

LSI INDUSTRIES INC  
Form S-3  
September 08, 2010

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As filed with the Securities and Exchange Commission on September 8, 2010

Registration No. 333-

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**LSI INDUSTRIES INC.**

(Exact name of Registrant as Specified in its Charter)

**Ohio**

(State Or Other Jurisdiction Of  
Incorporation Or Organization)

**10000 Alliance Road  
Cincinnati, Ohio 45242  
(513) 793-3200**

(Address, including zip code, and telephone number, including area  
code, of registrant's principal executive offices)

**31-0888951**

(IRS Employer Identification  
Number)

**F. Mark Reuter, Esq.  
Keating Muething & Klekamp PLL  
One East Fourth Street, Suite 1400  
Cincinnati, Ohio 45202  
Telephone: (513) 579-6469  
Facsimile: (513) 579-6457**

(Name, Address and Telephone Number of Agent for Service)

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon the filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered (1)</b>	<b>Amount to be Registered (2)(3)</b>	<b>Proposed Maximum Aggregate Offering Price Per Unit (3)</b>	<b>Proposed Maximum Aggregate Offering Price (3)(4)</b>	<b>Amount of Registration Fee (9)(10)</b>
<b>Primary Offering</b>				
Common Stock				
Preferred Stock				
Depositary Shares (5)				
Debt Securities (6)				
Warrants (7)				
Units (8)				
<b>Total for Primary Offering</b>	<b>\$85,000,000</b>	<b>100%</b>	<b>\$85,000,000</b>	<b>\$6,060.50</b>
<b>Secondary Offering</b>				
Common Stock	<b>3,018,276</b>	<b>100%</b>	<b>\$16,117,593</b>	<b>\$1,149.18</b>
<b>Total for Primary and Secondary Offering</b>			<b>\$101,117,593</b>	<b>\$7,209.68</b>

(1) These offered securities may be sold separately, together or as units with other offered securities.

(2) These offered securities are being registered as an indeterminate number of securities as shall have an aggregate offering price not to exceed \$85,000,000. In

addition, up to 3,018,276 shares of common stock may be sold from time to time pursuant to this registration statement by the selling securityholders named herein.

This total amount also includes such securities as may, from time to time, be issued upon conversion or exchange of securities registered under this Registration Statement, to the extent any such securities are, by their terms, convertible or exchangeable for other securities. This registration statement shall also cover any additional securities to be offered or issued from share splits, share dividends, recapitalizations or similar transactions.

- (3) With respect to the primary offering, this fee is calculated in accordance with Rule 457(o) under the Securities Act of 1933. The proposed maximum

offering price per unit will be determined from time to time by the registrant in connection with the issuance of securities. The proposed maximum offering price has been estimated solely for the purpose of calculating the registration fee. With respect to the primary offering, in no event will the aggregate maximum offering price of all securities issued under this Registration Statement exceed \$85,000,000, and the amount

registered is not specified as to each class of securities to be registered hereunder pursuant to General Instruction II.D to Form S-3 under the Securities Act of 1933.

- (4) The proposed maximum aggregate offering price has been estimated for the sole purpose of

computing the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the Securities Act ) and excludes accrued interest, distributions and dividends, if any.

- (5) Each Depositary Share will be issued under a deposit agreement and will be evidenced by a Depositary Receipt representing an interest in all or a specified portion of a share of Preferred Stock. If the Registrant elects to offer to the public fractional interests in shares of the Preferred Stock registered under this Registration Statement, Depositary Receipts will be distributed to those persons purchasing such fractional interests and shares of Preferred Stock will be issued to the depositary under the deposit agreement. No separate consideration

will be received  
for Depository  
Shares.

(6) An indeterminate number of Debt Securities of the Registrant as may be sold from time to time are being registered under this Registration Statement. Debt Securities may be senior or subordinated. If any debt securities are issued at an original issue discount, then such greater amount as may be sold for an aggregate initial offering price of up to the proposed aggregate offering price set forth above.

(7) An indeterminate number of Warrants of the Registrant as may be sold from time to time are being registered under this Registration Statement. Warrants may be exercised to purchase Common Stock, Preferred Stock or Debt Securities.

- (8) Any securities registered under this Registration Statement may be sold as units with other securities registered under this Registration Statement. Each unit will be issued under a unit agreement and will represent an interest in two or more securities, which may or may not be separable from one another.
- (9) The Registrant previously paid registration fees of \$13,266 pursuant to a previously filed Registration Statement on Form S-3, File No. 333-137675, originally filed by the Registrant with the Securities and Exchange Commission on September 29, 2006 (the Prior Registration Statement ), of which \$6,942 was offset from a previously filed registration statement and \$6,324 was paid at the time of the filing of the Prior Registration

Statement.  
\$85,000,000 of  
the Registrant's  
securities  
registered  
pursuant to the  
Prior Registration  
Statement, and  
600,000 shares of  
the Registrant's  
Common Stock,  
registered for  
resale by certain  
of the Registrant's  
securityholders  
pursuant to the  
Prior Registration  
Statement remain  
unsold, resulting  
in all \$6,324 in  
registration fees  
paid at the time  
of the filing of  
the Prior  
Registration  
Statement  
remaining  
unused. Pursuant  
to Rule 457(p) of  
the Securities  
Act, the  
Registrant hereby  
uses these unused  
registration fees  
from the Prior  
Registration  
Statement to  
offset the  
registration fees  
associated with  
this Registration  
Statement,  
resulting in net  
registration fees  
of \$885.68.

- (10) With respect to  
shares of  
Common Stock  
to be offered for  
resale by the

selling securityholders in the secondary offering, the proposed maximum aggregate offering price has been estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(c) under the Securities Act, based on the average of the high and low prices reported for the shares of Common Stock as reported on the NASDAQ Global Select Market as of September 1, 2010.

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**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to Section 8(a) may determine.**

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The information in this prospectus is not complete and may be changed. We may not sell the securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Prospectus**

**\$85,000,000**  
**Debt Securities, Common Stock, Preferred Stock, Warrants,**  
**Depository Shares and Units**  
**and**  
**3,018,276 Shares of Common Stock**

By this prospectus and an accompanying prospectus supplement, we may from time to time offer and sell, in one or more offerings, up to \$85,000,000 any combination of debt securities, common stock, preferred stock, warrants, depository shares and units. Also, selling securityholders identified in this prospectus may, from time to time, offer and sell up to an additional 3,018,276 shares of common stock. See **Selling Securityholders**.

We will provide you with more specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

We or any selling securityholders may offer these securities from time to time in amounts, at prices and on other terms to be determined at the time of offering. We or any selling securityholders may offer and sell these securities to or through underwriters, dealers or agents, or directly to investors, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution.

Our common stock is listed on the NASDAQ Global Select Market under the symbol **LYTS**.

On September 1, 2010, the closing price of our common stock as reported by the NASDAQ Global Select Market was \$5.40 per share.

**Investing in our securities involves risks. See **Risk Factors** beginning on page 5.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is September 8, 2010

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### ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf process, we may sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities which may be offered. Each time securities are offered for sale, we will provide a prospectus supplement that contains specific information about the terms of that offering. The prospectus supplement may also add or update information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described below under *Where You Can Find More Information* and *Information Incorporated by Reference*.

The registration statement that contains this prospectus (including the exhibits) contains additional important information about us and the securities we may offer under this prospectus. Specifically, we have filed certain legal documents that establish the terms of the securities offered by this prospectus as exhibits to the registration statement. We will file certain other legal documents that establish the terms of the securities offered by this prospectus as exhibits to reports we file with the SEC. That registration statement and the other reports can be read at the SEC web site or at the SEC offices referenced below under the following heading.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making offers to sell or solicitations to buy the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer

or solicitation. You should not assume that the information in this prospectus or any prospectus supplement, as well as the information we file or previously filed with the SEC that we incorporate by reference in this prospectus or any prospectus supplement, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since those dates.

In this prospectus, unless the context otherwise requires, references to we, us, our or LSI refer to LSI Industries Inc. and its consolidated subsidiaries.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and other reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, including any amendments to those reports, and other information that we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act can also be accessed free of charge through the Internet. These filings will be available as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

We have filed with the SEC a registration statement under the Securities Act of 1933 relating to the offering of these securities. The registration statement, including the attached exhibits, contains additional relevant information about us and the securities. This prospectus does not contain all of the information set forth in the registration statement. You can obtain a copy of the registration statement, at prescribed rates, from the SEC at the address listed above. The registration statement and the documents referred to below under "Information Incorporated by Reference" are also available on our Internet website, <http://www.lsi-industries.com>. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this prospectus.

**INFORMATION INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus certain information we file with it, which means that we can disclose important information by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede information contained in this prospectus and any accompanying prospectus supplement. We incorporate by reference the documents listed below that we have previously filed with the SEC (excluding any portions of any Form 8-K that are not deemed filed pursuant to the General Instructions of Form 8-K):

- our Annual Report on Form 10-K for the year ended June 30, 2010;

- our Current Report(s) on Form 8-K filed on August 24, 2010 (excluding any information furnished in such reports under Item 2.02, Item 7.01 or Item 9.01); and

- the description of our common stock contained in our Registration Statement on Form 8-A as filed with the SEC on or about April 11, 1985.

We also incorporate by reference into this prospectus additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the completion or termination of the offering, including all such documents we may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement, but excluding any information deemed furnished and not filed with the SEC. Any statements contained in a previously filed document incorporated by reference into this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, or in a subsequently filed document also incorporated by reference herein, modifies or supersedes that statement.

This prospectus may contain information that updates, modifies or is contrary to information in one or more of the documents incorporated by reference in this prospectus. You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information in this

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prospectus is accurate as of any date other than the date of this prospectus or the date of the documents incorporated by reference in this prospectus.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, at no cost to the requester, a copy of any and all of the information that is incorporated by reference in this prospectus.

Requests for such documents should be directed to:

**Investor Relations**

**LSI Industries Inc.**

**10000 Alliance Road**

**Cincinnati, Ohio 45242**

**Telephone: (513) 372-3081**

You may also access the documents incorporated by reference in this prospectus through our website at <http://www.lsi-industries.com>. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in this prospectus or the registration statement of which it forms a part.

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**RISK FACTORS**

*Investing in our securities involves risk. Please see the risk factors set forth in Part I, Item 1A in our Annual Report on Form 10-K for our most recent fiscal year, as updated by our quarterly reports on Form 10-Q and other filings we make with the SEC, as incorporated by reference in this prospectus. Additional risk factors may be included in a prospectus supplement relating to a particular series or offering of securities. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. These risks could materially affect our business, results of operations or financial condition and cause the value of our securities to decline.*

**SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

This prospectus (including the information incorporated by reference) contains certain statements that may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements in this prospectus and any accompanying prospectus supplement not dealing with historical results or current facts are forward-looking and are based on estimates, assumptions and projections. Statements which include the words believes, seeks, expects, may, should, intends, likely, targets, plans, anticipates, estimates or the negative version of those words and similar statements of future or forward-looking nature identify forward-looking statements.

Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves. In addition, generally applicable factors that could cause actual results or outcomes to differ from those expressed in the forward-looking statements are and will be discussed in our reports on Forms 10-K, 10-Q and 8-K incorporated by reference in this prospectus.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. These risks and uncertainties include, but are not limited to, the impact of competitive products and services, product demand and market acceptance risks, potential costs associated with litigation and regulatory compliance, reliance on key customers, financial difficulties experienced by customers, the cyclical and seasonal nature of our business, the adequacy of reserves and allowances for doubtful accounts, fluctuations in operating results or costs, unexpected difficulties in integrating acquired businesses, the ability to retain key employees of acquired businesses, unfavorable economic and market conditions, the results of asset impairment assessments and the other risk factors that are identified herein. We do not undertake any obligation to publicly update or review any forward-looking statement.

**LSI INDUSTRIES INC.**

We are a leading provider of comprehensive corporate visual image solutions through the combination of extensive screen and digital graphics capabilities, a wide variety of high quality indoor and outdoor lighting products, and related professional services. We also provide graphics and lighting products and professional services on a stand-alone basis. Our company is the leading provider of corporate visual image solutions to the petroleum/convenience store industry. We use this leadership position to penetrate national retailers and multi-site retailers, including quick service and casual

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restaurants, eyewear chains, retail chain stores and automobile dealerships located primarily in the United States. In addition, we are a provider of digital solid-state LED video screens and LED specialty lighting to such markets or industries as sports stadiums and arenas, digital billboards, and entertainment. We design and develop all aspects of the solid-state LED video screens and lighting, from the electronic circuit board, to the software to drive and control the LEDs, to the structure of the LED product.

SEC filings, news releases, our Code of Ethics applicable to directors, officers and employees and other information may be accessed free of charge through our Internet site at <http://www.lsi-industries.com>. Other than the information specifically incorporated by reference in this prospectus, information on our website is not part of this prospectus.

**USE OF PROCEEDS**

Unless otherwise indicated in an accompanying prospectus supplement, we expect to use the net proceeds from the sale of any securities offered by us for general corporate purposes, which may include the repayment of outstanding debt. Until the net proceeds are used for these purposes, we may deposit them in interest-bearing accounts or invest them in short-term marketable securities. The specific allocations, if any, of the proceeds from the sale of any of the securities will be described in the prospectus supplement relating to the offering of the securities.

Unless otherwise indicated in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling securityholder.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Earnings						
Pre-tax earnings	1,784	(14,403)	(10,691)	31,727	21,987	22,873
<b>Fixed charges</b>	<b>942</b>	<b>874</b>	<b>975</b>	<b>1,935</b>	<b>862</b>	<b>1,037</b>
Amortization of capitalized interest	0	0	0	0	2	2
Interest capitalized	0	0	0	0	0	0
	<b>2,726</b>	<b>(13,529)</b>	<b>(9,716)</b>	<b>33,662</b>	<b>22,851</b>	<b>23,912</b>
Fixed Charges						
Interest costs	<b>153</b>	<b>89</b>	<b>81</b>	<b>962</b>	<b>78</b>	<b>217</b>
Amortization of debt issuance costs	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest capitalized	0	0	0	0	0	0
<b>Interest component of rental expense</b>	<b>789</b>	<b>785</b>	<b>894</b>	<b>973</b>	<b>784</b>	<b>820</b>
	<b>942</b>	<b>874</b>	<b>975</b>	<b>1,935</b>	<b>862</b>	<b>1,037</b>
Ratio	<b>2.89</b>	<b>-15.48</b>	<b>-9.97</b>	<b>17.40</b>	<b>26.51</b>	<b>23.06</b>

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**DESCRIPTION OF THE SECURITIES WE MAY OFFER**

We may issue, in one or more offerings, any combination of senior or subordinated debt securities, common stock, preferred stock, warrants, depositary shares and units.

This prospectus contains a summary of the general terms of the various securities that we may offer. The prospectus supplement relating to any particular securities offered will describe the specific terms of the securities. The summary in this prospectus and in any prospectus supplement does not describe every aspect of the securities and is subject to and qualified in its entirety by reference to all applicable provisions of the documents relating to the securities offered. These documents are or will be filed as exhibits to or incorporated by reference in the registration statement.

In addition, the prospectus supplement will set forth the terms of the offering, the initial public offering price and net proceeds to us. Where applicable, the prospectus supplement will also describe any material United States federal income tax considerations relating to the securities offered and indicate whether the securities offered are or will be listed on any securities exchange.

**DESCRIPTION OF DEBT SECURITIES**

We may offer debt securities. The following description sets forth the general terms and provisions of the debt securities. The applicable prospectus supplement will describe the specific terms of the debt securities offered by that prospectus supplement and any applicable tax considerations and any general terms outlined in this section that will not apply to those debt securities.

Our senior debt securities are to be issued under a senior indenture between us and U.S. Bank National Association, as trustee, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. Our subordinated debt securities are to be issued under a subordinated indenture between us and U.S. Bank National Association, as trustee, a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. The senior indenture and the subordinated indenture are sometimes referred to collectively as the indentures and each individually as an indenture.

Because the following summaries of the material terms and provisions of the indentures and the related debt securities are not complete, you should refer to the forms of the indentures and the debt securities for complete information regarding the terms and provisions of the indentures, including the definitions of some of the terms used below, and the debt securities. Wherever we refer to particular articles, sections or defined terms of an indenture, those articles, sections or defined terms are incorporated herein by reference. Whenever we refer to particular articles, sections or defined terms of an indenture, without specific reference to an indenture, those articles, sections or defined terms are

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contained in all indentures. The senior indenture and the subordinated indenture are substantially identical, except for certain covenants of ours and provisions relating to subordination.

If we had issued senior debt securities on June 30, 2010, we would have had no debt outstanding senior to the senior debt securities, no debt outstanding *pari passu* to the senior debt securities and no debt outstanding junior to the senior debt securities. If we had issued subordinated debt securities on June 30, 2010, we would have had no debt outstanding senior to the subordinated debt securities, no debt outstanding *pari passu* to the subordinated debt securities and no debt outstanding junior to the subordinated debt securities. As of June 30, 2010, the only outstanding indebtedness of our subsidiaries guaranteed by us was a \$1,132,000 mortgage on the real estate of LSI ADL Technology Inc. Any debt securities issued would be effectively subordinated to all existing and future indebtedness and other liabilities and commitments of our subsidiaries.

The prospectus supplement relating to any series of debt securities will describe the following specific financial, legal and other terms particular to such series of debt securities:

the designation of the debt securities of the series;

any limit upon the aggregate principal amount of the debt securities of the series and any limitation on our ability to increase the aggregate principal amount after the initial issuance of the debt securities of that series;

the date or dates on which the principal of the debt securities of the series is payable (which date or dates may be fixed or extendible);

the annual rate or rates (which may be fixed or variable) at which the debt securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record shall be taken for the determination of holders to whom interest is payable and/or the method by which such rate or rates or date or dates shall be determined;

the place or places where principal of, premium, if any, and interest on debt securities of the series shall be payable;

our right, if any, to redeem debt securities of the series, in whole or in part, at our option and the period or periods within which, the price or prices at which and any terms and conditions upon which debt securities of the series may be so redeemed;

our obligation, if any, to redeem, purchase or repay debt securities of the series pursuant to any mandatory redemption or at the option of a holder and the price or prices at which and the period or periods within which and any of the terms and conditions upon which debt securities of the series shall be redeemed, purchased or repaid, in whole or in part;

if other than denominations of \$1,000 and integral multiples of \$1,000, the denominations in which debt securities of the series shall be issuable;

if other than the principal amount, the portion of the principal amount of debt securities of the series which shall be payable upon declaration of acceleration of the maturity;

whether the debt securities of the series or any portion thereof will be issuable as registered debt securities or unregistered debt securities (with or without coupons) (and if so, whether such debt securities will be issued in temporary or permanent global form), or any combination of the foregoing;

whether the debt securities of the series may be exchangeable for and/or convertible into our common stock or any other security;



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whether and under what circumstances we will pay additional amounts on the debt securities of the series held by a person who is not a U.S. person in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether we will have the option to redeem such debt securities rather than pay such additional amounts;

provisions, if any, for the defeasance of the debt securities of the series (including provisions permitting defeasance of less than all debt securities of the series);

any other events of default or covenants with respect to the debt securities of the series; and

any other terms of the debt securities of the series (which terms shall not be inconsistent with the provisions of this Indenture), and any requirement to have our subsidiaries guarantee the debt securities.

**Events Of Default**

You will have special rights if an event of default occurs, with respect to any series of debt securities, and is not cured, as described later in this subsection. Under the indenture, the term event of default means any of the following: we do not pay the principal on a debt security on its due date;

we do not pay interest on a debt security within 30 days of its due date;

we remain in breach of any covenant or warranty described in the indenture for 90 days after we receive a notice stating it is in breach, which notice must be sent by either the trustee or direct holders of at least 25% of the principal amount of outstanding debt securities;

we or one of our significant subsidiaries fails to pay an amount of indebtedness totaling more than \$25,000,000 in principal amount, our obligation to repay is accelerated by its lenders, and this payment obligation remains accelerated for 30 days;

we or one of our significant subsidiaries fails to pay an amount of indebtedness totaling more than \$25,000,000 in principal amount when due, and this payment obligation remains accelerated for 30 days;

we become subject to one or more final, non-appealable judgments, orders or decrees (not covered by insurance) requiring payments of more than \$25,000,000 and such judgments, orders or decrees remain unsatisfied for 60 days during which a stay of enforcement has not been in effect; or

certain events of bankruptcy, insolvency or reorganization.

For purposes of the indentures, a significant subsidiary means a subsidiary meeting any of the conditions set forth in Rule 405 promulgated under the Securities Act.

**Remedies if an Event of Default Occurs**

If an event of default has occurred and has not been cured (if a cure period is provided for), the trustee or the direct holders of 25% in principal amount of the outstanding debt securities may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity.

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Except in cases of default, whereby a trustee has some special duties, a trustee is not required to take any action under the indenture at the request of any direct holders unless the direct holders offer the trustee reasonable protection from costs, expenses and liability (called an indemnity). If reasonable indemnity is provided, the direct holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority direct holders may also direct the trustee in performing any other action under the indenture.

In general, before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

you must give the trustee written notice that an event of default has occurred and remains uncured;

the direct holders of at least 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action in its own name as trustee because of the default, and must offer reasonable indemnity to the trustee against the costs, expenses and other liabilities of taking that action;

the trustee must have not taken action for 60 days after receipt of the above notice and offer of indemnity; and

the trustee must not have received from direct holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with the written notice during the 60 day period after receipt of the above notice.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date.

**Modification**

There are three types of changes we can make to the indentures and the debt securities.

*Changes Requiring Your Approval*

First, there are changes that cannot be made to the indentures or your debt securities without your specific approval. Following is a list of those types of changes:

change the payment due date;

reduce any amounts due on a debt security;

change the place or currency of payment on a debt security;

impair your right to sue for payment;

waive a default in payment on a debt security;

reduce the percentage in principal amount of debt securities, the consent of whose holders is required to modify or amend the indenture;

reduce the percentage in principal amount of debt securities, the consent of whose holders is required to waive compliance with certain provisions of the indenture or to waive certain defaults; and

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modify any other aspect of the provisions dealing with modification and waiver of the indenture.

*Changes Requiring a Majority Vote*

The second type of change to the indentures and the debt securities is the kind that requires consent of the holders of a majority in principal amount of the outstanding debt securities of the particular series affected. With a majority vote, the holders may waive past defaults, provided that such defaults are not of the type described previously under

Changes Requiring Your Approval.

*Changes Not Requiring Approval*

The third type of change does not require any vote by direct holders of debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the debt securities.

**Consolidation, Merger And Sale Of Assets**

We may consolidate or merge with or into another entity, and we may sell or lease substantially all of our assets to another entity if the following conditions, among others, are met:

where we merge out of existence or sell or lease substantially all our assets, the other entity must be a corporation organized and validly existing under the laws of the United States or any jurisdiction of the United States, and it must agree to be legally responsible for the debt securities; and

the merger, sale of assets or other transaction must not cause a default or an event of default on the debt securities.

**Form, Exchange, Registration And Transfer**

Generally, we will issue debt securities only in registered global form. See Global Securities below. However, if specified in the prospectus supplement, we may issue certificated securities in definitive form.

You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange.

You may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. We may appoint another entity or perform this role itself. The entity performing the role of maintaining the list of registered direct holders is called the security registrar. It will also perform transfers. You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if the security registrar is satisfied with your proof of ownership.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or

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exchanges of debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

**Global Securities**

The debt securities of any series may be represented, in whole or in part, by one or more global securities. Each global security will:

be registered in the name of a depository that we will identify in a prospectus supplement;

be deposited with the depository or its nominee or custodian; and

bear any required legends.

No global security may be exchanged in whole or in part for debt securities registered in the name of any person other than the depository or any nominee unless:

the depository has notified us that it is unwilling or unable to continue as depository or has ceased to be qualified to act as depository;

we elect for any reason in our sole discretion to issue certificated debt securities in exchange for all of any portion of the global debt securities; or

any other circumstances described in a prospectus supplement occur.

As long as the depository, or its nominee, is the registered owner of a global security, the depository or nominee will be considered the sole owner and holder of the debt securities represented by the global security for all purposes under the indenture. Except in the above limited circumstances, owners of beneficial interests in a global security:

will not be entitled to have the debt securities registered in their names;

will not be entitled to physical delivery of certificated debt securities; and

will not be considered to be holders of those debt securities under the indenture.

Payments on a global security will be made to the depository or its nominee as the holder of the global security. Some jurisdictions have laws that require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

Institutions that have accounts with the depository or its nominee are referred to as participants. Ownership of beneficial interests in a global security will be limited to participants and to persons that may hold beneficial interests through participants. The depository will credit, on its book-entry registration and transfer system, the respective principal amounts of debt securities represented by the global security to the accounts of its participants. Each person owning a beneficial interest in a global security must rely on the procedures of the depository (and, if such person is not a participant, on procedures of the participant through which such person owns its interest) to exercise any rights of a holder under the indenture.

Ownership of beneficial interests in a global security will be shown on and effected through records maintained by the depository, with respect to participants' interests, or by any participant, with respect to interests of persons held by participants on their behalf. Payments, transfers and exchanges relating to beneficial interests in a global security will be subject to policies and procedures of the depository. The depository policies and procedures may change from time to time. Neither we nor the

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trustee will have any responsibility or liability for the depository's or any participant's records with respect to beneficial interests in a global security.

**Notices**

Notices to holders of debt securities will be given by mail to the addresses of such holders as they appear in the security register.

**The Trustee**

U.S. Bank National Association acts as trustee under each of the senior debt indenture and the subordinated debt indenture. U.S. Bank National Association also acts as Escrow Agent under an escrow agreement entered into in connection with our July 2009 acquisition of ADL Technology Inc. See "Selling Securityholders" below.

**DESCRIPTION OF COMMON STOCK**

This section summarizes the general terms of the common stock that we may offer. The prospectus supplement relating to the common stock offered will set forth the number of shares offered, the initial offering price and recent market prices, dividend information and any other relevant information. The summary in this section and in the prospectus supplement does not describe every aspect of the common stock and is subject to and qualified in its entirety by reference to all the provisions of our Articles of Incorporation and Amended and Restated Code of Regulations and to the provisions of the Ohio Revised Code.

The total number of authorized shares of common stock is 40,000,000. Holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. Shareholders have the right to cumulate their votes in the election of directors.

Holders of common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred shares or debt securities.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred shares having liquidation preferences, if any, the holders of our common stock will be entitled to receive pro rata our remaining assets available for distribution.

As of August 27, 2010, we had 24,038,675 shares of common stock outstanding. Shares of common stock carry no conversion or subscription rights and are not subject to redemption. All outstanding shares of common stock are, and any shares of common stock issued upon conversion of any convertible securities will be, fully paid and non-assessable.

Our common stock is listed on the NASDAQ Global Select Market and trades under the symbol "LYTS". Our registrar and transfer agent is Computershare Trust Company, N.A.

**Provisions Affecting Business Combinations**

Our Articles of Incorporation require approval by 66-2/3% of the voting power of disinterested shareholders for any business combination between an interested shareholder and us for five years after

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such party became an interested shareholder. An interested shareholder is one beneficially owning 15% or more of the voting power. Business combinations include mergers, sales of assets and similar transactions. Our Articles of Incorporation also require any person who becomes an interested shareholder to offer to purchase all of our voting securities and securities convertible into or constituting warrants or options to purchase our voting securities within 25 days after achieving 15% ownership. The price to be paid would be the higher of the highest price paid by the interested shareholder in acquiring such beneficial ownership or the highest trading price during the 45 day period commencing 70 days prior to the date that such person became an interested shareholder. These provisions are not applicable if the proposed business combination is approved prior to its consummation by a majority of disinterested directors or if the transaction by which a person becomes an interested shareholder is approved at any time prior to that time by a majority of disinterested directors.

We are also subject to Chapter 1704 of the Ohio Revised Code which prohibits us from entering into transactions with persons owning 10% or more of our outstanding voting power for at least three years after attaining 10% ownership unless the Board of Directors has approved the acquisitions of shares resulting in such ownership. We are also subject to §1701.831 of the Ohio General Corporation Law requiring shareholder approval of acquisitions by persons beyond 20%, 33-1/3% and 50% of our voting power. Ohio Revised Code §1707.043 requires a person or entity making a proposal to acquire control of us to repay us any profits made from trade in our stock within 18 months after making the control proposal.

These provisions of our Articles of Incorporation and Ohio law would be important in any attempted takeover of us and could operate, depending on how utilized by the Board of Directors, either to discourage a hostile takeover or to enable the Board of Directors to negotiate a higher price than may be initially proposed in any such situation.

The vote of holders of 66-2/3% of all outstanding shares of common stock is required to amend our Articles of Incorporation and to approve mergers, reorganizations, and similar transactions.

**DESCRIPTION OF PREFERRED STOCK**

The following briefly summarizes the material terms of the preferred stock that we may offer, other than pricing and related terms which will be disclosed in a prospectus supplement. You should read the particular terms of any series of preferred stock that we offer, which we will describe in more detail in any prospectus supplement relating to such series. You should also read the more detailed provisions of our Articles of Incorporation and the statement with respect to shares relating to each particular series of preferred stock for provisions that may be important to you. The statement with respect to shares relating to each particular series of preferred stock offered by the accompanying prospectus supplement and this prospectus will be filed as an exhibit to a document incorporated by reference in the registration statement. The prospectus supplement will also state whether any of the terms summarized below do not apply to the series of preferred stock being offered.

**General**

Our board of directors is authorized to issue up to 1,000,000 shares of preferred stock. As of the date of this prospectus, we have not issued any shares of preferred stock. Our board of directors can issue shares of preferred stock in one or more series and can specify the following terms for each series:

the number of shares;

the designation, powers, preferences and rights of the shares; and

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the qualifications, limitations or restrictions, except as otherwise stated in our Articles of Incorporation.

Before issuing any series of preferred stock, our board of directors will adopt resolutions creating and designating the series as a series of preferred stock, and the resolutions will be filed in a statement with respect to shares as an amendment to our Articles of Incorporation.

The rights of holders of the preferred stock offered may be adversely affected by the rights of holders of any shares of preferred stock that may be issued in the future. Our board of directors may cause shares of preferred stock to be issued in public or private transactions for any proper corporate purpose. Examples include issuances to obtain additional financing in connection with acquisitions or otherwise, and issuances to our officers, directors and employees and its subsidiaries pursuant to benefit plans or otherwise. The preferred stock could have the effect of acting as an anti-takeover device to prevent a change in control of us.

Unless the particular prospectus supplement states otherwise, holders of each series of preferred stock will not have any preemptive or subscription rights to acquire more of our stock.

The transfer agent, registrar, dividend disbursing agent and redemption agent for shares of each series of preferred stock will be named in the prospectus supplement relating to such series.

**Rank**

Unless otherwise specified in the prospectus supplement relating to the shares of any series of preferred stock, the shares will rank on an equal basis with each other series of preferred stock and prior to the common stock as to dividends and distributions of assets.

**Dividends**

Unless the particular prospectus supplement states otherwise, holders of each series of preferred stock will be entitled to receive cash dividends, when, as and if declared by our board of directors out of funds legally available for dividends. The rates and dates of payment of dividends will be set forth in the prospectus supplement relating to each series of preferred stock. Dividends will be payable to holders of record of preferred stock as they appear on our books. Dividends on any series of preferred stock may be cumulative or noncumulative.

We may not declare, pay or set apart for payment dividends on the preferred stock unless full dividends on any other series of preferred stock tha