

EDCI HOLDINGS, INC.
Form DEF 14A
May 03, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

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 under Rule 14a-12

EDCI Holdings, Inc.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

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INCORPORATION BY
REFERENCE
HOUSEHOLDING

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EDCI Holdings, Inc.
11 East 44th Street, Suite 1201
New York, New York 10018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON June 15 2010

The 2010 Annual Meeting of the Stockholders of EDCI Holdings, Inc., a Delaware corporation (the “Company” or “EDCI”), will be held at the Westin Atlanta Airport, Atlanta I Room, 4736 Best Road, Atlanta, GA 30337 on June 15, 2010 at 9:00 a.m. local time for the following purposes:

- To elect one Class II Director,
- To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm to audit the financial statements of the Company,
- To consider a stockholder proposal, if properly presented at the Annual Meeting, which our Board of Directors unanimously opposes, to require the Company to hire an independent contractor to represent the interests of certain third parties.
- To transact any other business that may properly come before the 2010 Annual Meeting and any adjournment(s) or postponement(s) thereof.

The close of business on April 20, 2010 has been fixed as the record date for determination of stockholders entitled to notice of and to vote at the 2010 Annual Meeting and any adjournment(s) or postponement(s) thereof. The Company is pleased to take advantage of SEC rules that allow the Company to furnish proxy materials to stockholders via the Internet. In this regard, a Proxy Statement, a form of proxy and the Company’s 2009 Annual Report are currently available on our website, without charge, at <http://www.edcih.com>.

You may vote your shares in person at the 2010 Annual Meeting, via the Internet, by telephone or by mail. Please refer to the section “How do I vote?” for detailed voting instructions. If you choose to vote in person at the Annual Meeting, via the Internet or by telephone, you do not need to mail in a proxy card. A list of stockholders entitled to vote at the 2010 Annual Meeting will be open to the examination of any stockholder for any purpose relevant to the 2010 Annual Meeting, during ordinary business hours, for a period of 10 days prior to the 2010 Annual Meeting at the Company’s offices located at 11 East 44th Street, Suite 1201, New York, New York and will be available at the meeting for such purpose.

Stockholders are cordially invited to attend this meeting. Each stockholder, whether or not he or she expects to be present in person at the 2010 Annual Meeting, is requested to VOTE, AS PROMPTLY AS POSSIBLE, VIA THE TOLL-FREE TELEPHONE NUMBER OR OVER THE INTERNET as described in the following materials. If you received a proxy card by mail, you also may SIGN, DATE and RETURN THE PROXY CARD in the envelope that was provided to you.

BY ORDER OF THE BOARD OF DIRECTORS

Clarke H. Bailey
Chairman and Chief Executive Officer

May 3, 2010

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON June 15, 2010

EDCI's Proxy Statement, form of proxy, and 2009 Annual Report on Form 10-K are currently available on the Company's website at <http://edcih.com> under the heading "Investor Center." The Company's website does not have "cookies" which identify visitors to the site. The Notice of Internet Availability of Proxy Materials was first mailed to stockholders on or about May 3, 2010. The cost of solicitation of proxies will be borne by EDCI.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the 2010 Annual Meeting, you should read the Proxy Statement carefully and vote your shares, as promptly as possible, via the Internet or by telephone, or, if you received a proxy card by mail, by completing, signing, and dating the proxy card and returning it in the postage prepaid envelope which was provided to you. Please note, however, that if your shares are held of record by a broker, bank, or other nominee and you wish to vote at the meeting, you must obtain from the record holder a proxy issued in your name and bring an account statement or letter from the nominee indicating your beneficial ownership as of the record date.

EDCI HOLDINGS, INC.
PROXY STATEMENT

2010 ANNUAL MEETING

Why did I receive a Notice regarding the availability of Proxy Materials?

In accordance with Securities and Exchange Commission (“SEC”) rules, instead of mailing a printed copy of our proxy materials, we may send a Notice of Internet Availability of Proxy Materials (the “Notice”) to stockholders. All stockholders will have the ability to access the proxy materials on a website referred to in the Notice or to request a printed set of these materials at no charge. You will not receive a printed copy of the proxy materials unless you specifically request one. Instead, the Notice instructs you as to how you may access and review all of the important information contained in the proxy materials via the Internet and submit your vote via the Internet or telephonically.

In addition, you may request to receive future proxy materials on an ongoing basis (i) electronically by e-mail or (ii) in printed form by mail. Choosing to receive future proxy materials by e-mail will save the Company the cost of printing and mailing documents to stockholders and will reduce the impact of annual meetings on the environment. Your election to receive proxy materials by e-mail or by mail will remain in effect until you terminate it.

Can I vote my shares by filling out and returning the Notice of Internet Availability of Proxy Materials?

No. The Notice of Internet Availability of Proxy Materials contains instructions on how to request a paper copy of the Proxy Statement and related proxy materials by phone, e-mail, or via the Internet.

What is the purpose of the Proxy Materials?

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of EDCI Holdings, Inc. (“EDCI ” or the “ Company ”) of proxies for use at the 2010 Annual Meeting of Stockholders to be held at Westin Atlanta Airport, Atlanta I Room, 4736 Best Road, Atlanta, GA 30337 on June 15, 2010 at 9:00 a.m. local time, and any adjournment(s) or postponement(s) thereof. These materials are being made available on or about May 3, 2010. All stockholders of record as of the close of business on April 20, 2010, are entitled to attend the 2010 Annual Meeting and to vote on the items of business outlined in this proxy statement. If you choose not to attend the 2010 Annual meeting, you may vote your shares via the internet, by telephone or by mail.

Am I entitled to vote?

You are entitled to vote if our records indicate that you held shares as of the close of business on April 20, 2010. All stockholders of record are entitled to one vote per share of the Company’s common stock (“Common Stock”) held for each matter submitted for a vote at the meeting. On April 20, 2010, there were 6,730,099 shares of EDCI’s Common Stock outstanding.

What is the difference between holding shares as a beneficial owner in street name and a stockholder of record?

If your shares are held in street name through a broker, bank, trust or other nominee, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, bank, trust or other nominee on how to vote your shares.

Your broker, bank, trust or other nominee has the discretion to vote on routine corporate matters presented in the proxy materials without your specific voting instructions. Your broker, bank, trust or other nominee does not have the discretion to vote on non-routine matters. Pursuant to recent amendments to the rules of the New York Stock

Exchange applicable to brokers, the proposal for the election of a director to the Company's Board is considered a non-routine item and, therefore brokers and other nominees will not have discretion to vote your shares on this proposal. If you hold your shares in street name, you, the beneficial owner, are not the stockholder of record, and therefore you may not vote these shares in person at the 2010 Annual Meeting unless you obtain a legal proxy from the broker, bank, trust or other nominee that holds your shares.

If your shares are registered directly in your name with EDCI's transfer agent, American Stock Transfer & Trust Company, you are considered to be a stockholder of record with respect to those shares. As a stockholder of record, you have the right to grant your voting proxy directly to EDCI or to a third party, or to vote in person at the 2010 Annual Meeting.

How do I request paper copies of the proxy materials?

You may request paper copies of the 2010 proxy materials by following the instructions listed at www.proxyvote.com, by telephoning 1-800-579-1639 or by sending an e-mail to sendmaterial@proxyvote.com.

How do I vote?

By Internet or Telephone

You may vote electronically via the Internet at www.proxyvote.com. If you wish to vote by telephone you will need to request paper copies of the materials in order to obtain a Voting Instruction Form which contains a specific telephone number for your broker, bank, trust or other nominee. Votes submitted telephonically or via the Internet must be received by 11:59 PM (EST) on June 14, 2010.

In Person

If you hold EDCI shares in street name through a broker, bank, trust or other nominee, you must obtain a legal proxy from that institution and present it to the inspector of elections with your ballot to be able to vote at the 2010 Annual Meeting. To request a legal proxy please follow the instructions at www.proxyvote.com.

If you hold EDCI shares directly in your name as a stockholder of record, you may vote in person at the 2010 Annual Meeting. Stockholders of record are entitled to one vote per share of Common Stock held for each matter submitted for a vote at the meeting. Stockholders of record also may be represented by another person at the 2010 Annual Meeting by executing a proper proxy designating that person.

By Mail

To vote by mail you must request paper copies of the proxy materials. Once you receive your paper copies, you will need to mark, sign and date the Voting Instruction Form and return it in the prepaid return envelope provided. Our proxy distributor, Broadridge Financial Solutions, Inc. (“Broadridge”) must receive your Voting Instruction Form no later than close of business on June 14, 2010.

What are the proposals to be considered at the 2010 Annual Meeting?

At the annual meeting, the Company will ask its stockholders to:

- (1) elect one Class II Director for a three-year term;
- (2) ratify the selection of Ernst & Young LLP as the independent registered public accounting firm to audit the financial statements of the Company; and
- (3) consider a stockholder proposal, if properly presented at the Annual Meeting, which our Board of Directors unanimously opposes, to require the Company to hire an independent contractor to represent the interests of certain third parties.

What are the Board of Directors recommendations?

The Board of Directors recommends that the stockholders vote “FOR” the election of the director nominee and “FOR” ratification of the selection by the Board of Directors of Ernst & Young LLP as the Company’s independent public accountants for the 2010 fiscal year. The Board of Directors recommends that the stockholders vote “AGAINST” the stockholder proposal to hire an independent contractor to represent the interests of certain third parties.

The Company’s Board of Directors is not aware of any other matters to be presented at the Annual Meeting. If any other matters should properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting, the persons named as proxies in the enclosed proxy card will vote the proxies in accordance with their best judgment. If necessary to solicit additional proxies, the Company may ask its stockholders to vote upon the adjournment or postponement of the Annual Meeting.

What vote is necessary to approve each item?

Proposal One

The one nominee for director receiving a plurality of the votes cast at the meeting will be elected as director to serve until the expiration of his term or until his successor has been duly elected or qualified. If you do not vote "FOR" the nominee or you indicate "WITHHELD" on your proxy card, your vote will neither be counted for or against the nominee. Abstentions will not affect the outcome of this proposal.

Proposal Two

Ernst & Young LLP will be ratified as the Company's independent accountant for the 2010 fiscal year if a majority of shares represented at the Annual Meeting and eligible to vote on the matter vote in favor of the proposal. If you do not vote "FOR" the appointment of Ernst & Young LLP or you indicate "WITHHELD" on your proxy card, your vote will count against the proposal. Broker non-votes will not affect the outcome of this proposal because the shares will not be considered eligible to vote on this proposal. Abstentions will be treated as a vote against the proposal.

Proposal Three

The stockholder proposal will be approved if a majority of shares represented at the Annual Meeting and eligible to vote on the matter vote in favor of the proposal. If you do not vote "FOR" the proposal or you indicate "WITHHELD" on your proxy card, your vote will count against the proposal. Broker non-votes will not affect the outcome of this proposal because the shares will not be considered eligible to vote on this proposal. Abstentions will be treated as a vote against the proposal.

Can I revoke my proxy?

Yes. If your shares are held in street name through a broker, bank, trust or other nominee, you may revoke any proxy that you previously granted or change your vote at any time prior to 11:59 PM (EST) on June 14, 2010, by entering your new vote electronically via the Internet at www.proxyvote.com using the account, control and pin numbers that you previously used or telephonically using the number indicated on your Voting Instruction Form. If you desire to change your vote by mail, you must first request paper copies of the materials and mail your new Voting Instruction Form using the prepaid return envelope provided. However, your new instructions must be received before the close of business on May 13, 2010.

You also may revoke your proxy or change your vote at any time prior to the final tallying of votes by:

- Delivering a written notice of revocation to EDCI's Corporate Secretary at the address on the Notice of Annual Meeting;
- Executing and delivering to the Corporate Secretary a later-dated proxy; or
- Attending the meeting and voting in person.

What constitutes a quorum?

One-third of the total issued and outstanding shares of Common Stock, present in person or represented by proxy, will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business.

Where can I find voting results of the Annual Meeting?

We will announce preliminary results at the meeting and publish final results in a Current Report on Form 8-K filed with the SEC within four business days after the meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Listed in the following table are the beneficial owners known to the Company as of April 20, 2010, of more than 5% of the outstanding Common Stock. In addition, this table includes the number of shares of Common Stock beneficially owned by each director and each of the executive officers listed in the Summary Compensation Table, and the number of shares owned by directors and executive officers as a group. Except as noted below, the address of each beneficial owner is EDCI Holdings, Inc., 11 East 44th Street, Suite 1201, New York, New York 10017.

Name of Beneficial Owner	Number of Shares Beneficially Owned		Percent of Class
Clarke H. Bailey	96,311	(1)	1.43
Matthew K. Behrent	2,000		*
Roger J. Morgan	-		*
Ramon D. Ardizzone	26,074	(2)	*
Cliff O. Bickell	25,735	(3)	*
Peter W. Gilson	27,997	(4)	*
Horace H. Sibley	26,477	(5)	*
David Sandberg (8)	282,986		4.20
All directors and executive officers as a group (10 persons)	487,580	(6)	7.24
Robert L. Chapman, Jr. et al (9)	587,936	(7)	8.74
Dimensional Fund Advisors, Inc. (10)	336,767		5.00

* Less than 1%.