (i) the Committee shall meet without such other Directors during executive session, (ii) the Committee Chairman may ask non-Committee members to leave the meeting at any time, and (iii) such non-Committee members may not vote on any actions considered by the Committee.

Executive Sessions. The Committee shall hold an executive session at each regularly scheduled meeting. During at least some portion of each executive session, no non-Committee member or member of management shall be present.

Voting. A majority of the Committee members shall constitute a quorum. Each Committee member shall have one vote and actions at meetings may be approved by a majority of the members present.

Delegation. Except as otherwise prohibited, the Committee may delegate its responsibilities to subcommittees or individuals.

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Explanation of Responses:

Committee Resources

To assist the Committee in fulfilling its responsibilities, (i) each Committee member shall have full access to any member of management and (ii) the Committee may retain independent consultants, counsel, and other advisors. The Committee will have sole authority and responsibility for hiring, approving the fees and retention terms for, and terminating the services of, such advisors. The Corporation will bear the expense of such advisors.

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Explanation of Responses:

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