

CAPITAL SENIOR LIVING CORP
Form SC 13G/A
February 14, 2014

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b)(c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)

(Amendment No. 1) *

Capital Senior Living Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

140475104

(CUSIP Number)

December 31, 2013

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

(Page 1 of 10 Pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 140475104 13G

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Mgmt, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

6. SHARED VOTING POWER

1,418,111 (1)

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,418,111 (1)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,418,111 (1)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) ** EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

4.92%

12. TYPE OF REPORTING PERSON*

PN

(1) Comprised of shares of common stock held by Deerfield Partners, L.P. and Deerfield International Master Fund, L.P., of which Deerfield Mgmt, L.P. is the general partner.

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Management Company, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

6. SHARED VOTING POWER

1,418,111 (2)

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,418,111 (2)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,418,111 (2)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) ** EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

4.92%

12. TYPE OF REPORTING PERSON*

PN

(2) Comprised of shares of common stock held by Deerfield Partners, L.P. and Deerfield International Master Fund, L.P., of which Deerfield Management Company, L.P. is the investment advisor.

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Partners, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

6. SHARED VOTING POWER

621,031

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

621,031

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

621,031

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

2.16%

12. TYPE OF REPORTING PERSON*

PN

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Represents the employee portion of life, disability and health insurance premiums paid by the Company and the Company's matching contributions to employee 401(k) accounts. The Company matched \$0.33 for each dollar of employee contribution to the 401(k) plan up to 6% of annual salary, in each case which becomes fully vested after three years of eligible employment.

3 Mr. Anand became President and Chief Executive Officer of the Company on September 8, 2014.

Grants of Plan-Based Awards in 2015 Fiscal Year

The following table sets forth information concerning grants of plan-based awards to the Named Executive Officers during the fiscal year ended December 31, 2015, consisting solely of restricted stock units awarded under the 2015 LTIP.

Name	Grant Date	Estimated Future Payouts Under			Grant Date Fair Value ²
		<u>Equity Incentive Plan Awards</u>			
		Threshold (#) ¹	Target (#) ¹	Maximum (#) ¹	
Mark E. Schwarz	—	—	—	—	—
Naveen Anand	05/29/2015	13,124	26,247	39,371	291,342
Kevin T. Kasitz	05/29/2015	4,593	9,186	13,779	101,965
Jeffrey R. Passmore	05/29/2015	2,969	5,937	8,906	65,901

¹“Target” represents the number of restricted stock units awarded. Each restricted stock unit represents the right to receive shares of common stock upon satisfaction of vesting requirements and performance criteria. All awards vest on March 31, 2018, are subject to performance criteria based on the compound average annual growth rate (“CAAGR”) in book value per share from January 1, 2015 to December 31, 2017, and earn a percentage of a share of common stock per restricted stock unit, as follows: (i) CAAGR less than 9% earns 0%; (ii) 9% CAAGR earns 50%; (iii) 10% CAAGR earns 67%; (iv) 11% CAAGR earns 83%; (v) 12% CAAGR earns 100%; (vi) 13% CAAGR earns 117% shares; (vii) 14% CAAGR earns 133%; and (viii) 15% or greater CAAGR earns 150%. Of the restricted stock units granted to Mr. Kasitz, 25% are subject to this CAAGR performance criteria and 75% are subject to performance criteria based on the three year average annual combined ratio (“AACR”) for 2015, 2016 and 2017, as follows: (i) AACR of 98% or higher 0%; (ii) AACR of 97% earns 50%; (iii) AACR of 96% earns 60%; (iv) AACR of 95% earns 70%; (v) AACR of 94% earns 80%; (vi) AACR of 93% earns 90%; (vii) AACR of 92% earns 100%;

(viii) AACR of 91% earns 110%; (ix) AACR of 89% earns 120%; (x) AACR of 88% earns 130%; (xi) AACR of 87% earns 140%; and (xii) AACR of 86% or less earns 150%;

² Reflects the fair value of each restricted stock unit estimated on the grant date based on the probable outcome of the performance conditions.

Outstanding Equity Awards at 2015 Fiscal Year-End

The following table sets forth information concerning all equity awards to the Named Executive Officers which were outstanding as of December 31, 2015, consisting of unexercised stock options and unvested restricted stock units granted under the 2005 LTIP and the 2015 LTIP.

Name	Option Awards				Stock Awards		
	Number of Securities		Option Exercise Price (\$)	Option Expiration Date	Award Date ¹	Number of Unearned Shares Underlying	Market Value of Unearned Shares
Exercisable (#)	Unexercisable (#)	Restricted Stock Units That Have Not Vested (#) ²				Underlying Restricted Stock Units That Have Not Vested (\$) ^{2,3}	
Mark E. Schwarz	10,000	—	12.52	05/24/2017	—	—	—
	5,000	—	11.46	05/22/2018	—	—	—
	171,426	28,574	6.61	04/01/2019	—	—	—
	14,157	—	6.99	12/30/2021	—	—	—
Naveen Anand	—	—	—	—	09/08/2014	25,880	302,537
	—	—	—	—	05/29/2015	13,124	153,420
Kevin T. Kasitz	11,667	—	11.34	05/25/2016	04/10/2013	7,520	87,909
	75,000	—	12.52	05/24/2017	09/08/2014	7,117	83,198
	37,500	—	11.46	05/22/2018	05/29/2015	4,593	53,692
	47,142	7,858	6.61	04/01/2019	—	—	—
Jeffrey R. Passmore	8,333	—	11.34	05/25/2016	04/10/2013	3,695	43,195
	50,000	—	12.52	05/24/2017	09/08/2014	3,442	40,237
	25,000	—	11.46	05/22/2018	05/29/2015	2,969	34,708
	16,500	5,000	6.61	04/01/2019	—	—	—

¹ Restricted stock units conditionally awarded April 10, 2013, vest on March 31, 2016. Except for Mr. Anand, restricted stock units awarded on September 8, 2014, vest on March 31, 2017. For Mr. Anand, restricted stock units

awarded on September 8, 2014, vest March 31, 2018. Restricted stock units awarded on May 29, 2015, vest March 31, 2018.

2

Based on achieving the threshold performance criteria.

3 Based on the closing market price of the Company's common stock of \$11.69 on December 31, 2015.

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Option Exercises and Stock Vesting in 2015 Fiscal Year

The following table sets forth information concerning exercises of stock options and vesting of restricted stock units held by the Named Executive Officers during the fiscal year ended December 31, 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Mark E. Schwarz	—	—	—	—
Naveen Anand	—	—	—	—
Kevin T. Kasitz	21,667	71,851	—	—
Jeffrey R. Passmore	21,833	94,589	—	—

Equity Compensation Plan Information

The following table sets forth information regarding shares of the Common Stock authorized for issuance under the Company's equity compensation plans as of December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans [excluding securities reflected in column (a)] ¹
	(a)	(b)	(c)
Equity compensation plans approved by security holders	869,113	\$ 9.51	1,844,973

Equity compensation plans not approved by security holders	—	—	—
Total	869,113	\$ 9.51	1,844,973

¹ Securities remaining available for future issuance are net of a maximum of 155,027 shares of common stock issuable pursuant to outstanding restricted stock units, subject to applicable vesting requirements and performance criteria.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board has reviewed and discussed with management of the Company the Compensation Discussion and Analysis contained in this Proxy Statement. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted by the Compensation Committee:

Jim W. Henderson (chairman)

Scott T. Berlin

James H. Graves

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Henderson, Berlin and Graves comprised the Compensation Committee during fiscal 2015. Messrs. Henderson, Berlin and Graves have never been officers or employees of the Company. During fiscal 2015, no executive officer of the Company served on the board of directors or compensation committee of any other entity any of whose executive officers served on the Board or Compensation Committee of the Company.

CERTAIN RELATIONSHIPS AND TRANSACTIONS

The Executive Chairman of the Company, Mark E. Schwarz, is the sole trustee of the Schwarz 2012 Family Trust (“Schwarz Trust”), which entity is the sole shareholder of NCM Services, Inc. (“NCMS”), which entity is the sole member of Newcastle Capital Group, L.L.C. (“NCG”), which entity is the sole general partner of Newcastle Capital Management, L.P. (“NCM”), which entity is the sole general partner of Newcastle Partners, L.P. (“Newcastle Fund”). As a result of these relationships, Mr. Schwarz has sole investment and voting control over the shares of Common Stock beneficially owned by NCMS, NCM and the Newcastle Fund, which collectively are the largest holders of the Common Stock of the Company. (See, *Principal Shareholders and Stock Ownership of Management*.)

Also as a result of these relationships, the Company, Mr. Schwarz, NCG, NCM and the Newcastle Fund may be deemed a “group” for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934 with respect to their respective investments in Rave Restaurant Group, Inc., an operator and franchisor of pizza restaurants in which Mr. Schwarz serves as Chairman of the board of directors. The Company owns an aggregate of 1,030,629 shares of the common stock of Rave Restaurant Group which it purchased in the open market at an average price of \$1.56 per share. As of December 31, 2015, the Company held approximately 10.0% of the total outstanding shares of the common stock of Rave Restaurant Group. The Company has no other financial transactions, arrangements or relationships with Rave Restaurant Group.

CODE OF ETHICS

The Board has adopted a Code of Ethics applicable to all of the Company’s employees, officers and directors. The Code of Ethics covers compliance with law; fair and honest dealings with the Company, its competitors and others; full, fair and accurate disclosure to the public; and procedures for compliance with the Code of Ethics. This Code of Ethics is posted on the Company’s website at www.hallmarkgrp.com.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company's executive officers, directors and beneficial owners of more than 10% of the Company's Common Stock are required to file reports of ownership and changes in ownership of the Common Stock with the SEC. Based solely upon information provided to the Company by individual directors, executive officers and beneficial owners, the Company believes that all such reports were timely filed during and with respect to the fiscal year ended December 31, 2015, except that (a) each of the Named Executive Officers except Mr. Schwarz was late filing a Form 4 reporting the grant of restricted stock units, and (b) Mr. Kasitz was late filing one Form 4 reporting the exercise of stock options.

PRINCIPAL SHAREHOLDERS AND STOCK OWNERSHIP OF MANAGEMENT

The following table and the notes thereto set forth certain information regarding the beneficial ownership of the Common Stock as of the Record Date by (i) each current executive officer and director of the Company, (ii) all current executive officers and directors of the Company as a group; (iii) each other director nominee; and (iv) each other person known to the Company to own beneficially more than five percent of the presently outstanding Common Stock. Except as otherwise indicated, (a) the persons identified in the table have sole voting and dispositive power with respect to the shares shown as beneficially owned by them, (b) the mailing address for all persons is the same as that of the Company, and (c) the current directors and executive officers have not pledged any of such shares as security.

Shareholder	No. of Shares Beneficially Owned	Percent of Class Beneficially Owned
Mark E. Schwarz ¹	5,212,872	27.2
Naveen Anand	50,000	*
Kevin T. Kasitz ²	222,260	1.2
Jeffrey R. Passmore ³	108,831	*
Scott T. Berlin ⁴	40,000	*
James H. Graves ⁴	44,638	*
Jim W. Henderson ⁵	38,000	*
All current executive officers and directors, as a group (7 persons) ⁶	5,716,601	29.2
Mark E. Pape	—	—
Newcastle group ⁷	5,218,703	27.2
Newcastle Partners, L.P. ⁸	3,730,432	19.7
Cove Street Capital, LLC ⁹	1,512,911	8.0
Dimensional Fund Advisors LP ¹⁰	1,475,301	7.8
The Killen Group, Inc. ¹¹	1,154,605	6.1

* Represents less than 1%.

¹ Includes 130,805 shares owned by Mr. Schwarz, 949,702 shares owned by NCMS, 172,776 shares owned by NCM and 3,730,432 shares owned by the Newcastle Fund. (See *Certain Relationships and Transactions* and Note 8, below.) Also includes 229,157 shares which may be acquired by Mr. Schwarz pursuant to stock options exercisable on or within 60 days after the Record Date.

² Includes 179,167 shares which may be acquired pursuant to stock options exercisable on or within 60 days after the Record Date.

³ Includes 104,833 shares which may be acquired pursuant to stock options exercisable on or within 60 days after the Record Date.

⁴ Includes 30,000 shares which may be acquired pursuant to stock options exercisable on or within 60 days after the Record Date.

⁵ Includes 15,000 shares which may be acquired pursuant to stock options exercisable on or within 60 days after the Record Date.

⁶ Includes 588,157 shares which may be acquired pursuant to stock options exercisable on or within 60 days after the Record Date.

Consists of Mark E. Schwarz, NCMS, NCM, the Newcastle Fund and Clinton J. Coleman, who may be deemed a ⁷“group” under Section 13(d)(3) of the Securities Exchange Act. (See *Certain Relationships and Transaction* and Note 1, above.)

⁸ Does not include shares directly owned by Mark E. Schwarz, NCMS or NCM. (See *Certain Relationships and Transaction* and Note 1, above.)

⁹ Per Schedule 13G/A filed February 12, 2016. The address of Cove Street Capital, LLC is 2101 E. El Segundo Boulevard, Suite 302, El Segundo, California 90245.

¹⁰ Per Schedule 13G/A filed February 9, 2016, includes 44,520 shares over which Dimensional Fund Advisors LP has no voting power. The address of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, Texas 78746.

¹¹ Per Schedule 13G/A filed February 10, 2016, includes 135,879 shares over which The Killen Group, Inc. has no voting power. The address of The Killen Group, Inc. is 1189 Lancaster Avenue, Berwyn, Pennsylvania 19312.

AUDIT COMMITTEE REPORT

The Audit Committee is composed of three independent directors and operates under a written charter adopted by the Board in accordance with applicable rules of the SEC and Nasdaq. A copy of the Amended and Restated Audit Committee Charter is posted on the Company's website at www.hallmarkgrp.com.

The primary purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and is authorized to retain outside counsel, auditors or other experts for this purpose. Subject to any action that may be taken by the full Board, the Audit Committee also has the authority and responsibility to select, evaluate and, where appropriate, replace the Company's independent registered public accountants.

The Company's management is responsible for preparing the Company's financial statements and the independent registered public accountants are responsible for auditing those financial statements. The role of the Audit Committee is to monitor and oversee these processes.

In this context, the Audit Committee has reviewed and discussed the consolidated financial statements with both management and the independent registered public accountants. The Audit Committee also discussed with the independent registered public accountants the matters required to be discussed under Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 16, *Communication with Audit Committees*. The Audit Committee received from the independent registered public accountants the written disclosures regarding independence required by PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, and the Audit Committee discussed with the independent registered public accountants their independence.

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Based on the Audit Committee's review and discussions with management and the independent registered public accountants, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2015.

Respectfully submitted by the Audit Committee:

James H. Graves (chairman)

Scott T. Berlin

Jim W. Henderson

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INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee has selected Ernst & Young LLP (“E&Y”) as the independent registered public accounting firm to audit the consolidated financial statements of the Company for the 2016 fiscal year. E&Y also reported on the Company’s consolidated financial statements for the fiscal years ended December 31, 2015 and 2014. Representatives of E&Y are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions from shareholders.

The following table presents fees for professional services rendered by E&Y for the audit of the Company’s consolidated financial statements for the fiscal years ended December 31, 2015 and 2014, as well as fees billed for other services rendered by E&Y during each period.

	Fiscal 2015	Fiscal 2014
Audit Fees ¹	\$1,248,122	\$1,230,829
Audit-Related Fees	—	—
Tax Fees ²	\$22,100	\$12,000
All Other Fees ³	\$2,160	\$2,035

¹ Reflects fees for audit services attributable to the indicated fiscal year, a portion of which fees were paid in the subsequent fiscal year. For fiscal 2014, a portion of audit fees pertained to review of a Form S-3 registration statement.

² Tax fees in fiscal 2015 and 2014 pertained to services in connection with the review of the Company’s tax return for the prior fiscal and evaluation of the Company’s compliance with new federal tax regulations.

³ All other fees in fiscal 2015 and 2014 pertained primarily to subscription to E&Y’s online accounting research tool year.

The Audit Committee has pre-approved the retention of E&Y to perform audit and non-audit services in an amount up to \$5,000, provided that (i) the chairman of the Audit Committee is notified of each such retention within 48 hours, and (ii) the annual aggregate of such pre-approved services does not exceed \$15,000. The current policy of the Audit Committee is to review and approve all other proposed audit and non-audit services prior to the engagement of independent registered public accountants to perform such services. Review and approval of such services generally occur at the Audit Committee’s regularly scheduled quarterly meetings. In situations where it is impractical to wait until the next regularly scheduled quarterly meeting, the Audit Committee has delegated to its chairman the authority to approve audit and non-audit services. Any audit or non-audit services approved pursuant to such delegation of authority must be reported to the full Audit Committee at its next regularly scheduled meeting. During fiscal 2015 and

2014, all pre-approved audit and non-audit services performed by E&Y were in accordance with the policies and procedures established by the Audit Committee and all other audit and non-audit services performed by the Company's independent registered public accountants were approved in advance by the Audit Committee.

SHAREHOLDER PROPOSALS FOR 2017 ANNUAL MEETING

Any shareholder desiring to submit a proposal for inclusion in the proxy material relating to the 2016 annual meeting of shareholders must do so in writing. The proposal must be received at the Company's principal executive offices by January 6, 2017. In addition, with respect to any matter proposed by a shareholder at the 2017 annual meeting but not included in the Company's proxy materials, the proxy holders designated by the Company may exercise discretionary voting authority if appropriate notice of the shareholder proposal is not received by the Company at its principal executive office by March 22, 2017.

By Order of the Board of Directors,

/s/ JEFFREY R. PASSMORE

Jeffrey R. Passmore, Secretary

May 6, 2016
Fort Worth, Texas

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

PROXY

FOR THE ANNUAL MEETING OF SHAREHOLDERS OF

HALLMARK FINANCIAL SERVICES, INC.

TO BE HELD JUNE 3, 2016

The undersigned hereby appoints Mark E. Schwarz, Naveen Anand and Kevin T. Kasitz, and each of them individually, as the lawful agents and Proxies of the undersigned, with full power of substitution, and hereby authorizes each of them to represent and vote, as designated below, all shares of Common Stock of Hallmark Financial Services, Inc. held of record by the undersigned as of April 8, 2016, at the Annual Meeting of Shareholders to be held on June 3, 2016, or at any adjournment thereof. The undersigned hereby revokes all previous proxies relating to the shares covered hereby and confirms all that said Proxies may do by virtue hereof.

1. ELECTION OF DIRECTORS:

FOR all nominees listed below

..

WITHHOLD AUTHORITY to vote for all nominees listed below

(except as marked to the contrary)

Instructions: To *withhold* authority to vote for any nominee, mark the space beside the nominee's name with an "X".

Mark E. Schwarz ____ Scott T. Berlin ____ James H. Graves ____ Mark E. Pape ____

2. ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION:

FOR "AGAINST" ABSTAIN

3. ADVISORY VOTE ON A SHAREHOLDER PROPOSAL REGARDING MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS:

“FOR” “AGAINST” “ABSTAIN

4. **OTHER BUSINESS:** In their discretion, the Proxies are authorized to vote on any other matter which may properly come before the Annual Meeting or any adjournment thereof.

When properly executed, this proxy will be voted in the manner directed herein by the undersigned shareholder. IF NO DIRECTION IS SPECIFIED, THIS PROXY WILL BE VOTED **FOR** THE ELECTION OF ALL DIRECTORS PROPOSED IN ITEM 1, **FOR** THE ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION AND **ABSTAIN** FROM THE ADVISORY VOTE ON THE SHAREHOLDER PROPOSAL REGARDING MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS.

Please sign below exactly as your shares are held of record. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Date: _____, 2016

Signature

Title

Signature, if held jointly:

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY PROMPTLY, USING THE ENCLOSED ENVELOPE. PLEASE CHECK THIS BOX IF YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING OF SHAREHOLDERS. ”