PRESSTEK INC /DE/
Form DEF 14A
April 21, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant under Rule 14a-12

Presstek, Inc.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

PRESSTEK, INC.
10 Glenville Street
Greenwich, Connecticut 06831

April 21, 2011

Dear Stockholders:

You are cordially invited to attend our Annual Meeting of Stockholders, which will be held on Thursday, June 2, 2011, commencing at 3:00 P.M. local time, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York. The Notice of Annual Meeting and Proxy Statement that follow describe the business to be conducted at the meeting.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted. After reading the enclosed Notice of Annual Meeting and Proxy Statement, we urge you to complete, sign, date and return a proxy card promptly. You may also complete a proxy by telephone or via the Internet in accordance with the instructions listed on the proxy card. If the address on the accompanying material is incorrect, please inform our Transfer Agent, Continental Stock Transfer & Trust Company, in writing, at 17 Battery Place South, 8th Floor, New York, NY 10004.

Your vote is very important, and we will appreciate a prompt return of your proxy by mail, telephone or the Internet. We hope to see you at the meeting.

Cordially,

Jeffrey Jacobson
Chairman, President and
Chief Executive Officer

PRESSTEK, INC.
10 Glenville Street
Greenwich, Connecticut 06831
Telephone: (203) 769-8056
Fax: (203) 769-8099

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held Thursday, June 2, 2011 at 3:00 P.M.

To the Stockholders of PRESSTEK, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Presstek, Inc. (the "Company" or "Presstek") will be held on Thursday, June 2, 2011, commencing at 3:00 P.M. local time, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York, to consider and to vote upon the following proposals:

1. To elect a Board of seven directors to serve until the next Annual Meeting of Stockholders;

2. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firmfor the fiscal year ended December 31, 2011;

3. To consider and approve an advisory resolution regarding the compensation of the Company's namedexecutive officers;

4. To consider and act upon an advisory vote on the frequency at which the Company should include anadvisory vote regarding the compensation of the Company's named executive officers in its proxystatement for shareholder consideration;

5. To approve the Presstek, Inc. 2008 Omnibus Incentive Plan, as Amended and Restated; and

6. To transact such other business as may properly come before the Annual Meeting of Stockholders and anyadjournment or postponement thereof.

Internet Availability of Proxy Materials

Under rules of the Securities and Exchange Commission, we furnish proxy materials on the Internet. Instructions on how to access and review the proxy materials on the Internet can be found on the Notice of Internet Availability of Proxy Materials (the "Notice") sent to certain of our stockholders of record. The Notice will also include instructions for stockholders on how to access the proxy card to vote over the Internet, by mail or telephone.

Only stockholders of record at the close of business on April 5, 2011 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders and any adjournment or postponement thereof.

By order of the Board of Directors,

James R. Van Horn
Vice President, General Counsel and
Secretary

April 21, 2011

PRESSTEK, INC.

PROXY STATEMENT FOR
ANNUAL MEETING OF STOCKHOLDERS

To be held on Thursday, June 2, 2011

This proxy statement is being furnished to holders of common stock, $.01 par value per share (the "Common Stock") of Presstek, Inc., a Delaware corporation, in connection with the solicitation of proxies by the Board of Directors of the Company (the "Board") for use at the Annual Meeting of the Company's stockholders to be held on Thursday, June 2, 2011, commencing at 3:00 P.M. local time, and at any adjournment or postponement thereof (the "Annual Meeting"). The Annual Meeting is to be held at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York. The Company's Annual Report on Form 10-K, containing audited consolidated financial statements for the fiscal year ended January 1, 2011 ("fiscal 2010"), is being furnished contemporaneously with this proxy statement to all stockholders entitled to notice of, and to vote at, the Annual Meeting. This proxy statement and the accompanying form of proxy were first furnished to stockholders on or about April 21, 2011.

Presstek's address is 10 Glenville Street, Greenwich, Connecticut 06831.

Q: What is the purpose of the Annual Meeting?

A: At the Annual Meeting, the Company's stockholders will be asked to vote on the matters listed in the accompanying notice of Annual Meeting, namely:

1. the election of seven directors;
2. the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2011;
3. the consideration and approval of an advisory resolution regarding the compensation of the Company's named executive officers;
4. the consideration of an advisory vote on the frequency at which the Company should include an advisory vote regarding the compensation of the Company's named executive officers in its proxy statement for stockholder consideration;
5. the consideration and approval of the Presstek, Inc. 2008 Omnibus Incentive Plan, as Amended and Restated; and
6. such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Q: Who is entitled to vote?

A: Stockholders as of the close of business on the record date, April 5, 2011, are entitled to vote their shares of our Common Stock. Each outstanding share of Common Stock is entitled to one vote. At the close of business on the record date, there were 37,269,361 shares of our Common Stock outstanding. The Company has no other voting securities issued and outstanding. Proxies in the accompanying form, properly executed and returned to the management of the Company by mail, telephone or the Internet, and not revoked, will be voted at the Annual Meeting. Any proxy given pursuant to such solicitation may be revoked by the stockholder at any time prior to the voting of the proxy by a subsequently dated proxy, by written notice of revocation of the proxy delivered to the Secretary of the Company, or by personally withdrawing the proxy at the Annual Meeting and voting in person.

Q: How many shares must be present to hold the meeting?

A: A quorum must be present at the meeting for business to be conducted. The presence, in person or by proxy, of at least a majority of the outstanding shares of Common Stock as of the Record Date, is necessary to establish a quorum for the transaction of business at the Annual Meeting.

Q: What if a quorum is not present at the meeting?

A: If a quorum is not present at the time of the meeting, the stockholders who are represented may adjourn the meeting until such time as a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

Q: How do I vote?

A: You may vote in any of three ways:

* You may vote by mail if you complete, sign and date the accompanying proxy card and return it as directed. Your shares will be voted confidentially and in accordance with your instructions;

* You may vote by telephone or via the Internet in accordance with the instructions found on your proxy card; and

* You may vote in person if you are a registered stockholder and attend the meeting and deliver your completed proxy card in person. At the meeting, the Company will also distribute written ballots to registered stockholders who wish to vote in person at the meeting. Beneficial owners of shares held in "street name" who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Internet and Electronic Availability of Proxy Materials

As permitted by the Securities and Exchange Commission (the "SEC "), the Company is sending a Notice of Internet Availability of Proxy Materials (the "Notice ") to certain stockholders of record. All stockholders will have the ability to access the Proxy Statement, the proxy and the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2011 as filed with the SEC on March 16, 2011 on a website referred to in the Notice or to request a printed set of these materials at no charge. Instructions on how to access these materials over the Internet or to request a printed copy may be found in the Notice. In addition, any stockholder may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. Choosing to receive future proxy materials by email will save the Company the cost of printing and mailing documents to stockholders and will reduce the impact of annual meetings on the environment. A stockholder's election to receive proxy materials by email will remain in effect until the stockholder terminates it.

Q: How many votes does it take to approve the items to be voted upon?

A: Directors are elected by a plurality of votes. This means that, assuming a quorum is present at the meeting, director nominees will be elected if the nominees receive the greatest number of affirmative votes cast for the election of directors. Proposal Numbers 2, 3 and 5 will be decided by a majority of the votes cast by the stockholders present in person or represented by proxy and entitled to vote at the Annual Meeting. The choice receiving the plurality of votes on Proposal 4 regarding the frequency of stockholder voting on executive compensation will not be binding upon, but will be given due consideration by, the Board of Directors. The Board may, however, also consider the number of votes cast for the other two choices and abstentions in making a decision on how frequently shareholders will vote on a non-binding advisory resolution on executive compensation.

Q: Can I revoke my proxy before it is exercised?

A: Yes, you may revoke your proxy and change your vote at any time before the polls close at the meeting by using any of the following methods:

* by signing another proxy with a later date;

* by voting by telephone or via the Internet after the date and time of your last telephone or Internet vote; or

* if you are a registered stockholder, by giving written notice of such revocation to the Secretary of the Company prior to or at the meeting or by voting in person at the meeting.

Attendance at the meeting will not automatically revoke a previously granted proxy.

Q: Who will count the votes?
A: The Company will designate the Inspector(s) of the Vote for the Annual Meeting.

Q: How will different types of votes be counted?

A: Votes will be counted and certified by the Inspector(s) of the Vote. Abstentions and "broker non-votes" (i.e. proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining the presence of a quorum. Because broker non-votes and abstentions are not considered to be votes cast, they will have no effect on the votes for the matters presented at the Annual Meeting. The proxies received by the management of the Company will be voted in accordance with the instructions contained therein. Unless otherwise stated, all shares represented by such proxy will be voted as instructed. Proxies which are executed but which do not contain specific instructions will be voted FOR the matter in question, except that with respect to Proposal Number 4 on the frequency of shareholder vote on executive compensation, shares will be voted in favor of a triennial (every three years) vote.

Q: Who is soliciting my proxy?

A: This solicitation is being made by the Board of Directors of the Company. The Company will bear all costs of soliciting proxies. The Company may request its officers and regular employees to solicit stockholders in person, by mail, e-mail, telephone, telegraph and through the use of other forms of electronic communication. In addition, the Company may request banks, brokers and other custodians, nominees and fiduciaries to solicit their customers who have Common Stock registered in the names of a nominee and, if so, will reimburse such banks, brokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket costs. Solicitation by the Company's officers and regular employees may also be made of some stockholders in person or by mail, e-mail, telephone, telegraph or through the use of other forms of electronic communication following the original solicitation. The Company may retain a proxy solicitation firm to assist in the solicitation of proxies. The Company will bear all reasonable solicitation fees and expenses if such proxy solicitation firm is retained.

Q: When are the stockholder proposals for the 2012 Annual Stockholders meeting due?
A: If a stockholder would like a proposal to be included in the Company's Proxy Statement for the 2012 Annual Meeting of Stockholders, the stockholder must (i) submit the proposal in writing and addressed to the Company's Secretary no later than December 23, 2011, and (ii) satisfy the conditions established by the Securities and Exchange Commission and the Company's Certificate of Incorporation and Bylaws for stockholder proposals in order for the proposition to be considered for inclusion in the Company's proxy statement and form of proxy relating to such Annual Meeting. Any such proposals, as well as any questions related thereto, should be directed to the Secretary of the Company.

After the December 23, 2011 deadline, a stockholder may submit a nomination for director or present a proposal suitable for stockholder action at the Company's 2012 Annual Meeting if it is submitted to the Company's Secretary at the address set forth below, although the Company is not obligated to present the matter or nominee in its proxy statement. Our proxy for the 2012 Annual Meeting will give discretionary authority to the proxy holders to vote on all proposals we receive after March 7, 2012.

Any such stockholder proposal or director nomination should be submitted in accordance with the Company's Certificate of Incorporation and Bylaws to Presstek, Inc., 10 Glenville Street, Greenwich, Connecticut 06831, Attention: Secretary of the Company.

Q: What other information about the Company is available?

A: Interested parties may submit a request to the Secretary of the Company at the address above for a copy of the Company's Annual Report on Form 10-K be sent to them by mail. This and other important information about the Company is also available on our Web site at www.presstek.com.

PROPOSAL 1

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual meeting of stockholders and until a successor, if applicable, is elected and qualified or until the director's earlier resignation or removal.

The Board currently consists of seven directors. The Board recommends to the stockholders that the seven persons listed below, each of whom is currently serving as a director of the Company, be elected to hold office until the next annual meeting of stockholders and until their respective successors, if applicable, are elected and qualified or until their earlier resignation or removal. The proxies granted by stockholders will be voted for the election as directors of the Company of such persons listed below, unless a proxy specifies that it is not to be voted in favor of a particular nominee or nominees. Proxies cannot be voted for a greater number of persons than the number of nominees listed below. In the event any of the nominees listed below are unable to serve, it is intended that the proxy will be voted for such other nominees, if any, as are designated by the Board. Each of the persons named below has indicated to the Board that he will be available to serve, and the Board knows of no reason why such nominee is unwilling or unable to serve.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF ALL OF THE NOMINATED DIRECTORS

Director Nominees

The nominees for director and their ages are the following:

Name	Age	Position
Edward E. Barr	74	Lead Director
Jeffrey A. Cook	56	Executive Vice President, Chief Financial Officer and a Director
Daniel S. Ebenstein	68	Director
Stanley E. Freimuth	64	Director
Jeffrey Jacobson	51	Chairman, President, Chief Executive Officer and a Director
Steven N. Rappaport	62	Director
Donald C. Waite, III	69	Director

Edward E. Barr has been a director since September 4, 2008 and our Lead Director since June 2009. From 1998 until his retirement in 2003, he served as Chairman and Chief Executive Officer of Sun Chemical Group B.V., the holding company of Sun Chemical Corporation and its other interests. He served as President of Sun Chemical Corporation from 1975 to 1982 and Chairman and President of Sun Chemical Corporation from 1987 to 1998. From 1982 to 1987 Mr. Barr was Chief Executive Officer and Partner of Courtaulds plc. He also served as a board member and as Chairman of Kodak Polychrome Graphics, a $1.7 billion global joint venture between Sun Chemical Corporation and Kodak. Mr. Barr is a member of the Board and Audit Committee of United Water Resources, where he served as Chairman from 2003 to 2008. He also served as a director and member of the audit committee of Sequa Corporation, a diversified industrial company, from 2004-2008. Our Board believes Mr. Barr is qualified to be a director because he has executive management experience as former Chairman and CEO of Sun Chemical Corporation and possesses industry expertise gained from his tenure at Sun Chemical. He also has Board leadership experience and financial management expertise.

Jeffrey A. Cook was appointed Senior Vice President, Chief Financial Officer in February 2007 and appointed Executive Vice President in February 2008. On November 4th, 2009 he was elected to the Presstek Board of

Directors. From July 2005 until February 2007 he was self-employed. Prior thereto, he served as Senior Vice President and Chief Financial Officer of Kodak Polychrome Graphics, a joint venture between Kodak and Sun Chemical Corporation. Mr. Cook has over 30 years of financial management experience, including 17 years with General Electric. Our Board believes Mr. Cook's lengthy industry experience in senior financial and other management positions qualifies him to serve as a member of our Board.

Daniel S. Ebenstein has been a director of the Company since November 1999. Since 1968, Mr. Ebenstein has been practicing intellectual property law at the New York law firm of Amster, Rothstein & Ebenstein LLP and has been a partner of that firm since 1972. Mr. Ebenstein has extensive experience in all aspects of intellectual property law, across a broad spectrum of technologies. Our Board believes Mr. Ebenstein is qualified to be a director because he possesses significant experience in the field of intellectual property law and because of his management experience as part of his law firm's leadership team.

Stanley E. Freimuth has been a director of the Company since November 2009. Since April 2007, he has served as Chairman and Executive Director of Tracer Imaging LLC, which markets and produces lenticular printed products depicting three-dimensional imagery. From September 2004 until March 2007 he served as Senior Executive Vice President and Chief Administrative Officer of Fujifilm USA; from 2000 to 2004 he served as Chief Operating Officer and Executive Vice President of Fujifilm USA. From 2000 to 2007 he served on the Board of Fujifilm USA. From 1983 until 2000 he served as head of Fujifilm's United States Graphic Systems Division. He is a former Board member and Chairman of NPES, the association for suppliers of printing, publishing and converting technologies. Mr. Freimuth is a board member of the New York University Graphic Communications Management and Technology Advisory Board. Our Board believes Mr. Freimuth is qualified to be a director because of his lengthy leadership and industry experience at Fujifilm's United States Graphic Systems Division and at Fujifilm USA.

Jeffrey Jacobson was appointed President and Chief Executive Officer and a director of the Company in May 2007, and added the title of Chairman on January 1, 2009. From April 2005 until April 2007, he was a Corporate Vice President and the Chief Operating Officer of Kodak's Graphic Communications Group, a division formed by the integration of six different Kodak companies into a \$3.6 billion global enterprise. From April, 2000 through April, 2005, Mr. Jacobson served as Chief Executive Officer of Kodak Polychrome Graphics, a \$1.7 billion global joint venture between Sun Chemical Corporation and Kodak. In all, Mr. Jacobson has 24 years of experience in the graphic arts industry. Mr. Jacobson is a board member of the New York University Graphic Communications Management and Technology Advisory Board. Our Board believes Mr. Jacobson's lengthy executive leadership and industry experience qualifies him to serve as a member of our Board.

Steven N. Rappaport has been a director of the Company since November 2003. Since July 2002, Mr. Rappaport has been a partner of Lehigh Court, LLC and RZ Capital, LLC, private investment firms that also provide administrative services for a limited number of clients. Mr. Rappaport is currently serving as an independent director and audit committee member with respect to a number of investment portfolios, of which Credit Suisse serves as the investment adviser under the Investment Companies Act of 1940. Eighteen of the funds are open-end funds and Mr. Rappaport is the Chairman of these funds. Two of the funds are closed-end funds, whose shares are currently listed on the American Stock Exchange. He also serves as an independent director and audit committee member of five closed-end funds advised by Aberdeen Investment Trust, whose shares are listed on the American Stock Exchange. Mr. Rappaport also serves on the Board of iCad, Inc., a NASDAQ-listed company, and is Chairman of its Audit Committee. He serves as a director of a number of for profit private businesses, and is a member of the Board of Trustees of Washington University in St. Louis. Our Board believes Mr. Rappaport is qualified to be a director because he possesses a strong financial and financial management background, as well as extensive experience serving as a member of public company Audit Committees and as an Audit Committee financial expert as defined in the Sarbanes-Oxley Act.

Donald C. Waite, III has been a director of the Company since July 2002. Since February 2002, Mr. Waite has been the Director of the Executives-in-Residence Program and an Adjunct Professor at Columbia Graduate School of

Business. Mr. Waite was employed as an executive with McKinsey & Company, an international management consulting firm, from 1966 until his retirement in February 2002. He remains a member of the McKinsey Investment Committee. From June 1996 to February 2002, Mr. Waite was one of the three members of McKinsey's Office of the Managing Director, and Chairman of McKinsey's Investment Committee and Compensation Committee. Mr. Waite is a Director Emeritus of McKinsey & Company. He sits on the Board of Overseers of the Columbia Graduate School of Business. He is a member of the board of directors and serves as Lead Director of Guardian Life Insurance Company of America; and he serves on the board of directors of Information Services Group, Inc., a sourcing advisory firm. Our Board believes Mr. Waite is qualified to be a director because he has executive management experience as an executive of one the largest management consulting firms in the world. As a leader in this consulting firm, he also gained valuable experience in assisting management teams to improve performance.

COMPENSATION OF DIRECTORS

As compensation for services as a director, each non-employee director of the Company receives the following compensation:

- Upon joining the Board, each new non-employee director is granted an option to purchase 25,000 shares of Common Stock at an exercise price per share equal to the closing price of our Common Stock on the date the option is granted. These options are fully exercisable on the first anniversary of the date of grant.

- Non-employee directors are paid an annual retainer of $22,500 on the first business day of July of each year. Directors who join the Board between Annual Meetings receive a pro-rated cash retainer. The Lead Director receives an additional retainer of $50,000; the Chairman of the Audit Committee receives an additional retainer of $7,500; the Chairman of the Compensation Committee receives an additional retainer of $5,000; and the Chairman of the Nominating and Governance Committee receives an additional retainer of $5,000. Board members may elect to receive all or a portion of the Board and/or any Committee Chair retainer in the form of shares of Common Stock or in the form of non-qualified stock options, which is valued by taking the amount of the retainer and dividing it by the value per option (using the Black-Scholes valuation or some similar method). The exercise price per share for stock options is the closing price of the Common Stock on NASDAQ on the first business day of July or the date on which the applicable retainer is otherwise payable. All stock and options are issued pursuant to the 2008 Omnibus Incentive Plan. All stock options that are issued in lieu of the retainers for Board, Lead Director and/or Committee Chair service vest immediately and are exercisable for a period of ten years from the date of grant, regardless of whether the Board member remains on the Board. During 2010 all non-employee members of the Board elected to receive their Board, Lead Director and Committee Chair retainers, as applicable, in the form of non-qualified stock options.

- On the Company's first business day of July, each non-employee director is granted an option to purchase 15,000 shares of Common Stock at an exercise price per share equal to the closing price of our Common Stock on that date. These options are fully exercisable on the first anniversary of the date of grant. The exercisability of the options accelerate in the event of a change in control of the Company.

- Compensation for attendance at meetings in the amount of: (i) $1,500 for each in-person meeting of the Board; (ii) $500 for each telephonic meeting of the Board; (iii) $1,000 for each meeting of the Compensation Committee and Nominating and Governance Committee; and (iv) $1,500 for each meeting of the Audit Committee.

In addition to the option grants described herein, directors of the Company are generally eligible to be granted stock options or stock-based awards under the 2008 Omnibus Incentive Plan. The Board or the Compensation Committee has discretion to determine the number of shares subject to each award, the exercise price and other terms and conditions thereof. The 2008 Omnibus Incentive Plan provides for the grant of any or all of the following types of awards: (i) stock options; (ii) stock issuances; and (iii) other equity interests in the Company.

Mr. Jacobson and Mr. Cook do not receive any additional compensation for serving on the Board.

The following table sets forth the cash compensation earned and accounting cost of options to purchase Common Stock granted to all persons who served as a non-employee director of the Company in fiscal 2010. Fees earned that were paid in the form of stock options are detailed in the notes to the table.

Director	Fees Earned or Paid in Cash ($)(1)	Options Awards ($)(2)	Total ($)

Edward E. Barr	$14,500	$105,840	$120,340
Daniel S. Ebenstein	9,500	92,586	102,086
Stanley E. Freimuth	19,000	55,750	74,750
Dr. Lawrence Howard	7,000	0	7,000
Steven N. Rappaport	17,000	95,067	112,067
Donald C. Waite, III	19,000	92,586	111,586

(1) This column reports the amount of cash compensation earned in fiscal 2010 for Board and Committee meetings attended. During 2010 all Board members elected to receive their Board, Committee Chair and Lead Director retainers, as applicable, in the form of non-qualified stock options. Dr. Howard retired from the Board effective on June 1, 2010.

(2) The dollar amounts in this column represent the compensation cost, adjusted as described below, recorded in our audited financial statements for fiscal 2010 of Common Stock option awards made to the directors. These amounts for Option Awards have been calculated in accordance with FASB ASC Topic 718 disregarding the estimates of forfeiture and using the Black Scholes option-pricing model. Assumptions used in the calculation of these amounts are included in Note 15 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended January 1, 2011. During 2010 all Board members elected to receive their Board, Committee Chair and Lead Director retainers, as applicable, in the form of non-qualified stock options instead of cash. On September 30, 2010 certain non-qualified stock options outstanding under the Company's 2003 Stock Option and Incentive Plan (the "2003 Plan") were re-priced. Messrs. Ebenstein, Rappaport and Waite each held stock options for 52,500 shares of Common Stock outstanding under the 2003 Plan, with grant dates ranging from July 1, 2004 to July 2, 2007, and with per share exercise prices ranging from $7.89 per share to $11.52 per share. The exercise prices on these options were modified to $2.19 per share, which was the closing price of the Common Stock on September 30, 2010, the date of the re-pricing. The compensation cost relating to the re-pricing recorded in the financial statements for fiscal 2010, as described above, is reflected in the Option Awards column. The number of stock options held by the Company's non-employee directors both currently and at the end of fiscal 2010 is as follows: Edward E. Barr – 91,866; Daniel S. Ebenstein – 134,741; Stanley E. Freimuth – 50,015; Steven N. Rappaport – 177,381; Donald C. Waite, III – 172,390.

BOARD OF DIRECTORS' MEETINGS

During fiscal 2010, the Board of Directors held seven meetings. During the year, each of the Company's directors attended at least seventy-five percent of the aggregate of the total number of meetings of the Board of Directors and of the total number of meetings of all committees on which each director served. In fact, all Board members attended 100% of Board meetings and meetings of Committees on which each director served. Additionally, all of the directors then serving attended the Annual Meeting of Stockholders in 2010. Directors are encouraged to attend the annual meeting of stockholders but are not required to do so.

BOARD OF DIRECTORS AND COMMITTEE INDEPENDENCE

The Board has determined, in accordance with Nasdaq Marketplace Rule 4200(a)(15), that each of the following directors is an "independent director" as such term is defined in Nasdaq listing standards: Messrs. Barr, Ebenstein, Freimuth, Rappaport and Waite. The Board of Directors has also determined that each member of the three standing committees of the Board meet the independence requirements applicable to those committees prescribed by Nasdaq.

COMMUNICATIONS WITH THE BOARD

The Company provides a process for stockholders to send communications to the Board. Information regarding stockholder communications with the Board can be found on the Company's Web site at http://www.presstek.com/about-investor-hotline.htm.

AUDIT COMMITTEE

The Company has an Audit Committee of the Board established in accordance with section 3(a)(58)(A) of the Securities Act of 1934, as amended. The Audit Committee, which oversees the audit and financial procedures of the Company, is directly responsible for the appointment, compensation, retention and oversight of the Company's independent registered public accounting firm. The Audit Committee is currently comprised of Mr. Rappaport as Chair and Messrs. Freimuth and Waite. The Company's Board of Directors has determined that Mr. Rappaport, who qualifies as an independent director under Nasdaq listing standards, is also "an audit committee financial expert" as such term is defined by a regulation of the Securities and Exchange Commission ("SEC"). The Audit Committee held six meetings during fiscal 2010. The Audit Committee operates under a written charter adopted by the Board, which is available on the Company's Web site at www.presstek.com. The Audit Committee chairperson reports on Committee actions and recommendations at Board meetings.

NOMINATING AND GOVERNANCE COMMITTEE

The Company has a Nominating and Governance Committee of the Board, which is comprised of Mr. Ebenstein as Chair and Messrs. Barr and Rappaport. The Nominating and Governance Committee held three meetings during fiscal 2010. The Board has adopted a written charter for the Nominating and Governance Committee, which is available on the Company's Web site at www.presstek.com.

The Nominating and Governance Committee makes recommendations to the Board regarding the size and composition of the Board and is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current size and make-up of the Board. This assessment includes issues of diversity in numerous factors such as age, understanding of and achievements in manufacturing, technology, finance and marketing and international experience. These factors, and any other qualifications considered useful by the Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. As a result, the priorities and emphasis of the Nominating and Governance Committee and of the Board may change from time to time to take into account changes in business and other trends, and the portfolio of skills and experience of current and prospective Board members. The Committee establishes procedures for the nomination process and recommends candidates for election to the Board. The Nominating and Governance Committee chairperson reports on Committee actions and recommendations at Board meetings.

Consideration of new Board nominee candidates typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. The Board is committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise. The Company's Corporate Governance Guidelines provide that Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the Company's stockholders. The Guidelines further provide that character, judgment, business acumen, as well as printing and publishing, financial and other significant business experience are among the relevant criteria for Board membership. The Board does not, however, have a formal policy with respect to diversity in identifying or selecting nominees for the Board, but in evaluating nominees, the Board assesses the background of each candidate in a number of different ways including how the individual's qualifications complement, strengthen and enhance those of existing Board members as well as the future needs of the Board. In general, candidates for nomination to the Board are suggested by Board members or by management. In fiscal year 2010, Presstek did not employ a search firm or pay fees to other third parties in connection with seeking or evaluating Board nominee candidates. The Nominating and Governance Committee will consider candidates who are proposed by stockholders and the Committee has from time to time received unsolicited candidate proposals from stockholders. The Committee evaluates candidates proposed by stockholders using the same criteria as used for other candidates. A stockholder seeking to recommend a prospective nominee for the Nominating and Governance Committee’s consideration should submit the candidate’s name and qualifications to Presstek, Inc., 10 Glenville Street, Greenwich, Connecticut 06831, Attention: Corporate Secretary.

THE COMPENSATION COMMITTEE

The Company has a Compensation Committee of the Board (the “Compensation Committee”), which is currently comprised of Mr. Waite as Chair and Messrs. Barr and Freimuth. The Board has adopted a written charter for the Compensation Committee, which is available on the Company’s Web site at www.presstek.com. The Compensation Committee held five meetings during fiscal 2010. The Compensation Committee sets the compensation of the executive officers of the Company and makes recommendations to the Board regarding the compensation of the members of the Board. Generally, management is not involved in the setting of compensation for the executive officers, except that the Chief Executive Officer participates in discussions related to compensation for all other executive officers. The Compensation Committee is comprised entirely of non-employee directors. The Compensation Committee chairperson reports on Committee actions and recommendations at Board meetings. The Compensation Committee has the authority to engage the services of outside advisors, experts and others to assist the Compensation Committee. In fiscal 2007, the Compensation Committee retained Pearl Meyer & Partners as a compensation consultant to provide the Committee with independent analysis and competitive market data in connection with the Committee’s negotiation of a compensation arrangement with Mr. Jacobson, who joined the Company in May 2007 as President and Chief Executive Officer. In fiscal 2008, the Committee used compensation survey data acquired from Radford Consulting in connection with the benchmarking of executive positions.

BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT

As noted in the Company's Corporate Governance Guidelines, the Board does not have a policy with regard to whether the role of the Chairman and Chief Executive Officer should be separate or combined, or whether the Chairman should be selected from the independent Directors or be an employee. The Board believes that it is desirable to have the flexibility to decide whether the roles of Chairman of the Board and Chief Executive Officer should be combined or separate in light of the Company's circumstances from time to time. The Board currently combines the role of Chairman of the Board with the role of Chief Executive Officer. The Board believes this currently provides an efficient and effective leadership model for the company. The Company's independent directors, currently led by Lead Director Barr, bring experience, oversight and expertise from outside the company and both inside and outside the industry, while the Chief Executive Officer brings company-specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and the Board, which are essential to effective governance. The responsibilities of the Lead Director as established by the Board include, but are not limited to: assisting the Chairman in the setting of agendas for Board meetings; in the absence of the Chairman, chairing meetings of the Board; chairing meetings of independent Board members; in consultation with the Chairman, ensuring that information requested by Board members or Board committees is provided; and representing the independent directors in discussions with management on corporate governance issues and other matters.

The Audit Committee takes the lead in overseeing risk management at the Board level. The Audit Committee periodically reviews the Company's risk assessment and management, including the areas of internal auditing and financial controls, and the Committee assesses the risk of litigation and legal compliance matters as they relate to the Company’s financial statements. The Committee also receives reports from management and other advisors, including periodic risk assessment surveys by internal audit covering a broad range of business risks. Although the Board's primary risk oversight is performed by the Audit Committee, the full Board also periodically receives information about the Company's risk management and the most significant risks that the Company faces. In addition to ongoing compliance efforts, the Board encourages management to promote a corporate culture that understands risk management and incorporates it into the overall corporate strategy and day-to-day business operations.

EXECUTIVE OFFICERS

Executive officers serve at the discretion of the Board until their successors have been duly elected and qualified or until their earlier resignation or removal. The current executive officers of the Company and their ages are:

Name	Age	Position
Jeffrey Jacobson	51	Chairman, President, and Chief Executive Officer
Jeffrey A. Cook	56	Executive Vice President and Chief Financial Officer
Kathleen G. McHugh	52	Vice President and Chief Marketing Officer
Guy Sasson	44	President, Europe, Africa, and Middle East Region
James R. Van Horn	55	Vice President, General Counsel and Secretary

Biographical information for Messrs. Jacobson and Cook can be found above in the section entitled “Election of Directors”.

Kathleen G. McHugh was appointed Vice President and Chief Marketing Officer in May 2008. From August 2007 to May 2008 she served as Vice President and Regional Business Manager for the United States and Canada, Prepress Solutions at the Graphic Communications Group of Eastman Kodak Company (GCG). From June 2005 until August 2007 she served as Vice President-Global Marketing, Prepress Solutions for GCG. From November 2003 until June 2005 she served as Staff Vice President of Business Strategy Kodak Polychrome Graphics (KPG). Prior thereto she served as Vice President of Marketing of the United States and Canada for KPG.

Guy Sasson was appointed President of Presstek’s Europe, Africa, and Middle East Region in January 2009. Mr. Sasson’s background includes a decade of key international roles at Kodak’s Graphics Communications Group (“KGCG”) and Kodak Polychrome Graphics, a joint venture between the Eastman Kodak and Sun Chemical companies. In his most recent assignment Mr. Sasson served as Vice President of Service and Support of KGCG’s Europe, Middle East and Africa region. He is focused on expanding Presstek’s presence in this region.

James R. Van Horn was appointed Vice President and General Counsel of the Company in October 2007 and Secretary in December 2007. From January 2007 until October 2007 he served as a consultant to Sun-Times Media Group, Inc. From March 2004 to January 2007 he served as Vice President, General Counsel and Secretary of Sun-Times Media Group, Inc. Prior thereto he served as Chief Administrative Officer, General Counsel and Secretary of NUI Corporation.

EXECUTIVE COMPENSATION

Discussion of Executive Compensation

Compensation Philosophy and Objectives

The Company's compensation philosophy is to provide a total compensation package that motivates management to profitably achieve our strategic growth and annual operating objectives and enables us to attract and retain talented executives.

We seek to align management's interests with those of our stockholders by using equity-based long-term incentive awards. These awards generally consist of stock options that vest over time, and serve not only as a retention tool, but also as a means to encourage enhanced performance of our Common Stock since executives obtain the opportunity for financial rewards only when the stock price increases. The Company's philosophy is to base a significant portion of targeted annual cash incentive awards upon our annual performance against pre-established financial targets, so that executives receive greater incentive payments when the Company achieves its financial goals.

We seek to motivate management to achieve growth and operating objectives by designing compensation programs that reward the achievement of pre-determined performance objectives in areas that the Committee believes are critical to the Company's success.

We seek to attract and retain talented executives by ensuring that the compensation opportunities provided to them are competitive in relation to similar positions at comparable organizations and by ensuring retention through time-vested equity-based incentive awards. We do this by using compensation survey data for the relevant position, including levels within different elements of compensation (base salary, annual bonus, long-term incentives and fringe benefits), to make sure that the compensation package that we provide to an executive has a total value that is at least near the mid-point for total compensation within the applicable survey data, and that the various elements of compensation for the position present an appropriate mix for the position.

Components of the Compensation Program

The Company's executive compensation program is comprised of the following components, in support of our executive compensation philosophy.

Base Salary. Base salary is based upon competitive market data derived from compensation surveys, as well as compensation information derived from search firms in connection with the Company's recruitment of new executives. Our objective is to pay competitive base salaries in order to attract and retain talented executives. Increases in base salary are used to reward performance and/or to address changes in the market with respect to the competitive salary for a particular position.

Annual Incentive Program. Annual cash bonus opportunities for executives are based upon the achievement of targeted performance levels in specific categories. Bonus targets, expressed as a percentage of base salary, are established for each executive by the Compensation Committee, with reference to benchmarking data for comparable positions. Bonus targets for Mr. Jacobson are established in his employment agreement. These incentives are designed to reward performance and to provide market competitive compensation opportunities to executives. The Committee retains the discretion to reward achievement in the absence of meeting specific performance objectives if it deems such discretionary payments are warranted under the circumstances.

Long-Term Incentive Program. Time-vested equity compensation in the form of stock options and other equity based awards provided to executives are intended to reward performance, to serve as a retention tool, to align the interests of management with those of stockholders and to provide market competitive compensation opportunities to executives. The level of awards granted by the Compensation Committee are determined with reference to benchmarking data for each executive position, with input from the Chairman, President and Chief Executive Officer with respect to executives other than himself. The Board of Directors has adopted an Equity Award Policy and Procedures relating to the awarding of equity awards. If at the time proposed for an award the Company possesses material non-public information, the policy provides that awards will not be granted if the Compensation Committee reasonably anticipates that promptly following the grant the Company will release material information that it believes would result in an increase in the Company's stock price. While the policy provides for the granting of equity awards by unanimous written consent of the Compensation Committee, the policy also expresses the desire of the Board that awards shall be made at meetings of the Committee, either in person or by telephone; all awards made by the Compensation Committee since the adoption of the policy in December 2007 have been made at meetings of the Committee.

Benefits/Perquisites. We provide executives with generally the same benefits as those provided to all other salaried employees, such as health and dental insurance, life insurance, short- and long-term disability, 401(k) plan, and an employee stock purchase plan. In addition, we also provide certain executives, including the named executive officers, with a car allowance and reimbursement of gas expenses.

In addition, as described below in this proxy statement under the headings "Discussion Concerning Summary Compensation Table" and "Potential Payments Upon Termination Or Change In Control" we provide executive officers benefits in the event of a change in control and employment termination other than for cause under employment and severance agreements, stock grant agreements accompanying individual grants, and/or benefit plans available to employees generally. The amount the Company will pay under these arrangements is determined under the terms of the individual arrangements. These agreements help us to attract talented executives, reduce the potential for employment litigation and avoid the loss of our executives to our competitors and other companies.

Compensation Committee

The current members of the Committee are Donald C. Waite, III (Chairman), Edward E. Barr and Stanley E. Freimuth. The Committee's charter charges it with various duties and responsibilities, including responsibility for establishing annual and long-term performance goals for the Company's officers, including the compensation and evaluation of the performance of executive officers. The Committee's charter is reviewed annually and can be found on our website at www.presstek.com. The three primary elements of compensation for the named executive officers (annual base salary, long-term incentives and annual bonus) are considered by the Committee at least once each year.

Management's Role in Compensation

The Chairman, President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President, General Counsel and Secretary often attend Committee meetings to present matters for consideration by the Committee and to answer questions regarding those matters.

The Chairman, President and Chief Executive Officer recommends to the Committee increases or changes in compensation for executive officers other than himself, based on his assessment of each individual's performance, contribution to the Company's results, potential for future contributions to our success and market information. The Committee meets in executive session without any members of management present to review the performance and compensation of the Chairman, President and Chief Executive Officer, to evaluate compensation proposals made by management and to make decisions with respect to these proposals. The Committee has ultimate responsibility for approving and setting compensation levels for the Company's executive officers, other than the Chief Executive Officer, with respect to whom the Committee makes recommendations to the full Board.

Compensation Consultants

The Committee uses the services of compensation consultants from time to time.

Summary Compensation Table For Fiscal 2010 And Fiscal 2009

The following table sets forth the information required by SEC Regulation S-K Item 402 as to the compensation paid or accrued by us for the fiscal years ended January 1, 2011 ("fiscal 2010") and January 2, 2010 ("fiscal 2009") by our Chief Executive Officer and the four other most highly paid executive officers in fiscal 2010 (collectively, the "named executive officers"). We are voluntarily providing information with respect to four other executive officers rather than the two as permitted by SEC rules applicable to "smaller reporting companies."

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
Jeffrey Jacobson, Chairman, President and Chief Executive	2010	648,463	--	350,000	725,368	17,182	1,741,013
Officer	2009	633,006	--	--	--	20,291	653,297
Jeffrey A. Cook, Executive Vice President and Chief	2010	311,924	--	115,000	283,431	16,747	727,602
Financial Officer	2009	305,000	--	--	--	17,776	322,776
Kathleen G.	2010	234,998	--	47,000	151,164	15,849	449,001
McHugh, Vice	2009	234,998	--	--	--	13,509	248,507

President and Chief Marketing Officer							
Guy Sasson, President, Europe, Africa, and Middle East Region (4)	2010	240,714	--	51,217	120,629	41,366	453,926
	2009	240,714	--	--	151,425	66,381	458,520
James R. Van Horn, Vice President, General Counsel and Secretary	2010	269,923	--	73,250	153,460	17,628	514,261
	2009	263,000	--	--	--	18,043	281,043

(1) Bonuses paid with respect to fiscal 2010 were paid in shares of the Company's Common Stock, after the application of tax withholding. As required by the applicable SEC rules, these bonus amounts are reflected in the Stock Awards column.

(2) The dollar amounts in the Stock Awards and Option Awards columns represent the aggregate grant date fair value of these awards to the named executive officers. These amounts for Option Awards have been calculated in accordance with FASB ASC Topic 718 disregarding the estimates of forfeiture and using the Black Scholes option-pricing model. Assumptions used in the calculation of these amounts are included in Note 15 to our audited financial statements included in our Annual Reports on Form 10-K for the fiscal years ended January 1, 2011 and January 2, 2010. On September 30, 2010 certain non-qualified stock options outstanding under the Company's 2003 Stock Option and Incentive Plan (the "2003 Plan") were re-priced. Messrs. Cook and Van Horn and Ms. McHugh each held stock options that were issued under the 2003 Plan, with grant dates ranging from February 27, 2007 to June 11, 2008, and with per share exercise prices ranging from $5.97 per share to $6.42 per share. The exercise prices on these options were modified to $2.19 per share, which was the closing price of the Common Stock on September 30, 2010, the date of the re-pricing. The compensation cost relating to the re-pricing recorded in the financial statements for fiscal 2010, as described above, is reflected in the Option Awards column.

(3) The compensation represented by the amounts for 2010 set forth in the All Other Compensation column for the named executive officers are detailed in the following table.

Name	Life Insurance ($)(a)	Pension Contributions (b)	Automobile Allowance ($)(c)	Other Benefits ($)(d)
Jeffrey Jacobson	1,863	--	12,000	3,319
Jeffrey A. Cook	2,412	--	12,000	2,335
Kathleen McHugh	1,159	--	12,000	2,690
Guy Sasson (4)	5,435	30,499	5,432	--
James R. Van Horn	1,242	--	12,000	4,386

(a) Consists of Company-paid premiums for life insurance benefits.

(b) Represents pension contributions required by French law.

(c) Consists of amounts in respect of car allowances paid to each named executive officer.

(d) Consists of reimbursements of expenses for gasoline.

(4) Amounts for Mr. Sasson in the Salary and All Other Compensation columns that were earned in euros have been converted at a rate of $1.3373 per €1.00, which was the exchange rate in effect on the last business day of fiscal 2010.

Discussion Concerning Summary Compensation Table

Employment Agreements

Employment Agreement with Mr. Jacobson. We have entered into an amended and restated employment agreement with Mr. Jacobson. The terms of this agreement that relate to his compensation and benefits are described below. The terms that relate to termination and change in control are set forth in the section below entitled "Potential Payments Upon Termination or Change In Control."

The Company and Mr. Jacobson entered into this amended and restated employment agreement on September 30, 2010 (referred to as the "effective date"). The agreement provides for a three-year term of employment for Mr. Jacobson commencing on the effective date and ending on September 29, 2013, unless terminated sooner in accordance with the provisions thereof, and allows for renegotiation and extension of the employment term as long as either the Company or Mr. Jacobson does not notify the other party of the decision not to extend the agreement by March 30, 2013. If the parties negotiate but fail to agree to the terms of an extended employment agreement by June 30, 2013, Mr. Jacobson's employment will terminate as of September 29, 2013.

The agreement provides for the following compensation and benefits for Mr. Jacobson:

· The agreement sets forth an annual base salary of $700,000, which will be reviewed at least annually. The base salary cannot be decreased without Mr. Jacobson's consent.

- The agreement provides that Mr. Jacobson is eligible to receive an annual discretionary bonus targeted at 100% of his annual base salary. The target bonus will be paid based on Mr. Jacobson's and/or the Company's achievement of certain goals and objectives to be established by the Board or the Compensation Committee in consultation with Mr. Jacobson.

- Pursuant to the agreement, on the effective date, Mr. Jacobson was granted an option to purchase 250,000 shares of our common stock (the "Initial Grant") and, on January 3, 2011, Mr. Jacobson was granted an option to purchase an additional 250,000 shares of our common stock (the "Second Grant"). The per share exercise price for these options will be determined by the closing price of a share of our common stock on (i) the effective date with respect to the Initial Grant, and (ii) January 3, 2011 with respect to the Second Grant. The shares of common stock subject to these options vest as follows (subject to accelerated vesting as provided in the employment agreement or in the stock option agreement): one-third of the Initial Grant and one-third of the Second Grant will vest on September 30, 2011, one-third of the Initial Grant and one-third of the Second Grant will vest on September 30, 2012, and one-third of the Initial Grant and one-third of the Second Grant will vest on September 30, 2013, in each case subject to the terms and conditions of the stock option agreement.

    - Mr. Jacobson is also entitled to participate in any plan or arrangement of the Company relating to stock options, stock purchases, pension, thrift, profit sharing benefits, other benefits under qualified or nonqualified deferred compensation plans, group life insurance, medical coverage, education or any other employee benefits that the Company in its sole discretion may adopt and elect to make available to employees. He is also entitled to a car allowance in the amount of $1,000 per month and reimbursement for gasoline, along with reimbursement for reasonable business expenses in accordance with Company policy.

Employment Agreement with Mr. Cook. We have entered into an amended and restated employment agreement with Mr. Cook. The terms of this agreement that relate to his compensation and benefits are described below. The terms that relate to termination and change in control are set forth in the section below entitled “Potential Payments Upon Termination or Change In Control.”

The Company and Mr. Cook entered into this amended and restated employment agreement on September 30, 2010 (referred to as the “effective date”). The agreement provides for a three-year term of employment for Mr. Cook commencing on the effective date and ending on September 29, 2013, unless terminated sooner in accordance with the provisions thereof, and allows for renegotiation and extension of the employment term as long as either the Company or Mr. Cook does not notify the other party of the decision not to extend the agreement by March 30, 2013. If the parties negotiate but fail to agree to the terms of an extended employment agreement by June 30, 2013, Mr. Cook’s employment will terminate as of September 29, 2013.

The agreement provides for the following compensation and benefits for Mr. Cook:

- The agreement sets forth an annual base salary of $335,000, which will be reviewed at least annually. The base salary cannot be decreased without Mr. Cook’s consent.

- The agreement provides that Mr. Cook is eligible to receive an annual discretionary bonus targeted at 70% of his annual base salary. The target bonus will be paid based on Mr. Cook’s and the Company’s achievement of certain goals and objectives to be established by the Board or the Compensation Committee in their sole discretion. No such bonus will be payable to Mr. Cook with respect to any year during which his employment is terminated, regardless of the manner of such termination.

- Pursuant to the agreement and in accordance with the terms of the Company’s 2003 Stock Option and Incentive Plan, the Company amended the per share exercise price of the stock option grant for 250,000 shares of our common stock provided to Mr. Cook on February 27, 2007 to a per share price equal to the closing price of a share of our common stock on the effective date. All other terms and conditions of this stock option grant remain unchanged.

- Mr. Cook is also entitled to participate in any plan or arrangement of the Company relating to stock options, stock purchases, pension, thrift, profit sharing benefits, other benefits under qualified or nonqualified deferred compensation plans, group life insurance, medical coverage, education or any other employee benefits that the Company in its sole discretion may adopt and elect to make available to employees. He is also entitled to a car allowance in the amount of $1,000 per month and reimbursement for gasoline, along with reimbursement for reasonable business expenses in accordance with Company policy.

Employment Agreement with Mr. Sasson. We have entered into an employment agreement with Mr. Sasson. The terms of this agreement that relate to his compensation are described below. The terms that relate to termination are set forth in the section below entitled “Potential Payments Upon Termination or Change In Control.”

The Company and Mr. Sasson entered into this employment agreement on October 28, 2008 with employment specified to commence on January 5, 2009.

The agreement provides for the following compensation and benefits for Mr. Sasson:

· The agreement sets forth an initial base salary of €180,000, which will be reviewed at least annually. The base salary cannot be decreased without Mr. Sasson’s consent.

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The agreement provides that Mr. Sasson will be entitled to an annual discretionary target bonus of up to 50% of his annual base salary. The actual amount of the bonus will be based 60% on the Company's performance and 40% on Mr. Sasson's business performance to include revenue, gross profit, working capital and expenses.

- Mr. Sasson is entitled to a monthly car allowance in the amount of €800 per month and reimbursement for reasonable business expenses in accordance with Company policy.

- Mr. Sasson is also entitled to participate in benefit plans, including retirement, contingency and medical plans, to the extent any such plans are adopted by the Company and made available for the benefit of executives in France.

Employment Agreement with Mr. Van Horn. We have entered into a new employment agreement with Mr. Van Horn. The terms of this agreement that relate to his compensation and benefits are described below. The terms that relate to termination and change in control are set forth in the section below entitled “Potential Payments Upon Termination or Change In Control.”

The Company and Mr. Van Horn entered into this new agreement on September 30, 2010 (referred to as the “effective date”). The agreement provides for a three-year term of employment for Mr. Van Horn commencing on the effective date and ending on September 29, 2013, unless terminated sooner in accordance with the provisions thereof, and allows for renegotiation and extension of the employment term as long as either the Company or Mr. Van Horn does not notify the other party of the decision not to extend the agreement by March 30, 2013. If the parties negotiate but fail to agree to the terms of an extended employment agreement by June 30, 2013, Mr. Van Horn’s employment will terminate as of September 29, 2013.

The agreement provides for the following compensation and benefits for Mr. Van Horn:

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