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INTEGRAMED AMERICA INC  
Form 8-K  
October 31, 2006

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

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities and Exchange Act 1934

Date of Report (Date of earliest event reported): October 31, 2006

INTEGRAMED AMERICA, INC.

-----  
(Exact name of registrant as specified in charter)

Delaware

-----  
(State of other jurisdiction of incorporation)

0-20260

6-1150326

-----  
(Commission File Numbers)

(IRS Employer Identification No.)

Two Manhattanville Road, Purchase, NY

10577

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone no. including area code: (914) 253-8000  
-----

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of the  
following provisions:

\_\_\_ Written communication pursuant to Rule 425 under the Securities Act (17  
CFR 230.425)

\_\_\_ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17  
CFR 240.14a-12)

\_\_\_ Pre-commencement communication pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))

\_\_\_ Pre-commencement communication pursuant to Rule 13e-4(c) under the  
Exchange Act (17 CFR 240.13e-4(c))

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### Item 4.02 Non-Reliance On Previously Issued Financial Statements Or A Related Audit Report Or Completed Interim Review.

On October 30, 2006 management concluded, and subsequently reported to the Audit Committee of the Board of Directors, that our audited financial statements for the fiscal year ended December 31, 2005 and our unaudited financial statements and financial information for the three and six-month periods ended March 31, 2006 and June 30, 2006 (the "Relevant Periods") and the comparative prior periods should no longer be relied upon and will be restated in order to correct an error regarding the deferred income tax accounting of acquiring the stock of Reproductive Partners, Inc. in January, 2005 in accordance with Financial Accounting Standards Board Emerging Issues Taskforce Issue No. 98-11- "Accounting for Acquired Temporary Differences in Certain Purchase Transactions That Are Not Accounted for as Business Combinations". As noted in the table below, there is no impact on net income or earnings per share as a result of this correction.

After we reviewed our accounting for the above-mentioned transaction we noted that we did not properly account for the difference between the amount paid in the transaction (the book basis) and the tax basis of the assets acquired and therefore we understated the asset acquired and also understated the related deferred tax accounts. The correction to the December 31, 2005 Balance Sheet for the proper accounting is to increase intangible assets by \$2,035,000, decrease deferred tax assets by \$977,000 and increase deferred tax liabilities by \$1,058,000, all non-cash items. The impact to the Statement of Operations is to increase the amortization of the intangible by approximately \$20,000 a quarter and reduce income tax expense through the amortization of the deferred tax liability by \$20,000 a quarter. As a result, there is no change to net income and earnings per share for any period. The Statement of Shareholders' Equity is not affected by this restatement.

As a result of the error described above, we expect to file amendments to our Form 10-K and our Forms 10-Q for the Relevant Periods with the Securities and Exchange Commission as soon as practical to reflect the correct accounting and related disclosures.

The following table illustrates the impact of the correction:

	As Previously Reported -----	Restated -----
Balance Sheet Summary		
June 30, 2006		
-----		
Total Assets.....	\$67,976	\$69,473
Total Liabilities.....	29,725	31,222
Total Stockholders' Equity.....	38,251	38,251
March 31, 2006		
-----		
Total Assets.....	64,004	65,154
Total Liabilities.....	26,377	27,527
Total Stockholders' Equity.....	37,627	37,627
December 31, 2005		
-----		
Total Assets.....	65,575	66,633
Total Liabilities.....	28,775	29,833
Total Stockholders' Equity.....	36,800	36,800

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	As Previously Reported -----	Restated -----
Statement of Operations Summary		
Six Months ended June 30, 2006		
-----		
Revenues.....	62,284	62,243
Income before taxes.....	1,678	1,637
Income tax provision.....	669	628
Net Income.....	1,009	1,009
Earnings Per Share.....	0.15	0.15
Three Months ended March 31, 2006		
-----		
Revenues.....	30,454	30,434
Income before taxes.....	792	772
Income tax provision.....	316	296
Net Income.....	476	476
Earnings Per Share.....	0.07	0.07
Year ended December 31, 2005		
-----		
Revenues.....	128,890	128,809
Income before taxes.....	2,788	2,707
Income tax provision.....	1,065	984
Net Income.....	1,723	1,723
Earnings Per Share.....	0.28	0.28

The Audit Committee and the Company's Chief Financial Officer have discussed the matters disclosed in this filing with Amper, Politziner & Mattia, P.C., the Company's independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTEGRAMED AMERICA, INC.  
(Registrant)

Date: October 31, 2006

By: /s/John W. Hlywak, Jr.

-----  
John W. Hlywak, Jr.  
Executive Vice President & CFO

(25) ~~1,634~~ 23

(26) ~~13,705~~

(27) ~~66,800~~



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Name	Option Awards					Restricted Stock Awards		Equity Incentive Plan Awards: Market Payout Value of Unearned Shares That Have Not Vested
	No. of Common Shares Underlying Unexercised Options (#Exercisable)	No. of Common Shares Underlying Unexercised Options (#Unexercisable)	Equity Incentive Plan Awards: No. of Common Shares Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	No. of Common Shares That Have Not Vested	Market Value of Common Shares That Have Not Vested <sup>(1)</sup>	
Mr. Kissinger	15,000			19.74	07/31/2016			
	15,000			20.40	08/02/2017			
	20,000			15.59	07/29/2018			
	13,179			13.34	07/28/2019			
	18,000	4,500	<sup>(15)</sup>	11.89	07/27/2020			
	5,000	10,000	<sup>(28)</sup>	10.00	07/26/2021			
	8,800	13,200	<sup>(29)</sup>	13.12	07/31/2022			
		22,750	<sup>(30)</sup>	13.04	07/30/2023			
		17,900	<sup>(31)</sup>	18.34	07/29/2024			
						1,250	<sup>(20)</sup>	24,563
					463	<sup>(32)</sup>	9,098	
					925	<sup>(33)</sup>	18,176	
					950	<sup>(24)</sup>	18,668	
					1,000	<sup>(34)</sup>	19,650	
					1,650	<sup>(26)</sup>	32,423	
					1,800	<sup>(35)</sup>	35,370	
					3,700	<sup>(36)</sup>	72,705	
Mr. Rodriguez		10,000	<sup>(37)</sup>	13.04	07/30/2023			
		18,000	<sup>(38)</sup>	18.34	07/29/2024			
						15,000	<sup>(39)</sup>	294,750
					5,250	<sup>(40)</sup>	103,163	

(1) Reflects the amount calculated by multiplying the number of unvested restricted shares by the closing price of our Common Stock as of May 28, 2015 of \$19.65.

(2) 12,000 options vested on July 27, 2015.

(3) 12,000 options vested on July 26, 2015 and 12,000 options will vest on July 26, 2016.

(4) 10,400 options vested on July 31, 2015, and 10,400 options will vest on each of July 31, 2016 and July 31, 2017.

(5) 23,000 options vested on July 30, 2015, and 11,500 options will vest on each of July 30, 2016, July 30, 2017 and July 30, 2018.

(6) 19,800 options will vest on July 29, 2016, and 9,900 options will vest on each of July 29, 2017, July 29, 2018 and July 29, 2019.

(7) 1,875 shares of restricted stock will vest upon retirement, permanent disability or death.

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- (8) 788 shares of restricted stock will vest upon retirement, permanent disability or death.
- (9) 787 shares of restricted stock vested on August 31, 2015, and any shares remaining will vest upon retirement, permanent disability or death.
  - (10) 2,625 shares of restricted stock vested on July 20, 2015.
  - (11) 2,625 shares of restricted stock will vest on July 14, 2016.
- (12) 2,225 shares of restricted stock vested on July 18, 2015 and 2,225 shares of restricted stock will vest on July 18, 2017.
  - (13) 2,300 shares of restricted stock will vest on each of July 18, 2016 and July 18, 2018.
  - (14) 2,025 shares of restricted stock will vest on each of July 23, 2017 and July 23, 2019.
    - (15) 4,500 options vested on July 27, 2015.
  - (16) 4,500 options vested on July 26, 2015, and 4,500 options will vest on July 26, 2016.
- (17) 3,900 options vested on July 31, 2015, and 3,900 options will vest on each of July 31, 2016 and July 31, 2017.
- (18) 8,400 options vested on July 30, 2015, and 4,200 options will vest on each of July 30, 2016, July 30, 2017 and July 30, 2018.

- (19) 6,560 options will vest on July 29, 2016, and 3,280 options will vest on each of July 29, 2017, July 29, 2018 and July 29, 2019.
- (20) 1,250 shares of restricted stock will vest upon retirement, permanent disability or death.
- (21) 313 shares of restricted stock will vest upon retirement, permanent disability or death.
- (22) 312 shares of restricted stock vested on August 31, 2015, and any shares remaining will vest upon retirement, permanent disability or death.
- (23) 950 shares of restricted stock vested on July 20, 2015.
- (24) 950 shares of restricted stock will vest on July 14, 2016.
- (25) 825 shares of restricted stock vested on July 18, 2015 and 825 shares of restricted stock will vest on July 18, 2017.
- (26) 850 shares of restricted stock will vest on each of July 18, 2016 and July 18, 2018.
- (27) 1,700 shares of restricted stock will vest on each of July 23, 2017 and July 23, 2019.
- (28) 5,000 options vested on July 26, 2015, and 5,000 options will vest on July 26, 2016.
- (29) 4,400 options vested on July 31, 2015, and 4,400 options will vest on each of July 31, 2016 and July 31, 2017.
- (30) 9,100 options vested on July 30, 2015, and 4,550 options will vest on each of July 30, 2016, July 30, 2017 and July 30, 2018.
- (31) 7,160 options will vest on July 29, 2016, and 3,580 options will vest on each of July 29, 2017, July 29, 2018 and July 29, 2019.
- (32) 463 shares will vest upon retirement, permanent disability or death.
- (33) 462 shares of restricted stock vested on August 31, 2015, and any shares remaining will vest upon retirement, permanent disability or death.
- (34) 1,000 shares of restricted stock will vest on July 14, 2016.
- (35) 900 shares of restricted stock will vest on each of July 18, 2016 and July 18, 2018.
- (36) 1,850 shares of restricted stock will vest on each of July 23, 2017 and July 23, 2019.
- (37) 4,000 options vested on July 30, 2015, and 2,000 options will vest on each of July 30, 2016, July 30, 2017 and July 30, 2018.
- (38) 7,200 options vested on July 29, 2016 and 3,600 options will vest on each of July 29, 2017, July 29, 2018 and July 29, 2019.
- (39) 7,500 shares of restricted stock will vest on each of July 30, 2016 and July 30, 2018.
- (40) 2,625 shares of restricted stock will vest on each of July 23, 2017 and July 23, 2019.

## Option Exercises and Restricted Stock Vested

The following table sets forth information regarding each exercise of stock options and vesting of restricted stock that occurred during fiscal 2015 for each of our named executive officers on an aggregated basis. The amounts set forth below should not be added to the amounts set forth in the Summary Compensation Table.

Name	Number of Shares Acquired on Option Exercise	Value Realized on Option Exercise <sup>(1)</sup>	Number of Shares Acquired on Vesting of Restricted Shares	Value Realized on Vesting of Restricted Shares <sup>(2)</sup>
Mr. S. Marcus	N/A		N/A	
Mr. G. Marcus	14,258	\$ 98,389	5,887	\$ 112,346
Mr. Neis	14,258	96,963	2,162	41,195

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Mr. Kissinger	21,079	117,430	2,362	44,671
Mr. Rodriguez				

Reflects the amount calculated by multiplying the number of shares received upon exercise of options by the (1) difference between the closing price of our Common Shares on the exercise date and the exercise price of the exercised options.

(2) Reflects the amount calculated by multiplying the number of vested restricted shares by the closing price of our Common Shares on the date the restricted shares vested.

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## Pension Benefits

The following table sets forth the actuarial present value of each named executive officer's accumulated benefits under our Supplemental Plan as of our fiscal 2015 year-end on May 28, 2015, assuming benefits are paid at normal retirement age based on current levels of compensation, as well as payments made to Mr. Stephen Marcus during fiscal 2015 under our Supplemental Plan as a result of his retirement on January 6, 2009 as our chief executive officer. The table also shows the number of years of credited service under each such plan, which are subject to a maximum of 30. The amounts set forth below should not be added to the amounts set forth in the Summary Compensation Table.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Mr. S. Marcus	Supplemental Plan	30 <sup>(1)</sup>	\$ 3,656,000	\$ 300,127
Mr. G. Marcus	Supplemental Plan	23	2,134,000	
Mr. Neis	Supplemental Plan	29	1,549,000	
Mr. Kissinger	Supplemental Plan	21	1,068,000	
Mr. Rodriguez	Supplemental Plan	1	78,000	

(1) Mr. Stephen Marcus has been employed by us for 53 years, but his years of credited service under the Supplemental Plan are subject to a maximum of 30.

Our Supplemental Plan benefits payable to Messrs. Stephen Marcus, Greg Marcus, Neis, Kissinger and Rodriguez are determined under the formula illustrated above in the CD&A. Covered compensation for purposes of the Supplemental Plan consists of salary, bonus and non-equity incentive compensation, but excluding long-term performance cash amounts. As of our fiscal 2015 year-end on May 28, 2015, the estimated annual benefits payable under the Supplemental Plan at normal retirement age to Messrs. Stephen Marcus, Greg Marcus, Neis, Kissinger and Rodriguez were \$300,000, \$270,000, \$155,000, \$115,000 and \$8,000, respectively. The payments to Mr. Stephen Marcus under the Supplemental Plan in fiscal 2015 are discussed above under Nonqualified Deferred Compensation.

## Nonqualified Deferred Compensation

The following table sets forth annual executive and Company contributions under our Deferred Compensation Plan, as well as each named executive officer's withdrawals, earnings and fiscal year end balances in those plans. The amounts set forth below should not be added to the amounts set forth in the Summary Compensation Table.

Name	Executive Contributions in Fiscal 2015 <sup>(1)</sup>	Company Contributions in Fiscal 2015	Aggregate Earnings in Fiscal 2015 <sup>(2)</sup>	Aggregate Withdrawals/ Distributions in Fiscal 2015	Aggregate Balance at May 28, 2015 <sup>(3)</sup>
Mr. S. Marcus	\$	\$	\$ 7,960	\$ 58,288	\$ 214,022
Mr. G. Marcus	54,395		7,162		244,351
Mr. Neis					
Mr. Kissinger	58,282		24,664		797,652
Mr. Rodriguez	88,585		2,477		108,497

(1) All of the amounts reported in this column were also reported as compensation in the Summary Compensation Table.

(2) The amounts reported in this column were not considered above-market earnings and therefore are not reported as compensation in the Summary Compensation Table.

(3) The amounts reported in this column include \$153,892 for Mr. Stephen Marcus, \$169,098 for Mr. Greg Marcus, \$0 for Mr. Neis, \$525,613 for Mr. Kissinger and \$17,308 for Mr. Rodriguez, respectively, that was previously reported as compensation in the Summary Compensation Table for years prior to fiscal 2015.

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## Disclosure Regarding Termination and Change in Control Provisions

### Employment, Severance and Change in Control Agreements

We do not provide our executives with individual employment, severance or change-in-control agreements, other than the benefit plans otherwise described above in the CD&A and our standard policies generally applicable to all salaried employees. Generally, the vesting period for our stock option grants, restricted stock awards and performance cash awards will be accelerated upon normal retirement or death. Our Compensation Committee has discretion to accelerate the vesting of such grants and awards upon a potential future change-in-control of our company.

### Non-Employee Director Compensation

The following table sets forth information regarding the compensation received by each of our non-employee directors during fiscal 2015. Our other directors are named executive officers and receive no compensation for their services as directors and are therefore omitted from the table.

Name	Fees Earned or Paid in Cash	Stock Awards <sup>(1)</sup>	Restricted Stock Awards <sup>(2)</sup>	Option Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings	All Other Compensation <sup>(4)</sup>	Total
Diane Marcus Gershowitz	\$29,000	\$11,634	\$24,563	\$7,900		\$82,643		\$155,740
Daniel F. McKeithan, Jr.	37,500	11,634	24,563	7,900		2,243		83,840
Allan H. Selig	30,500	11,634	24,563	7,900		2,243		76,840
Timothy E. Hoeksema	31,500	11,634	24,563	7,900		2,243		77,840
Philip L. Milstein	38,250	11,634	24,563	7,900		2,243		84,590
Bronson J. Haase	31,000	11,634	24,563	7,900		2,243		77,340
James D. Ericson	30,250	11,634	24,563	7,900		2,243		76,590
Brian J. Stark	37,500	11,634	24,563	7,900		1,998		83,595
Bruce J. Olson	29,000	11,634	24,563	7,900		975		74,072
Katherine M. Gehl <sup>(5)</sup>	18,250		35,469	7,900		731		62,350

(1) The dollar amount is equal to the number of shares issued multiplied by the closing sale price of our Common Shares on October 1, 2014, the date the shares were issued.

(2) Reflects the grant date fair value of the restricted stock awarded as determined using the closing sale price of our Common Shares on such date. The amount was computed in accordance with FASB ASC Topic 718.

(3) Reflects the grant date fair value of the options awarded as determined using the closing sale price of our Common Shares on such date. The amount was computed in accordance with FASB ASC Topic 718. The assumptions made in the valuations are discussed in Footnote 6 to our fiscal 2015 financial statements.

(4)

\$80,400 of the amount in this column for Diane Marcus Gershowitz represents imputed income on split-dollar life insurance premiums paid by us.

(5) Our board of directors elected Katherine M. Gehl to our board of directors on January 6, 2015.

Pursuant to our non-employee director compensation plan, our non-employee directors received in fiscal 2015: (A) an annual cash retainer of \$15,000; (B) a board meeting attendance fee of \$3,500; and (C) an annual fiscal year end restricted stock grant of 1,250 Common Shares that vest at the earlier of (i) 100% upon the director's normal retirement from the board of directors or (ii) 50% upon the third anniversary of the grant date if the individual is then still serving as a director and the remaining 50% upon the fifth anniversary of the grant date if the individual is then still serving as a director. In addition to the foregoing, in fiscal 2015, each non-employee director received: (A) 753 Common Shares on October 1, 2014, the date of our 2014 annual shareholders' meeting; (B) \$1,250 for each board committee meeting attended (or \$1,500 per committee meeting attended if that person served as the committee's chairperson), except that each member of the Audit Committee received \$1,500 per committee meeting attended, and the chairman of the Audit Committee received \$2,000 per committee meeting attended; and (C) an option to purchase 1,000 Common Shares on May 28, 2015, the last day of our fiscal year. The exercise price of all options granted to non-employee directors is equal to 100% of the fair market value of the Common Shares on the date of

grant. On May 28, 2015, the last day of our fiscal year, each non-employee director received his or her annual automatic 1,250 share restricted stock grant and option grant to purchase 1,000 shares of Common Shares at an exercise price of \$19.65 per share. All options granted to our non-employee directors have a term of ten years and are fully vested and exercisable immediately after grant. Effective July 23, 2014, the Compensation Committee amended our non-employee director compensation plan to increase the annual cash retainer payable to our non-employee directors from \$13,000 to \$15,000.

## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the above CD&A with management and, based on such review and discussion, has recommended to the board of directors that the CD&A be included in this proxy statement.

*By the Compensation Committee:*

*Allan H. Selig, Chairman*

*Philip L. Milstein*

*James D. Ericson*

## AUDIT COMMITTEE REPORT

To the Board of Directors of The Marcus Corporation:

Each of the undersigned Audit Committee members: (1) served on the Audit Committee during the Company's entire fiscal year ended May 28, 2015; (2) is an independent, non-employee director as defined by the rules of the NYSE and the SEC; and (3) is an audit committee financial expert, as defined by the SEC. Our Audit Committee has a written charter, which is available on the Company's website at [www.marcuscorp.com](http://www.marcuscorp.com).

Our Audit Committee oversees the Company's financial reporting process on behalf of the board of directors. Our management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles. The Company's independent registered public accounting firm, Deloitte & Touche LLP, is responsible for auditing those financial statements. Our responsibility is to monitor and review these processes. It is not our duty or our responsibility to conduct auditing or accounting reviews or procedures. We are not employees of the Company and we are not accountants or auditors by profession or experts in the fields of accounting or auditing. Therefore, we have relied, without independent verification, on management's representation that the Company's financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles. We have also relied on the representations of Deloitte & Touche LLP included in its report on the Company's fiscal 2015 financial statements. Our discussions with management and Deloitte & Touche LLP do not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards or that Deloitte & Touche LLP is in fact independent.

Our Audit Committee has reviewed and discussed the audited consolidated financial statements of the Company for the fiscal year ended May 28, 2015 with management and has discussed with Deloitte & Touche LLP its judgments as to the quality, not just the acceptability, of the Company's accounting principles and other matters required to be discussed by Statement on Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB), and Rule 2-07 of Regulation S-X promulgated under the Securities Exchange Act of 1934, as amended. Deloitte & Touche LLP has provided the Audit Committee with the written disclosures and the letter required by applicable requirements of the PCAOB regarding Deloitte & Touche LLP's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with Deloitte & Touche LLP its independence from management and the Company and considered the compatibility of Deloitte & Touche LLP's provision of non-audit services with its independence.

Our Audit Committee discussed with Deloitte & Touche LLP the overall scope and plans for its audit. We met with Deloitte & Touche LLP, with and without management present, to discuss the results of its examination, its evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, our Audit Committee recommended to the board of directors that the Company's audited consolidated financial statements be included in the Annual Report on Form 10-K at and for the fiscal year ended May 28, 2015 for filing with the SEC.

This report and the information herein do not constitute soliciting material and shall not be deemed to be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing by or of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such Acts.

*By the Audit Committee:*

*Philip L. Milstein, Chairman*

*Daniel F. McKeithan, Jr.*

*Brian J. Stark*

## **PROPOSAL 2 APPROVAL, BY ADVISORY VOTE, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

As indicated by the preceding discussion, executive compensation is an important matter both to us and to our shareholders. In addition, Section 14A of the Securities Exchange Act of 1934, as amended, requires that we provide our shareholders with an opportunity to approve the compensation of our named executive officers by a non-binding advisory vote. Accordingly, we are seeking the approval of our shareholders through this advisory vote of the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying compensation tables and narratives contained in this proxy statement. At our 2014 annual meeting, over 99% of the votes cast and over 90% of all shares entitled to vote at the meeting were voted in favor of the compensation of our named executive officers. In developing our executive compensation and benefit programs for fiscal 2015 as disclosed in the Compensation Discussion and Analysis section and the accompanying compensation tables and narratives contained in this proxy statement, we kept in place many of the same executive compensation and benefit programs that were overwhelmingly approved by our shareholders at our 2014 annual meeting.

We have designed our executive compensation program to attract, motivate and retain people with the skills required to achieve our performance goals in a competitive business environment, and to enhance our overall financial performance. Our compensation programs are based on the principle of pay for performance. Our intention is for our executive compensation programs to reflect the level of our executive officers' individual contributions and our corporate performance, while striking an appropriate balance between short-term and longer-term corporate performance. We evaluate performance over several periods of time, and while the specific elements of executive compensation vary from time to time, our executive compensation programs focus on the principle of pay for performance, both in program design and in the specific awards.

In addition, we and the Compensation Committee of our board of directors consider the following principles when designing and implementing compensation programs for our executive officers:

We strive to compensate our executives at competitive levels to ensure that we attract, retain and motivate our key management employees who we expect will contribute significantly to our long-term success and value creation. We link our executives' compensation to the achievement of pre-established financial and individual performance goals that are focused on the creation of long-term shareholder value.

Our executive compensation programs are designed to foster an ownership mentality and an entrepreneurial spirit in our management team. We try to do this by providing our executives with a substantial long-term incentive compensation component that helps to more closely align our executives' financial interests with those of our shareholders over an extended performance period, and that otherwise encourages executives to take appropriate and measured market-responsive risk-taking actions that will facilitate our long-term growth and success.

Our board of directors would like the approval of our shareholders of the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying compensation tables and narratives in this proxy statement. Accordingly, for the reasons we discuss above, our board of directors unanimously recommends that shareholders vote in favor of the following resolution:

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the named executive officers as disclosed in the Compensation Discussion and Analysis section, compensation tables, and accompanying narratives contained in this proxy statement.



The compensation of the named executive officers as disclosed in the Compensation Discussion and Analysis section and compensation tables and narratives contained in this proxy statement will be approved if the votes cast in favor of the proposal exceed those cast against the proposal. Abstentions and broker non-votes will not affect the voting results for this proposal.

As this is an advisory vote, the results of the vote will not be binding on our board of directors, although our Compensation Committee will consider the outcome of the vote when evaluating the effectiveness of our executive compensation programs, and our Compensation Committee will review and consider the outcome of the vote when making future compensation decisions for our named executive officers. We believe our company benefits from constructive dialogue with our shareholders on these important matters, and while we continue to reach out to our shareholders on these and other issues, we also encourage our shareholders to contact us if they would like to communicate their views on our executive compensation programs. Shareholders who wish to communicate with our non-management directors concerning our executive compensation programs should refer to the section above entitled Contacting the Board.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL, BY ADVISORY VOTE, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION AND ACCOMPANYING COMPENSATION TABLES AND NARRATIVES IN THIS PROXY STATEMENT. COMMON SHARES OR CLASS B SHARES REPRESENTED BY EXECUTED BUT UNMARKED PROXIES WILL BE VOTED FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION AND ACCOMPANYING COMPENSATION TABLES AND NARRATIVES IN THIS PROXY STATEMENT.**

## **PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2016**

The Audit Committee has selected Deloitte & Touche LLP as the Company's independent auditors for fiscal year 2016. Although not required to be submitted to a shareholder vote, our board of directors believes it appropriate to obtain shareholder ratification of the Audit Committee's action in appointing Deloitte & Touche LLP as the Company's independent registered public accounting firm. Should such appointment not be ratified by our shareholders, the Audit Committee will reconsider the matter. The Audit Committee expects that the full board of directors will ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm at their first meeting after the Annual Meeting.

**THE BOARD RECOMMENDS THE RATIFICATION OF THE AUDIT COMMITTEE'S SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2016 AND URGES EACH SHAREHOLDER TO VOTE FOR SUCH RATIFICATION. COMMON SHARES OR CLASS B SHARES REPRESENTED BY EXECUTED BUT UNMARKED PROXIES WILL BE VOTED FOR THE RATIFICATION OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING FIRM FOR FISCAL 2016.**

## **POLICIES AND PROCEDURES GOVERNING RELATED PERSON TRANSACTIONS**

Our board of directors has adopted written policies and procedures regarding related person transactions. For purposes of these policies and procedures:

a related person means any of our directors, executive officers or nominees for director, any immediate family members of those individuals, and any holders of more than 5% of our Common Shares or Class B Common Shares; and

a related person transaction generally is a transaction (including any indebtedness or a guarantee of indebtedness) in which we were or are to be a participant, the amount involved exceeds \$120,000, and in which a related person had or will have a direct or indirect material interest.

Each of our executive officers, directors and nominees for director is required to disclose to our Corporate Governance and Nominating Committee certain information relating to related person transactions for review, approval or ratification by the Corporate Governance and Nominating Committee. Disclosure to the Corporate Governance and Nominating Committee is required before engaging in, if possible, or as soon as practicable after the executive officer, director or nominee for director becomes aware that he or she has engaged in, the related person transaction. The decision of the Corporate Governance and Nominating Committee whether or not to approve or ratify a related person transaction is to be made in light of the Corporate Governance and Nominating Committee's determination of whether the transaction is in our best interests and/or whether the transaction is on terms at least as favorable as could be obtained from a non-affiliated third party. Any related person transaction must be disclosed to our Audit Committee and to our full board of directors.

Pursuant to these policies and procedures, our Corporate Governance and Nominating Committee ratified the following ongoing related person transactions:

As in prior years, during our 2015 fiscal year, we leased automobiles from Selig Executive Leasing Co., Inc. Aggregate lease payments from the lease of approximately 75 vehicles were \$535,000. As in past years, virtually all of these lease payments represent reimbursement of actual costs incurred by Selig Executive Leasing to purchase and finance the vehicles, with Selig Executive Leasing retaining approximately \$25,000 as an administrative fee. Allan H. Selig, one of our directors, is the president, chief executive officer and sole shareholder of Selig Executive Leasing.

We have an administrative services agreement with Marcus Investments, LLC, which is owned by the three sons of Stephen H. Marcus, our chairman, including Gregory S. Marcus, our president and chief executive officer. The agreement provides that Marcus Investments may not invest in businesses that compete with our motion picture theatre exhibition or hotels or resorts businesses. Pursuant to the agreement, we from time to time provide various administrative support services, legal services and related equipment to Marcus Investments in support of its business. Such services are provided solely at our discretion so that the performance of these services does not interfere with or otherwise adversely affect our business or operations. Marcus Investments pays us not less than our fully-allocated direct and indirect costs and expenses for providing any such services. During our fiscal 2015, Marcus Investments made aggregate payments to us of \$36,000, of which approximately \$17,000 was for the provision of the aforementioned services. The remaining payments represented reimbursement of certain costs for Marcus Investments that we paid on their behalf. The agreement is subject to annual review and re-approval, by our Corporate Governance and Nominating Committee, which reapproved the agreement in July 2015. Additionally, during our fiscal 2015, our theatre division licensed the *Zaffiro's* pizza recipe and related intellectual property rights from an entity that is owned by Marcus Investments, LLC. During our fiscal 2015, we paid such entity approximately \$186,000 in licensing fees. Also during our fiscal 2015, our hotels and resorts division purchased approximately \$341,000 of mattresses from an

entity that is owned by Marcus Investments, LLC.

Our theatre and hotels and resorts divisions purchase food and beverage products from Gehl Foods. During our fiscal 2015, we purchased an aggregate of approximately \$324,000 of products from Gehl Foods. Prior to March 26, 2015, Katherine M. Gehl, a director of our company, was a shareholder and served as president and chairman of Gehl Foods.

In connection with her election to our board of directors on January 6, 2015, our Corporate Governance and Nominating Committee considered Ms. Gehl's relationship with Gehl Foods and our transactions with Gehl Foods.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Our directors and executive officers are required to report their ownership of Common Shares and Class B Shares and any changes in that ownership to the SEC and the NYSE. Based upon our review of copies of the reports filed with the SEC and the representations of the persons involved, we believe that all of our directors and executive officers have complied with the requirements for fiscal 2015, except that the Form 4s in respect of the awards of restricted stock that we granted to Messrs. Greg Marcus, Neis, Kissinger and Rodriguez on July 23, 2014 were filed late on July 29, 2014. In making the above statements, we have relied upon the representations of the persons involved and on copies of their reports filed with the SEC.

## OTHER MATTERS

Deloitte & Touche LLP acted as our independent auditors during our fiscal 2015. Representatives from Deloitte & Touche LLP are expected to be present at the Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate shareholder questions. Deloitte & Touche LLP's fees for our two most recent fiscal years are summarized in the following table:

	2015	2014
Audit Fees	\$ 410,000	\$ 405,000
Audit-Related Fees <sup>(1)</sup>		
Tax Fees <sup>(2)</sup>		
All Other Fees		
<b>Total Fees</b>	<b>\$ 410,000</b>	<b>\$ 405,000</b>

(1) Audit-related fees consist of the fees billed for consultation services on various accounting matters.

(2) Tax fees consist of the fees billed for consultation services on various tax matters.

Our Audit Committee pre-approves the provision of all auditing and non-audit services by our independent auditors. During our fiscal 2014 and fiscal 2015, all of the services related to the audit and other fees described above were pre-approved by our Audit Committee and none were provided pursuant to any waiver of the pre-approval requirement.

As noted in the Audit Committee Report, our Audit Committee has considered whether Deloitte & Touche LLP's provision of non-audit services is compatible with its independence.

**We have filed an Annual Report on Form 10-K with the SEC for our fiscal 2015, which ended on May 28, 2015. A copy of our Form 10-K (excluding exhibits) has been provided to each person who was a record or beneficial owner of Common Shares or Class B Shares as of the Record Date and is available on our website, [www.marcuscorp.com](http://www.marcuscorp.com). Exhibits to the Form 10-K will be furnished upon payment of the fee described in the list**

**of exhibits accompanying the copy of Form 10-K. Requests for any exhibits to our Form 10-K should be addressed to Thomas F. Kissinger, Senior Executive Vice President, General Counsel and Secretary, The Marcus Corporation, 100 East Wisconsin Avenue, Suite 1900, Milwaukee, Wisconsin 53202-4125.**

Our board of directors does not intend to present at the Meeting any matters for shareholder action other than the matters described in the Notice of Annual Meeting. Our board of directors does not know of any other matters to be brought before the Meeting that will require the vote of shareholders. If any other business or matters properly come before the Meeting, the proxies named in the accompanying proxy will vote on such business or matters in accordance with their best judgment.

We did not receive any shareholder proposals for consideration at the Meeting. A shareholder wishing to include a proposal in our proxy statement for our 2016 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Exchange Act must forward the proposal to us by May 7, 2016. In addition, a shareholder who otherwise intends to present business at our 2016 Annual Meeting of Shareholders (including nominating persons for election as directors) must comply with the requirements set forth in our By-laws. Among other things, to bring business before an annual meeting, a shareholder must give written notice thereof, complying with the By-laws, to our Secretary not later than 45 days prior to the date in the current year corresponding to the date on which we first mailed our proxy materials for the prior year's annual meeting. Accordingly, if we do not receive notice of a shareholder proposal submitted otherwise than pursuant to Rule 14a-8 prior to July 21, 2016, the notice will be considered untimely and we will not be required to present such proposal at the 2016 Annual Meeting of Shareholders. If our board of directors chooses to present such proposal at our 2016 Annual Meeting of Shareholders, the persons named in proxies solicited by the board of directors for the 2016 Annual Meeting of Shareholders may exercise discretionary voting power with respect to such proposal.

We have paid the cost of soliciting proxies. We expect to solicit proxies primarily by mail. Proxies may also be solicited personally and by telephone by certain of our officers and employees. We will reimburse brokers and other holders of record for their expenses in communicating with the persons for whom they hold Common Shares or Class B Shares. We do not intend to specially engage anyone to solicit proxies or to pay special compensation for that purpose, but we reserve the right to do so should we conclude that such efforts are needed.

On Behalf of the Board of Directors

Thomas F. Kissinger  
*Senior Executive Vice President, General Counsel and Secretary*

Milwaukee, Wisconsin  
September 4, 2015













