LIGHTPATH TECHNOLOGIES INC
Form DEF 14A
November 08, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

LIGHTPATH TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

LightPath Technologies, Inc.

Special Meeting of Stockholders

December 6, 2016

Notice and Proxy Statement

November 8, 2016

Dear LightPath Stockholder:

I am pleased to invite you to a Special Meeting of the Stockholders of LightPath Technologies, Inc. ("LightPath"). The meeting will be held on Tuesday, December 6, 2016 at 11:00 a.m. Eastern Time at LightPath's executive offices. The address is 2603 Challenger Tech Court, Suite 130, Orlando, Florida 32826.

At the meeting, you and the other stockholders will be asked to approve the issuance by LightPath of up to 8,000,000 shares of our Class A common stock in connection with the proposed acquisition of ISP Optics Corporation, as required by and in accordance with the applicable rules of The NASDAQ Stock Market LLC. The enclosed Notice and Proxy Statement contain additional details concerning the foregoing item to be voted on at such special meeting.

We hope you can join us at the meeting. Whether or not you expect to attend, please read the enclosed Proxy Statement, ***mark*** *your votes on the enclosed proxy card,* ***sign and date it****, and* ***return it*** *to us in the enclosed postage-paid envelope*. Your vote is important, so please return your proxy card promptly.

Sincerely,
Robert Ripp
Chairman of the Board

LIGHTPATH TECHNOLOGIES, INC.

2603 Challenger Tech Court, Suite 100

Orlando, Florida USA 32826

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On Tuesday, December 6, 2016

Dear Stockholder,

You are cordially invited to attend the Special Meeting of Stockholders (the "Special Meeting") of LightPath Technologies, Inc., a Delaware corporation. The meeting will be held on Tuesday, December 6, 2016 at 11:00 a.m. Eastern Time at our executive office located at 2603 Challenger Tech Court, Suite 130, Orlando, Florida 32826. The purpose of the Special Meeting is to vote on the following:

1. To approve the issuances of up to 8,000,000 shares of our Class A common stock in connection with the proposed acquisition (the "Acquisition") of ISP Optics Corporation ("ISP"), as required by and in accordance with the applicable rules of The NASDAQ Stock Market LLC ("NASDAQ"), which proposal we refer to as the "Share Issuance Proposal."

2. To transact such other business as may properly come before the Special Meeting or any postponement or adjournment thereof.

Only stockholders of record at the close of business on November 1, 2016 (the "Record Date") will be entitled to receive notice of and to vote at the Special Meeting or any adjournment thereof.

It is important to understand that we are not required to seek, nor are we seeking, stockholder approval of the proposed Acquisition of ISP. Rather, we are only seeking approval to issue up to 8,000,000 shares of Class A common stock in connection with the proposed Acquisition of ISP. Because we are seeking your approval to issue shares of Class A common stock in connection with the Acquisition of ISP, we have included in this proxy statement certain material information regarding ISP and the Acquisition.

Whether or not you expect to attend the Special Meeting, ***please complete, date, sign, and return*** the enclosed proxy as promptly as possible in order to ensure your representation at the Special Meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. You may attend the Special Meeting and vote in person even if you have previously voted by proxy. Please note that if a broker, bank, or other nominee holds your shares of record, and you wish to vote at the Special Meeting, you must obtain a proxy issued in your name from that record holder.

By Order of the Board of Directors,
J. James Gaynor
President & Chief Executive Officer
Orlando, Florida
November 8, 2016

LIGHTPATH TECHNOLOGIES, INC.

2603 Challenger Tech Court, Suite 100

Orlando, Florida USA 32826

PROXY STATEMENT

FOR SPECIAL MEETING OF STOCKHOLDERS

To be held on Tuesday, December 6, 2016

This proxy statement, and the enclosed proxy card, is solicited by the Board of Directors ("Board") of LightPath Technologies, Inc., a Delaware corporation, for use at the Special Meeting to be held on Tuesday, December 6, 2016 at 11:00 a.m. Eastern Time at our executive office located at 2603 Challenger Tech Court, Suite 130, Orlando, Florida 32826, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Special Meeting of Stockholders.

References in this proxy statement to "LightPath", "we", "us", "our", or the "Company" refers to LightPath Technologies, Inc.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 6, 2016.

This proxy statement and the enclosed proxy card are available on our website at www.lightpath.com. With respect to the Special Meeting and all of our future stockholder meetings, please contact Dorothy Cipolla at 1-800-472-3486 ext. 305, or dcipolla@lightpath.com, to request a copy of the proxy statement or proxy card, or to obtain directions to such meeting.

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SUMMARY OF THE PROPOSED ACQUISITION OF ISP

The following is a summary of the material provisions of the Stock Purchase Agreement, dated August 3, 2016 (the "SPA") entered into by and among ISP, Joseph Menaker and Mark Lifshotz (the "ISP Stockholders"), and us in connection with the proposed Acquisition of ISP, but does not purport to describe all of the terms of the SPA. The following summary is qualified in its entirety by reference to the complete text of the SPA, a copy of which is attached as Annex A to this proxy statement and is incorporated herein by reference. This summary may not contain all of the information about the SPA that is important to you. You should refer to the full text of the SPA for details of the transaction and the terms and conditions of the proposed Acquisition.

It is important to understand that we are not required to seek, nor are we seeking, stockholder approval of the proposed Acquisition of ISP. Rather, we are only seeking approval of the Share Issuance Proposal, which will allow us to issue up to 8,000,000 shares of our Class A common stock in one or more issuances in connection with the potential Acquisition of ISP, as required by and in accordance with the NASDAQ Listing Rules, as more fully described in Item No. 1 beginning on page 28.

Parties to the Acquisition

We are a Delaware corporation and our Class A common stock is traded on The NASDAQ Capital Market under the symbol "LPTH." Our address is 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826, and our telephone number is (407) 382-4003.

We were incorporated in 1992 as the successor to LightPath Technologies Limited Partnership, a New Mexico limited partnership formed in 1989, and its predecessor, Integrated Solar Technologies Corporation, a New Mexico corporation formed in 1985. We manufacture optical components and higher level assemblies, including precision molded glass aspheric optics, infrared aspheric lenses, GRADIUM glass lenses, and other optical materials used to produce products that manipulate light.

For more detailed information about us, see our Annual Report on Form 10-K for the year ended June 30, 2016, and other reports and filings we may make from time to time with the Securities and Exchange Commission (the "SEC"), all of which are available at www.sec.gov.

ISP was incorporated in New York in 1993 and is a vertically integrated manufacturer offering a full range of infrared products from custom infrared optical elements to catalog and high performance lens assembly. ISP's wholly-owned subsidiary, ISP Optics Latvia, SIA, is a limited liability company formed under the laws of the Republic of Latvia ("ISP Latvia"). References to ISP in this proxy statement refer to ISP individually or, as the context requires, collectively with ISP Latvia on a consolidated basis. ISP's address is 50 South Buckhout Street, Irvington, New York 10533, and its telephone number is (914) 591-3070.

The ISP Stockholders represent all the stockholders of ISP, who collectively own all of the issued and outstanding shares of common stock of ISP (the "Purchased Sahres").

See the section entitled "Our Proposed Acquisition of ISP" for additional information.

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The Transaction	On August 3, 2016, we entered into the SPA with ISP and the ISP Stockholders. The SPA provides for the Acquisition of 100% of the Purchased Shares for a purchase price of $18 million (the "Purchase Price"). See the section entitled "The Proposed Acquisition of ISP" for additional information.
The Consideration	We will pay the Purchase Price in a combination of cash and a promissory note in favor of the ISP Stockholders. The cash payment (the "Cash Amount") shall not be less than $12 million, subject to a net working capital adjustment, debt adjustment, and cash adjustment as provided in the SPA. The aggregate original principal amount of the promissory note (the "Note") shall equal the Purchase Price less the Cash Amount, as adjusted pursuant to the SPA, but in no event less than $3 million. See the section entitled "The Stock Purchase Agreement – Consideration" for additional information.
Promissory Note	During the period commencing on the date that the Note is issued (the "Issue Date") and continuing until the fifteen month anniversary of the Issue Date (the "Initial Period"), interest will accrue on only the outstanding principal amount of the Note in excess of $2.7 million at an interest rate equal to ten percent (10%) per annum. After the Initial Period, interest will accrue on the entire unpaid principal amount of the Note from time to time outstanding, at an interest rate equal to ten percent (10%) per annum. Interest is payable semi-annual in arrears. The term of the Note is for five years. Any unpaid interest and principal, together with any other amounts payable under the Note, is due and payable on the maturity date. We may prepay the Note in whole or in part without penalty or premium. If we do not pay any amount payable when due, whether at the maturity date, by acceleration, or otherwise, such overdue amount will bear interest at a rate equal to twelve (12%) per annum from the date of such non-payment until we pay such amount in full. See the section entitled "The Stock Purchase Agreement – Consideration" for additional information.

The Closing

The closing of the Acquisition of ISP will occur on a date and time mutually agreed upon by the ISP Stockholders and us, not later than five (5) business days following the satisfaction or waiver of the closing conditions. We currently anticipate that the Acquisition of ISP will close in the fourth quarter of calendar year 2016; however, there can be no assurances that the Acquisition will be completed at all, or, if completed, that it will be completed in the fourth quarter of calendar year 2016.

See the section entitled "The Stock Purchase Agreement – Closing" for additional information.

Conditions to Completion of the Transaction

The completion of the Acquisition of ISP is subject to the satisfaction or waiver of certain conditions. In addition to customary closing conditions, the closing of the Acquisition of ISP is conditioned on us (i) obtaining all of the financing we need in order to purchase the Purchased Shares (the "Financing Condition") and (ii) obtaining the requisite stockholder approval related to the financing and the Acquisition, as applicable, as required by applicable NASDAQ rules and other applicable law (the "Stockholder Approval Condition"). The Stockholder Approval Condition will be satisfied if our stockholders approve the Share Issuance Proposal.

See the section entitled "The Stock Purchase Agreement – Conditions to Completion of the ISP Acquisition" for additional information.

Stockholder Approval

Pursuant to NASDAQ Listing Rule 5635(a), stockholder approval is required for the issuance of shares of Class A common stock in connection with the proposed Acquisition of ISP if the total number of shares of Class A common stock potentially issuable in the Acquisition equals or exceeds 20 percent of the total number of shares of Class A common stock outstanding prior to such issuance. Issuances "in connection with an acquisition" includes stock issued in an offering, the net proceeds from which will be used to fund a portion of the Purchase Price of the Acquisition.

In addition, NASDAQ Listing Rule 5635(d) requires that we obtain stockholder approval prior to the issuance of shares of our Class A common stock in connection with certain non-public offerings involving the sale, issuance, or potential issuance by us of shares of our Class A common stock equal to 20 percent or more of our Class A common stock outstanding before the issuance, if the price per share is less than the greater of book value or market value on the date of pricing.

To obtain stockholder approval of the Share Issuance Proposal, we are holding this Special Meeting. Our stockholders are not voting on, and are not entitled to vote on, the proposed Acquisition of ISP.

See the section entitled "Item No. 1" for additional information.

Termination of the SPA	The SPA may be terminated under certain circumstances, including, but not limited to: (i) the mutual written consent of the ISP Stockholders and us; (ii) by the ISP Stockholders, if any of our representations and warranties in the SPA fail to be true and correct, subject to certain qualifications, or we breach or fail to perform in any material respect any of the covenants or other agreements in the SPA that has not been cured in the requisite time period; (iii) by us, if any of the representations and warranties made by ISP or the ISP Stockholders fail to be true and correct, subject to certain qualifications, or the ISP Stockholders breach or fail to perform in any material respect any of their covenants or other agreements in the SPA that has not been cured in the requisite time period; (iv) by the ISP Stockholders, on the one hand, or by us, on the other hand, if the closing of the Acquisition has not occurred on or prior to December 31, 2016 (the "Outside Date"), provided that this right to terminate will not be available to any party whose failure to perform any material covenant or obligation under the SPA was the cause of, or resulted in, the failure of the closing to occur on or before the Outside Date; (v) by the ISP Stockholders, on the hand, or us, on the other hand, if the closing of the Acquisition has not occurred on or prior to the Outside Date due to our failure to satisfy the Financing Condition; (vi) by the ISP Stockholders, on the one hand, or by us, on the other hand, if (a) at this Special Meeting our stockholders do not approve the Share Issuance Proposal, which is intended to provide the financing required to close the Acquisition, or the Acquisition, as applicable or (b) the closing of the Acquisition has not occurred on or prior to the Outside Date due to our failure to satisfy the Stockholder Approval Condition; and (vii) by us, if, after the date of the SPA, any change or event occurs that has had or would be reasonably likely to have a material adverse change (a) as to ISP or (b) that results in the ISP Stockholders being unable to perform their obligations under the SPA and related transaction documents or consummate the Acquisition and the transactions contemplated thereby. See the section entitled "The Stock Purchase Agreement – Termination of the SPA" for additional information.
Termination Fees	We must reimburse ISP and the ISP Stockholders for all of their documented out-of-pocket expenses, including, without limitation, legal, accounting, and travel expenses, up to $250,000 (the "Termination Fee") if we or the ISP Stockholders terminate the SPA due to our failure to satisfy the Stockholder Approval Condition or Financing Condition. See the section entitled "The Stock Purchase Agreement – Termination Fee" for additional information.

Relationship of the Parties	Prior to entering into the SPA, we ordered anti-reflective coating services from ISP on an arms' length basis. We have also partnered with ISP to develop and sell molded optics as part of a multiple lens assembly sold to a third party and have provided certain standard molded optics for resale through ISP's catalog. Other than this relationship, the parties did not have any other relationship. We have not been one of ISP's top 10 customers in terms of revenue contribution in any given year, and approximately 1.1% and 0.85% of ISP's revenue for 2015 and the first six months of 2016, respectively, were attributable to our orders. See the section entitled "The Proposed Acquisition of ISP" for additional information.
Interests of Certain Persons in the Acquisition	None of our executive officers or directors has any interest in the proposed Acquisition of ISP or the Share Issuance Proposal, *provided, that,* our officers and directors may be permitted to purchase shares of our Class A common stock in an offering, the net proceeds from which will be used to fund a portion of the Purchase Price of the Acquisition. See the section entitled "The Proposed Acquisition of ISP – Interests of Our Officers and Directors in the Acquisition" for additional information. Joseph Menaker and Mark Lifshotz, ISP's current President and Chief Executive Officer, respectively, are also the sole ISP Stockholders. In addition to the receiving the Purchase Price, the parties intend that Joseph Menaker and Mark Lifshotz will be employed or engaged by ISP or us following the closing of the Acquisition under terms and conditions to be agreed upon prior to the closing. Other than Joseph Menaker and Mark Lifshotz, none of the executive officers or directors of ISP has any interest in the proposed Acquisition of ISP. See the section entitled "The Proposed Acquisition of ISP – Interests of ISP's Officers and Directors in the Acquisition" for additional information.
Expenses of the Acquisition	Except the Termination Fee, if applicable, and as otherwise set forth in the SPA, and whether or not the Acquisition of ISP consummated, all fees and expenses incurred in connection with the Acquisition are the obligation of the respective party incurring such fees and expenses. See the section entitled "The Stock Purchase Agreement – Expenses" for additional information.
Special Meeting of Stockholders	The Special Meeting will be held on Tuesday, December 6, 2016 at 11:00 a.m. Eastern Time at our executive office located at 2603 Challenger Tech Court, Suite 130, Orlando, Florida 32826, or at any adjournments or postponements thereof. See the section entitled "Questions and Answers About this Proxy Statement and the Special Meeting" for additional information.

QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT AND THE SPECIAL MEETING

Why am I receiving these materials?

A proxy statement is a document the regulations of the SEC require us to give you when we ask you to sign a proxy designating individuals to vote on your behalf. A proxy is your legal designation of another person to vote the stock you own and are entitled to vote. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. We have designated Robert Ripp, Chairman of the Board, as proxy for the Special Meeting.

You are receiving this proxy statement and the enclosed proxy card because our Board is soliciting your proxy to vote at the Special Meeting. This proxy statement provides you with information on the matters to be voted on at the Special Meeting as well as instructions on how to vote.

We intend to mail this proxy statement and accompanying proxy card on or about November 8, 2016 to all stockholders of record entitled to vote at the Special Meeting.

Who can vote at the Special Meeting?

Only stockholders of record at the close of business on the Record Date, or November 1, 2016, will be entitled to vote at the Special Meeting. On the Record Date, there were 15,653,258 shares of Class A common stock (our only outstanding class of common stock) outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on the Record Date your shares were registered directly in your name with our transfer agent, Computershare Trust Company, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the Special Meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted. Even if you complete and return your proxy card, you may still vote in person if you are able to attend the Special Meeting.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on the Record Date your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Special Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Special Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Special Meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

The following matter is scheduled for the Special Meeting: the approval of the issuances of up to 8,000,000 shares of our Class A common stock in connection with the proposed Acquisition of ISP, as required by and in accordance with applicable NASDAQ rules.

With respect to the Share Issuance Proposal described above, it is important to understand that we are not required to seek, nor are we seeking, stockholder approval of the Acquisition of ISP. Rather, we are only seeking approval to issue up to 8,000,000 shares of Class A common stock in connection with the proposed Acquisition of ISP.

A vote may also be held on any other business as may properly come before the Special Meeting or any postponement or adjournment thereof, although there is no other business anticipated to come before the Special Meeting.

Why is it important for me to vote?

If you are the beneficial owner of shares held in "street name" by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not direct your broker how to vote your shares, the broker will be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (resulting in a "broker non-vote"). The Share Issuance Proposal under Item No. 1 is a "non-discretionary" matter, so it is important for you to direct your broker on how to vote your shares.

Why are we asking you to approve the Share Issuance Proposal?

NASDAQ Listing Rule 5635(a) states: "Shareholder approval is required prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if: (1) where, due to the present or potential issuance of common stock, including shares issued pursuant to an earn-out provision or similar type of provision, or securities convertible into or exercisable for common stock, other than a public offering for cash:…the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities." Although we are not seeking stockholder approval of the Acquisition of ISP, because the consideration to be paid in connection with the Acquisition may include, but is not limited to, cash derived from the net proceeds of an offering, and shares issued in connection therewith could equal 20 percent or more of the number of shares of Class A common stock outstanding before the issuance of such shares, we must comply with the stockholder approval requirement of NASDAQ Listing Rule 5635(a)(1).

In addition, NASDAQ Listing Rule 5635(d) requires that we obtain stockholder approval prior to the issuance of shares of our Class A common stock in connection with certain non-public offerings involving the sale, issuance, or potential issuance by us of shares of our Class A common stock equal to 20 percent or more of our Class A common stock outstanding before the issuance, if the price per share is less than the greater of book value or market value on the date of pricing. If we commence an offering, the offering price could be less than the greater of book value or market value on the date of pricing. Accordingly, we may also be required to comply with the stockholder approval requirements of NASDAQ Listing Rule 5635(d).

If our stockholders do not approve the Share Issuance Proposal, we will not be able to close the Acquisition and the transaction will be terminated.

Are there risks associated with the Acquisition of ISP?

Yes. The material risks associated with the proposed Acquisition of ISP that are known to us are discussed in the section entitled “Risk Factors” beginning on page 14. Please read the risk factors in this proxy statement carefully. Those risks include, among others, the possibility that we may fail to consummate the Acquisition of ISP or, if consummated, realize the expected benefits of the Acquisition of ISP and we may not be successful in assimilating and retaining ISP’s employees, and otherwise integrating its business with our own.

What are my voting choices for each of the items to be voted on at the Special Meeting?

Item No.	Voting Choices and Board Recommendation
Item 1: Share Issuance Proposal	Vote "For" the Share Issuance Proposal Vote "Against" the Share Issuance Proposal Abstain from voting on this item **The Board recommends voting "For" this item**

How do I vote?

You may vote your shares as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Special Meeting or vote by proxy using the enclosed proxy card.

To vote in person, come to the Special Meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign, and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Special Meeting, we will vote your shares as you direct.

Whether or not you plan to attend the Special Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the Special

Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

If you fail to complete a proxy card or provide your broker with voting instructions at least ten days before the Special Meeting, your broker will be unable to vote on the non-discretionary matters. Your broker may use his or her discretion to cast a vote on any other routine or discretionary matter.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Class A common stock you owned as of the Record Date.

What if I return a proxy card but do not make specific choices?

You should specify your choice for each matter on the proxy card. If you return a signed and dated proxy card without marking any voting selections, your shares will be voted **FOR** the Share Issuance Proposal listed under Item No. 1.

If any other matter is properly presented at the meeting, your proxy (the individual named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. We have hired Alliance Advisors, LLC, a proxy solicitation firm, to assist us in soliciting proxies for a fee of approximately $8,000 plus reasonable out-of-pocket expenses and contact fees, which we currently estimate will be an additional $15,000, for an aggregate total of approximately $23,000. In addition to these mailed proxy materials, our directors, officers and employees may also solicit proxies by mail, in person, by telephone, or by other means of communication. Directors, officers, and employees will not be paid any additional compensation for soliciting proxies. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** proxy card to ensure that all of your shares are voted.

What is "householding"?

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy the delivery requirements for proxy statements with respect to two or more security holders sharing the same address by delivering a single proxy statement addressed to those security holders. This process, which is commonly referred to as "householding," potentially means convenience for security holders and cost savings for companies.

A number of brokers with account holders who are LightPath stockholders will be "householding" our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement, please notify your broker and also notify us by sending your written request to Investor Relations, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 or by calling Investor Relations at 407-382-4003, ext. 314. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request "householding" of their communications should also contact their broker and notify us in writing or by telephone.

Can I revoke or change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Special Meeting. You may revoke your proxy by:

completing, signing, and submitting a new proxy card with a later date;

sending written notice of revocation to our Corporate Secretary at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 in time for her to receive it before the Special Meeting; or

voting in person at the Special Meeting. Simply attending the Special Meeting will not, by itself, revoke your proxy.

Who will count votes?

Votes will be counted by the inspector of elections appointed for the Special Meeting. The inspector of elections will also determine the number of shares outstanding, the voting power of each, the number of shares represented at the Special Meeting, the existence of a quorum, and whether or not the proxies and ballots are valid and effective.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum exists if at least a majority of the issued and outstanding shares of Class A common stock entitled to vote is present at the Special Meeting (in person or represented by proxy). On the Record Date, there were 15,653,258 outstanding shares of Class A common stock (including all restricted stock awards at such date) entitled to vote. Thus, 7,826,630 shares must be present at the Special Meeting (in person or represented by proxy) to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy card or vote in person at the Special Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the shares entitled to vote and present at the Special Meeting (in person or represented by proxy) may adjourn the meeting to another date.

How many votes are needed to approve Item No. 1?

With regard to Item No. 1, the affirmative vote of a majority of votes cast at the Special Meeting, whether represented in person or by proxy, is required to approve the Share Issuance Proposal.

How are abstentions and broker non-votes counted?

Abstentions: If a stockholder abstains from voting on an item, the shares are considered present and entitled to vote at the Special Meeting. Therefore, abstentions will count toward determining whether or not a quorum is present. Under Delaware law, a proxy marked “abstain” is not considered a vote cast. Accordingly, an abstention will have no effect on the approval of the Share Issuance Proposal under Item No. 1; however, abstentions will reduce the number, but not the percentage, of affirmative votes needed to pass Item No. 1.

Broker Non-Votes: A broker "non-vote" occurs when a nominee/broker holding shares for a beneficial owner does not vote on a particular matter because the nominee/broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Broker non-votes are considered present at the Special Meeting. Therefore, broker non-votes will count toward determining whether a quorum is present. For voting purposes, a broker non-vote is not considered as a "vote cast" under Delaware law. Therefore, for Item No. 1, broker non-votes will not have any effect on the approval of the Share Issuance Proposal; however, broker non-votes will have the effect of reducing the absolute number, but not the percentage, of affirmative votes needed to pass Item No. 1.

Do I have any appraisal or dissenters' rights with respect to any matter to be acted upon at the Special Meeting?

No appraisal or dissenters' rights are available to our stockholders under Delaware law, our Certificate of Incorporation, as amended (the "Certificate of Incorporation") or our Amended and Restated Bylaws (the "Bylaws") in connection with any matter to be acted upon at the Special Meeting.

Are any of our officers or directors interested in the matter to be voted upon?

Our officers and directors do not have any interest in the matter to be acted upon at the Special Meeting, *provided, that,* our officers and directors may be permitted to purchase shares of our Class A common stock in an offering, the net proceeds from which will be used to fund a portion of the Purchase Price of the Acquisition.

May the Special Meeting be adjourned or postponed?

Under Delaware law and our Bylaws, we are not required to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the Board fixes a new record date for the adjourned meeting or the meeting date is adjourned to a date more than 30 days after the date set for the original meeting in which case a new record date must be fixed and notice given. Accordingly, if we do not have sufficient votes for a quorum or to approve the Share Issuance Proposal, it is our intention to make an announcement at the Special Meeting of a new date for the adjourned meeting that is within the 30-day period permitted under Delaware law and our Bylaws. Thereafter, if required, our Board will fix a new record date and a new meeting date.

How can I find out the results of the voting at the Special Meeting?

We will announce preliminary voting results at the Special Meeting. We will report the final voting results in a Current Report on Form 8-K filed with the SEC within four business days following such results becoming final.

Will our independent public accountant be at the Special Meeting?

Representatives of our independent public accountant, BDO USA, LLP (“BDO”), will be present at the Special Meeting. Accordingly, BDO representatives will have an opportunity to make a statement and will be available to respond to questions from stockholders present at the Special Meeting.

When are stockholder proposals for the 2017 Annual Meeting due?

Stockholders interested in presenting a proposal to be considered for inclusion in the 2017 Annual Meeting proxy statement and form of proxy may do so by following the procedures prescribed in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and our Bylaws. To be considered for inclusion, stockholder proposals must have been submitted in writing to the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 before August 18, 2016, which is 120 calendar days prior to the anniversary of the mailing date of the proxy statement for our 2016 Annual Meeting, and must be in compliance with all applicable laws and regulations.

If a stockholder wishes to present a proposal at the 2017 Annual Meeting, but the proposal is not intended to be included in our proxy statement relating to the meeting, or nominate a director for election at the 2017 Annual Meeting, the stockholder must give advance notice to us prior to the deadline for such meeting determined in accordance with the Bylaws (the "Bylaw Deadline"). Under our Bylaws, in order for a proposal to be timely, it must have been received by us no earlier than 120 days prior to the anniversary of the 2016 Annual Meeting, or September 30, 2016, and no later than 90 days prior to the anniversary date of the 2016 Annual Meeting, or October 30, 2016. If a stockholder gives notice of such a proposal after the Bylaw Deadline, the stockholder will not be permitted to present the proposal to the stockholders for a vote at the meeting or nominate a director for election at the meeting.

If a stockholder fails to meet these deadlines or fails to satisfy the requirements of SEC Rule 14a-4, the persons named as proxies will be allowed to use their discretionary voting authority to vote on any such proposal or nomination as they determine appropriate if and when the matter is raised at the 2017 annual meeting.

RISK FACTORS

Before you make your decision regarding how to vote on the Share Issuance Proposal set forth in this proxy statement, you should carefully consider each of the following risk factors and all of the other information contained in this proxy statement. The risk factors described below related primarily to the Acquisition of ISP and the integration of ISP and its business. The risk factors described below are not the only risks that we will face following the Acquisition. Furthermore, additional risks and uncertainties not currently known to us may also materially and adversely affect our business operations and financial condition or the price of our Class A common stock.

Risks Relating to the Acquisition

If we fail to obtain stockholder approval of the Share Issuance Proposal as required by the NASDAQ Listing Rules, we will be unable to consummate the transaction. In order to consummate the Acquisition of ISP, and in connection therewith, we may need to issue more than 20 percent of the total number of shares of our Class A common stock outstanding before the transaction. NASDAQ Listing Rule 5635(a) requires stockholder approval when, in connection with an acquisition of stock or assets of another company, we issue a number of shares of our Class A common stock that equals or exceeds 20 percent of the total number of shares of our Class A common stock or voting power outstanding before the transaction. As of November 3, 2016, there were 15,653,258 shares of our Class A common stock outstanding. Accordingly, based on the number of shares issued and outstanding as of such date, and assuming we do not issue any additional shares of Class A common stock, we could issue up to 3,126,650 shares of our Class A common stock without obtaining stockholder approval in connection with the Acquisition of ISP. If we fail to obtain the necessary stockholder approvals, we will be unable to consummate the Acquisition.

Cash expenditures associated with the Acquisition of ISP may create significant liquidity and cash flow risks for us. We expect to incur significant transaction costs and some integration costs in connection with the Acquisition of ISP. While we have assumed that this level of expense will be incurred, there are many factors beyond our control that could affect the total amount or the timing of the Acquisition and integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. To the extent these Acquisition and integration expenses are higher than anticipated, we may experience liquidity or cash flow issues.

We will incur substantial debt in order to satisfy our obligations in connection with the Acquisition of ISP. We will incur substantial debt, in the form of the Note and additional third-party debt, in order to finance a portion of the purchase price of the Acquisition and expenses associated therewith. In order to service the debt, we will require a significant amount of cash. Our ability to make scheduled payments of principal and interest depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional debt or equity financing on terms that may not be favorable to us or available to us at all.

Our ability to refinance any such debt will depend on the capital markets and our financial condition at that time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default under current or future indebtedness. Any event of default or inability to otherwise satisfy our obligations could have a material adverse effect on our future operating results and financial condition.

If our stockholders approve the Share Issuance Proposal, our stockholders will experience dilution as a result of the issuance of shares of our Class A common stock in connection with the Acquisition of ISP. As of November 3, 2016, we had 15,653,258 shares of Class A common stock issued and outstanding. The amount of dilution our stockholders may experience is dependent on the number of shares of our Class A common stock actually issued in connection with the Acquisition of ISP. If the Share Issuance Proposal is approved by our stockholders, the maximum number of shares of our Class A common stock that may be issued in connection with the Acquisition of ISP is 8,000,000 shares. If our stockholders approve the Share Issuance Proposal, and we issue all 8,000,000 shares authorized to be issued pursuant to the Share Issuance Proposal, the total number of our issued and outstanding Class A common stock would increase by approximately 51%. Accordingly, if we issue all 8,000,000 shares authorized by the Share Issuance Proposal, the percentage ownership held by our existing stockholders will be reduced and our stockholders will experience significant dilution.

The market price of our Class A common stock may decline as a result of the Acquisition of ISP or the issuance of shares of our Class A common stock in connection with the Acquisition of ISP. We are unable to predict the potential effects of issuing shares of our Class A common stock in connection with the Acquisition of ISP on the trading activity and market price of our Class A common stock. If the Share Issuance Proposal is approved by our stockholders, and we issue all 8,000,000 shares authorized to be issued pursuant to the Share Issuance Proposal, the number of shares of our Class A common stock available for public trading would increase substantially. Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our Class A common stock.

Failure to complete the proposed Acquisition of ISP could materially and adversely affect our results of operations and the market price of our Class A common stock. Our consummation of the proposed Acquisition of ISP is subject to many contingences, including the approval of the Share Issuance Proposal by our stockholders. We cannot assure you that we will be able to successfully consummate the proposed Acquisition as currently contemplated or at all. Risks related to the failure of the proposed Acquisition to be consummated include, but are not limited to, the following:

- we would not realize any of the potential benefits of the transaction, which could have a negative effect on our stock price;
- we may remain liable for significant transaction costs, including the Termination Fee if we or ISP terminate the SPA for failure to meet the Stockholder Approval Condition or the Financing Condition;
- we may experience negative reactions from customers, clients, business partners, lenders, and employees;
- the trading price of our Class A common stock may decline to the extent that the current market price for our stock reflects a market assumption that the Acquisition will be completed; and
- the attention of our management may be diverted to the Acquisition rather than to our own operations and the pursuit of other opportunities that could have been beneficial to us.

The occurrence of any of these events individually or in combination could materially and adversely affect our results of operations and the market price of our Class A common stock.

If the Acquisition of ISP is consummated, the combined company may not perform as we or the market expects, which could have an adverse effect on the price of our Class A common stock. Even if the Acquisition is consummated, the combined company may not perform as we or the market expects. Risks associated with the combined company following the Acquisition include:

- integrating businesses is a difficult, expensive, and time-consuming process, and the failure to integrate successfully our businesses with the business of ISP in the expected time frame would adversely affect our financial condition and results of operation;
- the Acquisition of ISP will materially increase the size of our operations, and if we are not able to effectively manage our expanded operations, our Class A common stock price may be adversely affected;
- it is possible that our key employees or key employees of ISP might decide not to remain with us after the Acquisition is completed, and the loss of such personnel could have a material adverse effect on the financial condition, results of operations, and growth prospects of the combined company;
- the success of the combined company will also depend upon relationships with third parties and ISP's or our pre-existing customers, which relationships may be affected by customer preferences or public attitudes about the Acquisition. Any adverse changes in these relationships could adversely affect the combined company's business, financial condition, and results of operations; and
- if government agencies or regulatory bodies impose requirements, limitations, costs, divestitures or restrictions on the consummation of the Acquisition, the combined company's ability to realize the anticipated benefits of the Acquisition may be impaired.

The obligations and liabilities of ISP, some of which may be unanticipated or unknown, may be greater than we have anticipated, which may diminish the value of ISP to us. ISP's obligations and liabilities, some of which may not have been disclosed to us or may not be reflected or reserved for in ISP's historical financial statements, may be greater than we have anticipated. The obligations and liabilities of ISP could have a material adverse effect on ISP's business or ISP's value to us or on our business, financial condition, or results of operations. We have only limited indemnification from the ISP Stockholders under the SPA with respect to obligations or liabilities of ISP, whether known or unknown. In addition, even in cases where we are able to obtain indemnification, we may discover liabilities greater than the contractual limits or the financial resources of the indemnifying party. In the event that we are responsible for liabilities substantially in excess of any amounts recovered through rights to indemnification or alternative remedies that might be available to us, or any applicable insurance, we could suffer severe consequences that would substantially reduce our earnings and cash flows or otherwise materially and adversely affect our business, financial condition, or results of operations.

If the proposed Acquisition of ISP is consummated, the global nature of ISP Latvia's operations will subject us to political and economic risks that could adversely affect our business, results of operations, or financial condition. The risks inherent in global operations include:

limitations on ownership or participation in local enterprises;

price controls, exchange controls, and limitations on repatriation of earnings;

transportation delays and interruptions;

political, social, and economic instability and disruptions;

acts of terrorism;

government embargoes or foreign trade restrictions;

imposition of duties and tariffs and other trade barriers;

import and export controls;

labor unrest and current and changing regulatory environments;

difficulties in staffing and managing multi-national operations; and

limitations on our ability to enforce legal rights and remedies.

If we are unable to successfully manage these and other risks associated with managing and expanding our international business to Latvia, the risks could have a material adverse effect on our business, results of operations, or financial condition.

If the proposed Acquisition of ISP is consummated, our expanded international operations would increase our exposure to potential liability under anti-corruption, trade protection, tax, and other laws and regulations. The Foreign Corrupt Practices Act and other anti-corruption laws and regulations ("Anti-Corruption Laws") prohibit corrupt payments by our employees, vendors, or agents. From time to time, we receive inquiries from authorities in the U.S. and elsewhere about our business activities outside of the U.S. and our compliance with Anti-Corruption Laws. While we devote substantial resources to our global compliance programs and have implemented policies, training, and internal controls designed to reduce the risk of corrupt payments, our employees, vendors or agents may violate our policies and if the proposed Acquisition of ISP is consummated, our expanded international operations would significantly increase our exposure to potential liability. Our failure to comply with Anti-Corruption Laws could result in significant fines and penalties, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, and damage to our reputation. Operations outside of the U.S. may be affected by changes in trade production laws, policies, and measures, and other regulatory requirements affecting trade and investment.

If the proposed Acquisition of ISP is consummated, we would also become subject to Latvian and other foreign tax regulations. Such regulations may not be clear, not consistently applied and subject to sudden change, particularly with regard to international transfer pricing. Our earnings could be reduced by the uncertain and changing nature of such tax regulations.

Fluctuations in foreign currency exchange and interest rates could adversely affect our results of operations. Our business is generally conducted in U.S. dollars. However, the costs of operating in Latvia will be subject to the effects of currency exchange fluctuations of the Euro against the U.S. dollar. When the U.S. dollar weakens against the Euro, our operating costs in such currency will increase. This currency risk can be minimized by matching the timing of working capital borrowing needs against operating cost requirements in Latvia. However, fluctuations in the value of the Euro will create greater uncertainty in our revenues and can significantly affect our operating results.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement and the documents to which we refer you to in this proxy statement contain forward-looking statements that involve risks uncertainties, and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction, or disappointment with current prospects, as well as words such as “believes,” “hopes,” “intends,” “estimates,” “expects,” “projects,” “plans,” “anticipates,” and variations thereof, or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Such forward-looking statements are not guarantees of performance and our actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include, but are not limited to: the occurrence of any event, change, or other circumstances that could give rise to the termination of the SPA and the possibility that we could be required to pay the Termination Fee to ISP and the ISP Stockholders in connection therewith; the failure to obtain stockholder approval of the Share Issuance Proposal; the failure to satisfy the closing conditions, including the Financing Condition; business uncertainty and contractual restrictions during the pendency of the Acquisition; the failure of the Acquisition to close for any other reason; the amount of costs, fees, expenses, and charges related to the Acquisition; risks related to the disruption of management’s attention from our ongoing business operations due to the contemplated Acquisition; the effect of the announcement of the Acquisition on the ability of the Company and ISP to retain customers and retain and hire key personnel and maintain relationships with its suppliers, operating results, and business generally; risks that the proposed Acquisition disrupts current plans and operations; the possible adverse effect on our business and the price of our Class A common stock if the Acquisition is not completed in a timely fashion or at all; risks that we may be unable to successfully integrate ISP’s business and personnel with our own; risks that the expected benefits of the Acquisition may not be realized; our ability to maintain and increase sales volumes of our products; our ability to continue to aggressively control costs and operating expenses; our ability to generate cash from operations; the ability of our suppliers to provide an adequate supply of materials for our products at prices consistent with historical prices; our ability to repay our debt as it comes due; our ability to introduce new competitive products and the degree of market acceptance of such new products; the timing and market acceptance of new products introduced by our competitors; our ability to maintain strong relationships with our partners; customers’, suppliers’, and creditors’ perceptions of our continued viability; rescheduling or cancellation of customer orders; loss of a major customer; our ability to enforce our intellectual property rights and protect our intellectual property; general competition and price measures in the market place; unexpected shortages of critical materials; worldwide spending levels; general economic conditions; and the other concerns identified in the section entitled “Risk Factors” above. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and, therefore, the forward-looking statements on which they are based may be incorrect. The underlying expected actions or our results of operations involve risks and uncertainties, many of which are outside our control, and ultimately prove to be correct. The underlying expected actions or our results of operations and whether the forward-looking statements ultimately prove to be correct. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events, or otherwise, except as required by law.

Many of the factors that will determine our future results are beyond our ability to control or predict. We cannot guarantee any future results, levels of activity, performance, or achievements. In light of the significant uncertainties inherent in the forward-looking statements, you should not place undue reliance on forward-looking statements, which speak only as of the date on which the statements were made and it should not be assumed that the statements remain

accurate as of any future date.

THE PROPOSED ACQUISITION OF ISP

At the Special Meeting, our stockholders will be asked to consider and vote upon the Share Issuance Proposal. Set forth below in this section and in the section entitled "The Stock Purchase Agreement" beginning on page 24, is a discussion of the proposed Acquisition of ISP, including a description of the terms and conditions of the SPA. Even though you are not entitled to vote on the Acquisition, and we are not seeking your vote on the Acquisition, you should review these sections carefully in connection with your consideration of the Share Issuance Proposal.

The Parties to the Acquisition

LightPath Technologies, Inc.

We are a Delaware corporation and our Class A common stock is traded on The NASDAQ Capital Market under the symbol "LPTH." Our address is 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826, and our telephone number is (407) 382-4003.

We were incorporated in 1992 as the successor to LightPath Technologies Limited Partnership, a New Mexico limited partnership formed in 1989, and its predecessor, Integrated Solar Technologies Corporation, a New Mexico corporation formed in 1985. We manufacture optical components and higher level assemblies, including precision molded glass aspheric optics, infrared aspheric lenses, GRADIUM glass lenses, and other optical materials used to produce products that manipulate light. We design, develop, manufacture, and distribute optical components and assemblies utilizing advanced optical manufacturing processes. Our products are incorporated into a variety of applications by our customers in many industries, including defense products, medical devices, laser aided industrial tools, automotive safety applications, barcode scanners, optical data storage, hybrid fiber coax datacom, telecommunications, machine vision, and sensors, among others. All the products that we produce enable lasers and imaging devices to function more effectively.

In November 2005, we formed LightPath Optical Instrumentation (Shanghai) Co., Ltd ("LPOI"), a wholly-owned subsidiary, located in Jiading, People's Republic of China. LPOI leases an approximately 1,700 square foot facility located in Jiading, People's Republic of China that is primarily used for sales and support functions.

In December 2013, we formed LightPath Optical Instrumentation (Zhenjiang) Co., Ltd. ("LPOIZ"), a wholly-owned subsidiary located in the New City district of the Jiangsu province of the People's Republic of China. LPOIZ's

manufacturing facility is approximately 26,000 square feet. LPOIZ's facility features a molded glass aspheres manufacturing area, which includes lens pressing equipment, advanced metrology, and inspection equipment. The clean room in LPOIZ's facility features assembly manufacturing equipment and automated dispensing systems. The facility also houses our precision dicing equipment and anti-reflective coating equipment.

ISP Optics Corporation

ISP was incorporated in New York in 1993 and is a vertically integrated manufacturer offering a full range of infrared products from custom infrared optical elements to catalog and high performance lens assembly. ISP's core capabilities include crystal growth, conventional numerical control ("CNC") and conventional grinding, polishing, diamond turning, metrology, coatings, as well as optical and mechanical design, lens assembly, and testing, ISP manufactures its precision optical components, which includes spherical, aspherical, and diffractive coated infrared lenses, windows, and prisms. ISP complements its lens offering by developing a full spectrum of infrared coatings ranging from extreme high durability, anti-reflection coatings on Germanium, Silicon, and other infrared materials and crystals to complex beamsplitter, fitter, and special protective coatings. Some of these coatings are also used by third party manufacturers. ISP manufactures optics using a wide variety of infrared crystals such as: Ge, Si, ZnSe, ZnS, CaF_2, GaAs, BaF_2, Amtir, Gasir, IG infrared glass, and others. ISP's infrared Lens Assembly product line includes a thermal fixed focal length lenses for cooled and uncooled cameras, including designs targeted for lightweight and compact models, as well as dual field-of-view lenses.

ISP is ISO 9001-2008 certified, a Directorate of Defense Trade Controls registered company, and is fully compliant with ITAR requirements.

ISP's address is 50 South Buckhout Street, Irvington, New York 10533, and its telephone number is (914) 591-3070.

ISP Stockholders

The ISP Stockholders owning the Purchased Shares as of the closing date of the Acquisition are also parties to the SPA.

Background of the Acquisition

We received a letter dated September 28, 2015 from Kipps DeSanto & Co. ("Kipps"), ISP's investment banker, indicating that its client, ISP was interested in being acquired and sought bids by potential buyers. After discussions with our Board and senior management, and for the reasons set forth below under the heading "Our Reasons for the Acquisition," we prepared a bid and submitted our indication of interest on October 29, 2015.

We were subsequently notified by Kipps that we were one of several companies that ISP desired to speak to further. Our management participated in meetings at ISP's offices in November 2015 and visited ISP Latvia's manufacturing facility in December 2015. On December 10, 2015, we received access to various due diligence materials through an online data room to assist us in further evaluating the potential Acquisition of ISP. On December 23, 2015, we submitted our letter of interest. However, we were notified by ISP in January 2016 that it decided to move forward with the other potential buyer.

Subsequently, in March 2016, Kipps notified us that ISP was unable to come to an agreement with the other potential buyer and inquired whether we may still be interested in acquiring ISP. Following additional discussions and negotiations, on March 28, 2016 we signed a letter of intent with ISP that provided for the material terms that are contained in the SPA. Shortly thereafter, in April 2016, ISP provided access to additional due diligence materials through an online data room. We and our legal and accounting advisors conducted detail financial, legal, and technical due diligence until July 2016.

While we conducted the due diligence of ISP, from April 2016 to July 2016, the parties also negotiated the terms of the SPA. We entered into the SPA with ISP on August 3, 2016 and filed a Current Report on Form 8-K with the SEC on August 8, 2016 to publicly announce the execution of the SPA.

Our Reasons for the Acquisition

In the ordinary course of business, our Board and senior management regularly review and assess various strategic alternatives available to us that may enhance stockholder value. A part of our growth strategy is to identify appropriate opportunities that would enhance our profitable growth through acquisition. As we developed our molded infrared capability and learned more about the infrared market, we became aware of larger business opportunities in this market that might be available with a broader range of product capability. When we were approached by Kipps about the possibility of acquiring ISP we saw an excellent complementary fit with our business that met our requirement of profitable growth in a market space we are investing in and saw it as an opportunity to accelerate our growth and expand our capabilities. We believe that the Acquisition will combine our high-volume molding technology with ISP's high value diamond turning, coating, and polishing capabilities to establish a global, leading-edge industrial technology company. We expect the Acquisition to allow us to expand significantly and increase our scope of products and capabilities. Due to the location of ISP Latvia's manufacturing facility, we also expect the Acquisition to increase our global customer base in Europe and generate synergies due to cross-selling of products, expanded distribution channels, and increased revenue through expanded product offerings. Finally, we expect improved production and assembly capabilities, as well as material processing capabilities as a result of the Acquisition.

Our Board determined that the SPA, the other agreements entered into in connection with the SPA and the transactions contemplated by all of these agreements are fair to, and in the best interests of, the Company and our stockholders. In approving these agreements and the transactions contemplated by them, our Board consulted with our accountants with respect to the financial aspects of the Acquisition and with our legal counsel as to our fiduciary duties and the terms of the SPA and the other agreements entered into in connection with the SPA. In reaching its determination to approve these agreements and the transactions contemplated by these agreements, our Board, with the advice from senior management and our financial and legal advisors, considered the following material factors:

- Our Board's knowledge of our business, operations, financial condition, and prospects and of ISP's business, operations, financial condition, and prospects, taking into account the results of our due diligence review of ISP, discussions with ISP's management, and the presentations and evaluations of our financial and legal advisors.

- Our Board's knowledge of the current and prospective environment in which we and ISP operate, including economic conditions, the competitive environment, the market for potential acquisitions, and the likely effect of these factors on our and ISP's potential growth, profitability, and strategic options.

- Our Board's assessment that the Acquisition of ISP is reasonably likely to enhance our strategic goals necessary to remain competitive with some of our major competitors.

- Our Board's understanding of the other strategic alternatives likely to be available to us and the growth opportunities offered by such alternatives compared with the growth opportunities presented by the Acquisition of ISP.

- The opportunity for improved operating results as a consequence of spreading fixed expenses over a larger revenue base.

The experience of certain members of our management in implementing previous mergers and acquisitions, and the expectation that following the Acquisition of ISP, we would continue to be managed by our experienced senior executives.

The financial terms of the Acquisition of ISP, together with the ability of our stockholders to participate in any future growth of the Company.

The likelihood that, once the SPA had been entered into, the Acquisition of ISP would be completed if the Share Issuance Proposal was approved by our stockholders and we were able to meet the Financing Condition.

In the course of its deliberations, our Board also considered a variety of risks, uncertainties, and other potentially negative factors concerning the Acquisition of ISP, including without limitation the risks described under the section entitled “Risk Factors” beginning on page 14 and the following:

The fact that if the Share Issuance Proposal is approved, the shares of our Class A common stock authorized to be issued in connection with the Acquisition of ISP could potentially represent approximately 51% of our issued and outstanding shares of Class A common stock (assuming no shares of our Class A common stock are issued after the Record Date and that all 8,000,000 shares authorized to be issued pursuant to the Share Issuance Proposal are issued).

The possibility that the financial and strategic benefits expected to be achieved in connection with the Acquisition of ISP would not be obtained on a timely basis or at all.

The diversion of management and employee attention during the period after the signing of the SPA but before the Acquisition closes and the potential effect on our business.

The risks and costs that could be borne by us if the Acquisition is not completed, including the payment of the Termination Fee.

That the transaction will be dilutive to our current stockholders.

The foregoing discussion of the information considered by our Board is not intended to be exhaustive, but includes the material factors that our Board considered in approving and recommending the Share Proposal Issuance. Our Board, together with our management and our financial and legal advisors, conducted numerous discussion of the factors described above. In view of the wide variety of factors considered by our Board in connection with its evaluation of the Acquisition and the complexity of these factors, our Board did not consider it practical to, nor did it attempt to, quantify, rank, or otherwise assign any specific or relative weights to the specific factors that it considered in the course of reaching its decision. In addition, in considering the factors described above, individual directors may have assigned different weights to different factors. Our Board discussed the factors described above, including asking questions of our management and legal and financial advisors, and, by the unanimous vote of those directors present, determined that the Acquisition was in the best interests of our stockholders and us.

The above explanation of the reasoning of our Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under “Cautionary Statement Concerning Forward-Looking Statements” beginning on page 18.

For the reasons set forth above, in addition to others, our Board has approved the SPA, the other agreements entered into in connection with the SPA, and the transactions contemplated by those agreements, subject to the approval of the Share Issuance Proposal, has concluded that the transactions are advisable and in the best interests of our stockholders and us, and recommends that our stockholders vote “FOR” the approval of the Share Issuance Proposal.

Interests of Our Officers and Directors in the Acquisition

None of our officers or directors has any interest in the proposed Acquisition of ISP; however, our officers and directors may be permitted to purchase shares of our Class A common stock in an offering, the net proceeds from which will be used to fund a portion of the Purchase Price of the Acquisition.

Interests of ISP's Officers and Directors in the Acquisition

Joseph Menaker and Mark Lifshotz, ISP's current President and Chief Executive Officer, respectively, are also the sole stockholders of ISP. In addition to the receiving the Purchase Price, the parties intend that Joseph Menaker and Mark Lifshotz will be employed or engaged by ISP or us following the closing of the Acquisition under terms and conditions to be agreed upon prior to the closing. Other than Joseph Menaker and Mark Lifshotz, none of the executive officers or directors of ISP has any interest in the proposed Acquisition of ISP.

No Appraisal or Dissenters' Rights

No appraisal or dissenters' rights are available to our stockholders under Delaware law, our Certificate of Incorporation, or our Bylaws in connection with any matter to be acted upon at the Special Meeting.

Federal Income Tax Consequences of the Acquisition

The Acquisition of ISP is not expected to result in U.S. federal income tax consequences to our stockholders.

Accounting Treatment of the Acquisition

The transaction will be accounted for under the acquisition method of accounting in accordance with the Financial Accounting Standard Board ("FASB"), Accounting Standard Codification or ASC 805-10, *Business Combinations*. Management has made a preliminary allocation of the estimated Purchase Price to the tangible and intangible assets acquired and liabilities assumed based on various preliminary estimates and assumptions. Any excess of the Purchase Price over those fair values will be recorded as goodwill. These preliminary estimates and assumptions could change significantly during the purchase price measurement period (typically up to one year) as we finalize the valuations of the net tangible assets and intangible assets and the net working capital adjustment per the SPA. Any change could result in material variances between our future financial results and the amounts presented in the condensed combined financial statements included in this proxy statement, including variances in fair values recorded, as well as expenses associated with these items.

THE STOCK PURCHASE AGREEMENT

The following discussion of the terms and conditions of the SPA is subject to and is qualified in its entirety by reference to the SPA, which is attached to this proxy statement as Annex A and was filed as Exhibit 10.08 to our Annual Report on Form 10-K, as filed with the SEC on September 15, 2016, and is incorporated herein by reference. This summary may not contain all of the information about the SPA that is important to you. You should refer to the full text of the SPA for details of the transaction and the terms and conditions of the SPA.

Additionally, representations, warranties, and covenants described in this section and contained in the SPA have been made only for the purpose of the SPA and, as such, are intended solely for the benefit of ISP, the ISP Stockholders, and us. In many cases, these representations, warranties, and covenants are subject to limitations agreed upon by the parties and are qualified by certain disclosures exchanged by the parties in connection with the execution of the SPA. Furthermore, the representations and warranties in the SPA are the result of a negotiated allocation of contractual risk among the parties and, taken in isolation, do not necessary reflect facts about the Company or ISP, their respective subsidiaries and affiliates, the ISP Stockholders, or any other party. Likewise, any references to materiality contained in the representations and warranties may not correspond to concepts of materiality applicable to investors or stockholders. Finally, information concerning the subject matter of the representations and warranties may have changed since the date of the SPA or may change in the future and these changes may not be fully reflected in the public disclosures made by us.

The Proposed Acquisition of ISP

Pursuant to the terms of the SPA, we will acquire the Purchased Shares. Upon consummation of the Acquisition, ISP will become our wholly-owned subsidiary.

Consideration

We will acquire the Purchased Shares, which represents 100% issued and outstanding shares of ISP's common stock, for a Purchase Price equal to $18 million, to be paid in a combination of the Cash Amount and the Note. The Cash Amount shall not be less than $12 million, subject to a net working capital adjustment (the "Net Working Capital Adjustment"), debt adjustment (the "Debt Adjustment"), and cash adjustment (the "Cash Adjustment"), as provided in the SPA. The Working Capital Adjustment will adjust the Cash Amount, either positively or negatively, on a dollar-for-dollar basis, to the extent that net working capital is greater than or less than the target net working capital, as set forth in the SPA. The Debt Adjustment will adjust the Cash Amount, negatively, on a dollar-for-dollar basis, by the amount of any indebtedness of ISP or ISP Latvia as of the business day before the Acquisition is closed. The Cash

Adjustment will adjust the Cash Amount, positively, on a dollar-for-dollar basis, by the amount of any cash held by ISP or ISP Latvia as of the day the Acquisition is closed.

The aggregate original principal amount of the Note shall equal the Purchase Price less the Cash Amount, as adjusted pursuant to the SPA, but in no event less than $3 million. During the Initial Period, interest will accrue on only the unpaid principal amount of the Note in excess of $2.7 million at an interest rate equal to ten percent (10%) per annum. After the Initial Period, interest will accrue on the entire unpaid principal amount of the Note from time to time outstanding, at an interest rate equal to ten percent (10%) per annum. Interest is payable semi-annual in arrears. The term of the Note is five years, and any unpaid interest and principal, together with any other amounts payable under the Note, is due and payable on the maturity date. The Note may be prepaid in whole or in part without penalty or premium. If any amount payable is not paid when due, whether at the maturity date, by acceleration, or otherwise, such overdue amount will bear interest at a rate equal to twelve percent (12%) per annum from the date of such non-payment until such amount is paid in full.

The following are considered “events of default” under the Note: (i) we fail to make any payment when due and such payment is not cured within five (5) days after we receive written notice of such failure; (ii) we commence any case, proceeding, or other action (a) under any existing or future law relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking to have an order for relief entered with respect to us, or seeking to adjudicate us as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, or other relief with respect to us or our debts or (b) seeking appointment of a receiver, trustee, custodian, conservator, or other similar official for us or for all or any substantial part of our assets, or we make a general assignment for the benefit of our creditors; (iii) there is commenced against us any case, proceeding, or other action of a nature referred to in clause (ii) which (a) results in the entry of an order for relief or any such adjudication or appointment or (b) remains undismissed, undischarged, or unbonded for a period of ninety (90) days; (iv) there is commenced against us any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, or similar process against all or any substantial part of our assets that results in the entry of an order for any such relief which has not been vacated, discharged, or stayed or bonded pending appeal within ninety (90) days from the entry thereof; (v) we take any action in furtherance of, or indicating our consent to, approval of, or acquiescence in, any of the acts set forth in clauses (ii), (iii), and (iv); (vi) we are generally not, or shall be unable to, or admit in writing our inability to pay our debts as they become due; or (vii) we experience a change in control as a result of (a) a sale of all or substantially all of our assets or (b) a transaction by and between us and any “person” (having the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” within the meaning of Section 13(d)(3)), whereby our stockholders immediately prior to such transaction own less than fifty percent (50%) of the total fair market value or total voting power of the equity of the acquiring or surviving entity, as applicable. Upon the occurrence of an event of default, the entire unpaid and outstanding principal balance of the Note, together with all accrued and unpaid interest and any and all other amounts payable under the Note, will immediately be due and payable.

Representations and Warranties

We, ISP, and the ISP Stockholders made certain representations and warranties to each other that are customary for transactions of this type, subject in some cases to exceptions and qualifications set forth in a disclosure schedule to the SPA. All of the representations and warranties survive the closing of the Acquisition and remain in full force and effect for a period of fifteen (15) months following the closing of the Acquisition (other than with respect to the certain fundamental representations, which shall survive the closing of the Acquisition and remain in full force and effect until the expiration of the applicable statute of limitations).

Covenants

We, ISP, and the ISP Stockholders agreed to certain covenants and other agreements, including among others, (i) covenants regarding non-solicitation and non-competition and (ii) covenants requiring us to use our good faith efforts to obtain financing to purchase the Purchased Shares. We also agreed to honor agreements between ISP and ISP Latvia and certain of their business employees and to provide to certain business employees compensation and benefits that are substantially comparable to and no less favorable than such compensation and benefits as of the

Acquisition closing date.

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Indemnification

Pursuant to the SPA, (i) each ISP Stockholder, severally and not jointly, agreed to indemnify us, and each of our respective affiliates, and each of their respective successors, assigns, officers, directors, managers, members, partners, equity-holders, employees, representatives, and agents (collectively, the "LPTH Indemnified Parties") from and against any loss suffered or incurred by any such indemnified party resulting from any breach of a representation or warranty of such ISP Stockholder; (ii) each ISP Stockholder, severally and not jointly, agreed to indemnify the LPTH Indemnified Parties from and against any loss suffered or incurred by the LPTH Indemnified Parties resulting from the breach of any post-closing covenant of such ISP Stockholder contained in the SPA or any other transaction document to which such ISP Stockholder is a party; (iii) the ISP Stockholders, jointly and severally, agreed to indemnify the LPTH Indemnified Parties from and against any loss arising or resulting from or based upon any breach of any representation or warranty regarding ISP or ISP Latvia; (iv) the ISP Stockholders, jointly and severally, agreed to indemnify the LPTH Indemnified Parties from and against any loss arising or resulting from or based upon any bonuses payable to any employees or independent contracts of ISP or ISP Latvia and triggered by the closing of the Acquisition; and (v) the ISP Stockholders, jointly and severally, agreed to indemnify the LPTH Indemnified Parties from and against any loss arising or resulting from or based upon any misclassification of any person providing services to ISP or ISP Latvia as independent contractors as opposed to "employees" for purposes of the Internal Revenue Code and the treasury regulations promulgated thereunder; *provided*, that there is no indemnification obligation for clause (i) or (iii) unless the loss related to each individual claim or series of related claims exceeds $20,000 and the aggregate of all losses arising under clauses (i) or (iii) exceeds an amount equal to $135,000, after which time only losses in excess of such amount will be recoverable and the aggregate liability under clauses (i) or (iii) cannot exceed $2.7 million; *provided, further*, that these limitations do not apply to certain fundamental representations.

Pursuant to the SPA, following the closing of the Acquisition, LPTH, ISP, and ISP Latvia, jointly and severally, agreed to indemnify the ISP Stockholders, and each of their respective affiliates, and each of their respective successors, assigns, officers, directors, managers, members, partners, equity-holders, employees, representatives, and agents, and the officers, directors, managers, members, partners, employees, representatives, and agents of ISP and ISP Latvia before the closing of the Acquisition (collectively, the "ISP Indemnified Parties") from and against any loss suffered or incurred arising or resulting from or based upon (i) the breach of any of our representations or warranties; (ii) the breach of any our post-closing covenants or the breach of any of the post-closing covenants of ISP or ISP Latvia contained in the SPA or any other transaction documentation; and (iii) any post-closing operations of ISP or ISP Latvia and their affiliates; *provided, that,* there is no indemnification obligation for clause (i), unless the loss related to each individual claim or series of related claims exceeds $20,000 and the aggregate of all losses arising under clause (i) exceeds an amount equal to $135,000, after which time only such losses in excess of such amount will be recoverable by ISP Indemnified Parties and the aggregate liability under clause (i) cannot exceed $2.7 million; *provided, further,* that these limitations do not apply to any loss arising from actual fraud or intentional misrepresentation or from a breach of certain representations or warranties.

Conditions to Close of the ISP Acquisition

The completion of the Acquisition of ISP is subject to the satisfaction or waiver of certain conditions. In addition to customary closing conditions, the closing of the Acquisition of ISP is conditioned on us obtaining financing we need to purchase the Purchased Shares and obtaining the requisite stockholder approval related to the financing and the Acquisition, as applicable, as required by applicable NASDAQ rules and other applicable law.

Regulatory or Other Approvals

Except with respect to obtaining our stockholder's approval of the Share Issuance Proposal, there are no other governmental approvals that must be obtained by any party prior to the closing of the Acquisition.

Closing

The closing of the Acquisition will occur on a date and time mutually agreed upon by the ISP Stockholders and us, not later than five (5) business days following the satisfaction or waiver of the closing conditions, including, without limitation, the Stockholder Approval Condition and the Financing Condition. Currently, we anticipate the Acquisition closing in the fourth quarter of calendar year 2016; however, there can be no assurance that the Acquisition will close in the fourth quarter of calendar year 2016, or at all.

Termination of the SPA

The SPA may be terminated under certain circumstances, including, but not limited to: (i) the mutual written consent of the ISP Stockholders and us; (ii) by the ISP Stockholders, if any of our representations and warranties in the SPA fail to be true and correct, subject to certain qualifications, or we breach or fail to perform in any material respect any of the covenants or other agreements in the SPA that has not been cured in the requisite time period; (iii) by us, if any of the representations and warranties made by the ISP Stockholders fail to be true and correct, subject to certain qualifications, or ISP or the ISP Stockholders breach or fail to perform in any material respect any of their covenants or other agreements in the SPA that has not been cured in the requisite time period; (iv) by the ISP Stockholders, on the one hand, or by us, on the other hand, if the closing of the Acquisition has not occurred on or prior to the Outside Date, provided that this right to terminate will not be available to any party whose failure to perform any material covenant or obligation under the SPA was the cause of, or resulted in, the failure of the closing to occur on or before the Outside Date; (v) by the ISP Stockholders, on the hand, or us, on the other hand, if the closing of the Acquisition has not occurred on or prior to the Outside Date due to our failure to satisfy the Financing Condition; (vi) by the ISP Stockholders, on the one hand, or by us, on the other hand, if (a) at this Special Meeting our stockholders do not approve the Share Issuance Proposal, which is intended to provide the financing required to close the Acquisition, or the Acquisition, as applicable or (b) the closing of the Acquisition has not occurred on or prior to the Outside Date due to our failure to satisfy the Stockholder Approval Condition; and (vii) by us, if, after the date of the SPA, any change or event occurs that has had or would be reasonably likely to have a material adverse change (a) as to ISP or (b) that results in the ISP Stockholders being unable to perform their obligations under the SPA and related transaction documents or consummate the Acquisition and the transactions contemplated thereby.

Termination Fees

The SPA provides that if the ISP Stockholders or we terminate the SPA due to our failure to satisfy the Stockholder Approval Condition or the Financing Condition, we are obligated to pay a Termination Fee to the ISP Stockholders and ISP for all of their documented out-of-pocket expenses, including, without limitation, legal, accounting, and travel expenses, up to Two Hundred Fifty Thousand Dollars ($250,000) within three (3) business days of the later of (i) the termination date or (ii) the date all reasonable documentation evidencing such expenses has been delivered to us.

Expenses

The SPA provides that whether or not the Acquisition is consummated, and except for the Termination Fee, if applicable, and as otherwise provided in the SPA, each party to the SPA is responsible for its respective fees, costs, and expenses incurred in connection with the preparation, negotiation, execution, and performance of the SPA or the Acquisition (including legal, accounting, and other professional fees).

Governing Law

The SPA is governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles that would require the application of any other law.

ITEM NO. 1

APPROVAL OF THE ISSUANCES OF UP TO 8,000,000 SHARES OF THE CLASS A COMMON STOCK OF LIGHTPATH TECHNOLOGIES, INC. IN CONNECTION WITH THE PROPOSED ACQUISITION OF ISP OPTICS CORPORATION, AS REQUIRED BY AND IN ACCORDANCE WITH THE APPLICABLE RULES OF THE NASDAQ STOCK MARKET LLC.

General

Our authorized capital stock consists of 45,000,000 shares, divided into 40,000,000 shares of common stock, par value $0.01 per share, and 5,000,000 shares of preferred stock, par value $0.01 per share. Under our Certificate of Incorporation, our Board has the authority to issue such shares of common stock and preferred stock in one or more classes or series, with such voting powers, designations, preferences and relative, participating, optional or other special rights, if any, and such qualifications, limitations or restrictions thereof, if any, as shall be provided for in a resolution or resolutions adopted by our Board and filed as designations.

Of the 5,000,000 shares of preferred stock authorized in our Certificate of Incorporation, our Board has previously designated: (i) 250 shares as Series A Preferred Stock, all previously outstanding shares of which have been previously redeemed or converted into shares of Class A common stock and may not be reissued; (ii) 300 shares as Series B Preferred Stock, all previously outstanding shares of which have been previously redeemed or converted into shares of our Class A common stock and may not be reissued; (iii) 500 shares as Series C Preferred Stock, all previously outstanding shares of which have been previously redeemed or converted into shares of our Class A common stock and may not be reissued; (iv) 100,000 shares as Series D Participating Preferred Stock, none of which have been issued; however, in 1998, our Board declared a dividend distribution as a right to purchase one share of Series D Participating Preferred Stock for each outstanding share of Class A common Stock; and (v) 500 shares as Series F Preferred Stock, all previously outstanding shares of which have been previously redeemed or converted into shares of our Class A common stock and may not be reissued.

Of the 40,000,000 shares of common stock authorized in our Certificate of Incorporation, our Board has previously designated 34,500,000 shares as Class A common stock. As of November 3, 2016, 15,653,258 shares of our Class A common stock were outstanding. The remaining 5,500,000 shares of authorized common stock were designated as Class E-1 common stock, Class E-2 common stock, or Class E-3 common stock, all previously outstanding shares of which have been previously redeemed or converted into shares of our Class A common stock.

As of November 3, 2016, we have reserved for issuance 1,023,606 shares of our Class A common stock for issuance upon the exercise of outstanding warrants to purchase our Class A common stock, 2,106,055 shares of our Class A common stock underlying outstanding restricted stock units and stock options, 1,164,429 shares of our Class A common stock for issuance under the Amended and Restated Omnibus Incentive Plan, and 390,094 shares of our Class A common stock for issuance under our Employee Stock Purchase Plan. The outstanding warrants have a weighted average exercise price of approximately $1.26 per share as of November 3, 2016.

NASDAQ Rules

Our Class A common stock is listed on The NASDAQ Capital Market under the symbol "LPTH" and, as such, we are subject to the NASDAQ Listing Rules. NASDAQ Listing Rule 5635(a) requires stockholder approval prior to the issuance of securities in connection with an acquisition of the stock or assets of another company where the total number of shares of common stock to be issued is or will be equal to or in excess of 20 percent of the total number of shares of common stock outstanding before the issuance of the stock or securities. NASDAQ Listing Rule 5635(d) requires stockholder approval prior to the issuance of common stock in connection with non-public offerings in which: (i) the sale, issuance, or potential issuance of common stock (or securities convertible into or exercisable for common stock) is fixed at a price less than the greater of book or market value that (together with sales by officers, directors, or "substantial stockholders" of the company) equals 20 percent or more of common stock or 20 percent or more of the voting power outstanding before the issuance; or (ii) the sale, issuance, or potential issuance of common stock (or securities convertible into or exercisable common stock) equal to 20 percent or more of the common stock or 20 percent or more of the voting power outstanding before the issuance for less than the greater of book or market value of the common stock.

Impact of the NASDAQ Rules on the ISP Acquisition

In the event that we elect to fund a portion of the Purchase Price from the net proceeds of an offering, such issuance would be deemed to have occurred "in connection with" the proposed Acquisition of ISP. As a result, we are required to obtain stockholder approval pursuant to NASDAQ Listing Rule 5635(a) if the number of shares of Class A common stock to be issued is or will be equal to or in excess of 20 percent of the total number of shares outstanding before the issuance. In addition, if the total number of shares of Class A common stock issued in any such offering is equal to or exceeds 20 percent of the total number of shares of Class A common stock outstanding immediately prior to the issuances, and the offering price is less than the greater of the book or market value of our Class A common stock, NASDAQ Listing Rule 5635(d) requires that we obtain stockholder approval prior to such issuances. Thus, we believe it is in our best interests and the best interests of our stockholders to obtain stockholder approval of the Share Issuance Proposal in order to potentially issue greater than 20 percent of the total number of shares of Class A common stock outstanding prior to any such issuances made in connection with the Acquisition.

It is important to understand that we are not required to, nor are we seeking, stockholder approval of the proposed Acquisition of ISP. Rather, we are only seeking approval of the Share Issuance Proposal, which will allow us to issue up to 8,000,000 shares of Class A common stock in connection with the proposed Acquisition of ISP, as required by and in accordance with the applicable NASDAQ Listing Rules.

Our Cash Position

Our principal sources of liquidity are existing cash, cash equivalents, marketable securities, and cash generated from operations. As of June 30, 2016, we had on hand cash and cash equivalents of approximately $2.91 million.

Interests of Certain Persons in the Transactions

None of our executive officers or directors has any interest in the proposed Acquisition of ISP or the Share Issuance Proposal except to the extent that if we elect to undertake an offering to finance all or a portion of the Cash Amount, our officers and directors may be permitted to purchase shares of Class A Common Stock issuable pursuant to the any such offering. Joseph Menaker and Mark Lifshotz, ISP's current President and Chief Executive Officer, respectively, are also the sole stockholders of ISP. In addition to the receiving the Purchase Price, the parties intend that Joseph Menaker and Mark Lifshotz will be employed or engaged by ISP or us following the closing of the Acquisition under terms and conditions to be agreed upon prior to the closing. Other than Joseph Menaker and Mark Lifshotz, none of the executive officers or directors of ISP have any interest in the proposed Acquisition of ISP.

Potential Dilution if the Share Issuance Proposal is Approved and the Shares are Issued

If the Share Issuance Proposal is approved, we will be allowed to issue up to 8,000,000 shares of our Class A common stock in connection with the proposed Acquisition of ISP, which, in the aggregate, would represent potentially fifty-one percent (51%) of the total number of shares of Class A common stock outstanding immediately following such issuances, assuming that no shares of Class A common stock have been issued since the Record Date and that all 8,000,000 shares of Class A common stock are issued. If we issue all of the shares of Class A common stock authorized by the Share Issuance Proposal, our current stockholders will experience significant dilution. However, it is not possible to determine the exact number of shares of our Class A common stock that could be issuable in connection with the proposed Acquisition of ISP.

Potential Effects if the Share Issuance Proposal is Not Approved

If the Share Issuance Proposal is not approved by our stockholders, we will only be permitted to: (i) issue shares of our Class A common stock in connection with the proposed Acquisition of ISP that, in the aggregate, equal 19.9% of the total number of shares of Class A common stock outstanding prior to such issuances or (ii) issue shares of our Class A common stock at a discount in an offering that, in the aggregate, equal 19.9% of the total number of shares of our Class A common stock outstanding prior to such issuances. Accordingly, we would be required to explore alternative financing arrangements, which may not be available under terms acceptable to us or at all. If we are unable to do so, we will be unable to satisfy the Financing Condition and/or Stockholder Approval Condition. If we are unable to satisfy the Stockholder Approval Condition or the Financing Condition by the Outside Date, we or the ISP Stockholders can elect to terminate the SPA and we will be obligated to pay the Termination Fee.

Recommendation and Vote Required

The approval of the Share Issuance Proposal, as required by and in accordance with the applicable rules of NASDAQ, requires the affirmative vote of a majority of votes cast at the Special Meeting, whether represented in person or by proxy.

THE BOARD RECOMMENDS VOTING FOR

THE SHARE ISSUANCE PROPOSAL

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF ISP

The following table summarizes selected financial information that has been derived from ISP's audited consolidated financial statements for the years ended December 31, 2015 and 2014 and the unaudited consolidated financial statements for the six months ended June 30, 2016 and 2015. You should read the information set forth below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations with respect to ISP and the consolidated financial statements and notes thereto included elsewhere in this proxy statement.

In 000's	**Six Months Ended June 30, 2016**	**Year ended December 31, 2015**	**2014**
Total Revenues	$6,390	$12,115	$10,332
Cost of Sales	$3,991	$7,620	$7,363
Operating Income	$803	$1,783	$249
Net income	$825	$1,470	$240
In 000's			
Total Assets	$5,995	$5,782	$4,206
Working Capital	$		