

GLEACHER & COMPANY, INC.
Form 10-K/A
April 30, 2014

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A
(Amendment No. 1)**

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2013

-or-

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____
Commission file number: 014140

GLEACHER & COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-2655804
(I.R.S. Employer
Identification No.)

677 Broadway, 2nd Floor, Albany, NY
(Address of principal executive offices)

12207
(Zip Code)

Registrant's telephone number, including area code: **(212) 273-7100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value \$.01 per share	The NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

(Do not check if a
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the shares of common stock of the Registrant held by non-affiliates based upon the closing price of Registrant's shares as reported on The NASDAQ Global Market on June 28, 2013, which was \$13.88 per share, was \$60,301,071.

As of April 21, 2014, 6,184,056 shares of common stock, par value \$0.01 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

Gleacher & Company, Inc. (the "Company", "Gleacher", "we", "us" or "our") is filing this Amendment No. 1 on Form 10-K/A (this "Amendment") to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (the "Original Filing" or "Form 10-K"), which was originally filed with the U.S. Securities and Exchange Commission (the "SEC") on March 17, 2014, solely to set forth information previously omitted in reliance on General Instruction G to Form 10-K, which is required by Items 10, 11, 12, 13 and 14 of Part III of Form 10-K because a definitive proxy statement containing such information will not be filed within 120 days after the end of the fiscal year covered by the Original Filing. This Amendment No. 1 amends and restates in its entirety Items 10, 11, 12, 13 and 14 of Part III and amends Part IV of the Original Filing. Except as expressly set forth herein, this Amendment does not reflect events occurring after the date of the Original Filing or modify or update any of the other disclosures contained therein in any way other than as required to reflect the amendments discussed above. Accordingly, this Amendment should be read in conjunction with the Original Filing and the Company's other filings with the SEC.

PART III**Item 10. Directors, Executives Officers and Corporate Governance.****Directors**

Below is biographical information for each director who serves on the Company's Board of Directors.

Name	Age	Position Held With the Company	Director Since
Marshall Cohen(1)	79	Director	2009
Keith B. Hall(1)	60	Director	2013
Jaime Lifton(1)(2)	54	Director	2013
Mark R. Patterson(2)	62	Director	2007
Christopher R. Pechock(2)	49	Director	2007

(1) Member of the Audit Committee.

(2) Member of the Executive Compensation Committee.

Name	Relevant Experience and Qualifications
Marshall Cohen	<p>Mr. Cohen is counsel (retired) at Cassels, Brock & Blackwell LLP, Barristers and Solicitors, a full service law firm in Toronto, which he joined in 1996. Mr. Cohen was President and Chief Executive Officer of The Molson Companies Ltd. from 1988 through 1996. Prior to that, he was a senior official with the Government of Canada for 15 years, holding various appointments including Deputy Minister of Energy, Industry Trade & Commerce, and Finance.</p> <p>Mr. Cohen holds a B.A. from the University of Toronto, a law degree from Osgoode Hall Law School and a Master's Degree in Law from York University.</p> <p>Mr. Cohen serves on the board of directors of TD Ameritrade (since 2009) and as Chairman of the Audit Committee and a member of the Governance Committee of such board. He also serves on the board of directors of TriMas Corporation (since 2005) and as a member of each of the Audit Committee and Compensation Committee and as Chairman of the Governance Committee of such board. During the past five years, Mr. Cohen has also served on the boards of Toronto Dominion Bank, Barrick Gold Corporation, and American International Group, Inc. In addition, Mr. Cohen recently retired as Chairman of the Board of Governors of York University and is an honorary director or governor of a number of non-profit organizations, including the C.D. Howe Institute and Mount Sinai Hospital. Mr. Cohen is an Officer of the Order of Canada.</p>

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Name	Relevant Experience and Qualifications
Keith B. Hall	<p data-bbox="406 184 1476 352">Mr. Cohen brings valuable legal, financial, operational, strategic and compliance-based expertise to our Board with his past experience as the chief executive officer of a large Canadian public company with international operations. Mr. Cohen's extensive knowledge and experience in management, governance and legal matters involving publicly-held companies brings additional management, governance and legal experience to the Company's Board. In addition, his independence and experience serving on boards of other public companies enhances our Board's ability to lead the Company.</p> <p data-bbox="406 394 1492 562">Mr. Hall has been an independent corporate director since 2004. Mr. Hall served as Executive Vice President and Chief Financial Officer for Education Dynamics, an internet lead-generation company serving the post-secondary education market, from April through November 2012. Education Dynamics is not a subsidiary, parent or affiliate of the Company. Mr. Hall's previous employment was at LendingTree, LLC where he served as Senior Vice President and Chief Financial Officer from 1999 to 2007. LendingTree was the fourth public company where Mr. Hall was Chief Financial Officer that was subsequently acquired.</p> <p data-bbox="406 604 1476 651">Mr. Hall holds an MBA from Harvard Business School and a B.A in Business Administration and Economics from Coe College in Iowa.</p> <p data-bbox="406 693 1492 802">Mr. Hall serves on the boards of The Street, Inc. (since 2012) and Tectura, Inc. (since 2008), where he serves as Chairman of the Board. Mr. Hall has previously served on the boards of WhiteFence, Inc. (2011-2013), MTM Technologies, Inc. (2008-2012), Polymer Group, Inc. (2008-2011), Electronic Clearing House (2007-2008), NewRiver, Inc. (2004-2010), CoreLogic, Inc. (2008-2010) and Ikonisys, Inc. (2008-2009).</p> <p data-bbox="406 844 1492 982">Mr. Hall brings over 30 years' experience in finance to our Board. He has served on the boards of various public and private companies, ranging from internet start-ups to large-cap, international firms. These decades of experience, including as a chief financial officer in the financial services industry, help to provide an informed and nuanced view on key strategic and financial matters. In addition, his independence and experience serving on boards of other public companies enhances our Board's ability to lead the Company.</p>
Jaime Lifton	<p data-bbox="406 1024 1444 1129">Mr. Lifton has been the Chief Executive Officer, co-founder and managing partner of Persephone Capital Partners LLC, a middle-market private equity firm, since 2012. Prior to that, he was Managing Director of JPMorgan Securities Fixed Income/Capital Markets Division, a leading financial services firm, from 1998 through 2012.</p> <p data-bbox="406 1171 1404 1197">Mr. Lifton holds an MBA from Baruch College and a B.A. in Economics from SUNY at Stony Brook.</p> <p data-bbox="406 1239 1484 1337">He currently serves as Chairman of Global Relief Technologies Inc. and Persephone Capital Partners where he has served since 2009 and 2012, respectively. Mr. Lifton served on the board of Safety Kleen, Inc. from 2006 through 2012, Renewable Biofuels, Inc. from 2010 to 2013 and Bally Total Fitness Holding Corporation from 2011 to 2012.</p>

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Name	Relevant Experience and Qualifications
Mark R. Patterson	<p data-bbox="406 184 1476 321">Mr. Lifton has over 25 years of experience in corporate finance, capital markets, private equity/distressed investing and corporate restructuring, bringing significant value to our Board. His past experience in senior leadership roles within the financial services industry provides substantial and pertinent experience to the Company's Board. In addition, his independence and experience serving on boards of other public companies enhances our Board's ability to lead the Company.</p> <p data-bbox="406 359 1500 642">Mr. Patterson became a director of the Company in September 2007 following the completion of the Company's private placement. Mr. Patterson is, and has been, Chairman of MatlinPatterson Asset Management L.P. ("MAMLP") since its formation in 2010. The principal business of MAMLP is to organize, acquire and sponsor alternative investment managers that participate in credit strategies. In addition, from 2002 through 2012 he was Chairman of MatlinPatterson Global Advisers LLC ("MP Global Advisers"), which he co-founded. The principal business of MP Global Advisers is to serve as investment adviser to various investment funds controlled by Mr. Patterson and David J. Matlin. MAMLP and MP Global Advisers are affiliates of the Company. Mr. Patterson has over 40 years of financial markets experience, principally in merchant, investment and commercial banking, at Credit Suisse (where he was Vice Chairman from 2000 to 2002), Scully Brothers & Foss L.P., Salomon Brothers Inc., and Bankers Trust Company.</p> <p data-bbox="406 680 1452 762">Mr. Patterson holds degrees in law (BA, 1972) and economics (BA Honors, 1974) from South Africa's Stellenbosch University and an MBA (with distinction, 1986) from New York University's Stern School of Business.</p> <p data-bbox="406 800 1476 882">Mr. Patterson also serves on the Dean's Executive Board of the NYU Stern School of Business. He previously served on the boards of Allied World Assurance in Bermuda, Flagstar Bancorp, Inc., NRG Energy, Inc., Compass Aerospace, Polymer Group, Inc. and Oxford Automotive, Inc.</p> <p data-bbox="406 919 1500 1092">Mr. Patterson has significant experience, expertise and background in the financial markets, including with respect to risk management, investment and strategic planning matters. With his financial markets experience and his experience as a member of the boards of other public companies, Mr. Patterson continues to provide key insight to the Company's Board of Directors. Furthermore, given Mr. Patterson's relationship with MatlinPatterson, the Board believes that his interests will be closely aligned to those of the Company's stockholders and he provides the Board with the perspective of a major stockholder.</p>

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Name	Relevant Experience and Qualifications
Christopher R. Pechock	<p>Mr. Pechock became a director of the Company in September 2007 following the completion of the Company's private placement. He has been a partner at MP Global Advisers since its inception in July 2002. Mr. Pechock has been active in the securities markets for over 18 years. Prior to July 2002, Mr. Pechock was a member of Credit Suisse's Distressed Group, which he joined in 1999. Before joining Credit Suisse, Mr. Pechock was a Portfolio Manager and Research Analyst at Turnberry Capital Management, L.P. (1997-1999), a Portfolio Manager at Eos Partners, L.P. (1996-1997), a Vice President and high yield analyst at PaineWebber Inc. (1993-1996) and an analyst in risk arbitrage at Wertheim Schroder & Co., Incorporated (1987-1991).</p> <p>Mr. Pechock holds an MBA from Columbia University Graduate School of Business (1993) and a BA in Economics from the University of Pennsylvania (1987).</p> <p>Mr. Pechock serves on the board of Myos Corporation and Oceanus LLC. He previously served on the boards of Renewable Biofuels Inc., COMSYS IT, Compass Aerospace, Goss International, Huntsman Corporation, XL Health Corporation, Leprechaun Holding Company LLC and FXI Holdings, Inc.</p> <p>Mr. Pechock has brought to the Board his experience as a partner of MP Global Advisers and expertise in the securities markets and continues to provide key insight to the Company's Board. Furthermore, given Mr. Pechock's relationship with MatlinPatterson, the Board believes that his interests will be closely aligned to those of the Company's stockholders and he provides the Board with the perspective of a major stockholder.</p>

Executive Officers

Executive officers are elected by the Board of Directors and serve at the discretion of the Board of Directors. Certain information regarding our executive officers is set forth below:

Name of Executive Officer	Age	Position Held With the Company
Christopher J. Kearns	57	Chief Restructuring Officer and Chief Executive Officer
Patricia Arciero-Craig	46	General Counsel & Secretary
Bryan Edmiston	38	Controller (principal financial officer)

Christopher J. Kearns was appointed the Company's Chief Restructuring Officer and Chief Executive Officer in May 2013. He also serves as an Executive Director and is a member of Capstone Advisory Group, LLC, a leading restructuring and transaction advisory firm, since 2004. Prior to co-founding Capstone, Mr. Kearns was a Senior Managing Director at the Policano & Manzo legacy practice of FTI Consulting and a predecessor firm from 1991 to 2004. Mr. Kearns is an independent contractor and not an employee of the Company.

Patricia A. Arciero-Craig joined the Company in 1997. She has been General Counsel and Secretary of the Company and the Company's broker-dealer subsidiary, Gleacher & Company Securities, Inc. since 2007. From 2003 to 2007, Ms. Arciero-Craig served as Deputy General Counsel of Gleacher & Company and, prior to 2003, she served as Associate General Counsel. Prior to joining Gleacher & Company in 1997, she was an attorney with the law firm of Harris Beach PLLC, where she practiced in the fields of commercial litigation, bankruptcy and restructuring. Ms. Arciero-Craig received a J.D. (cum laude) from Albany Law School of Union University and a Bachelor of Arts degree from Fairfield University. Ms. Arciero-Craig is a member of the Society of Corporate Secretaries and Governance Professionals.

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Bryan Edmiston joined the Company's broker-dealer subsidiary, Gleacher & Company Securities, Inc. in December 2009 as a Managing Director responsible for Accounting Policy and SEC Reporting. In July 2010, he also assumed the role of Controller of this subsidiary. On July 28, 2011, the Board of Directors of the Company appointed Mr. Edmiston Controller of the Company, such appointment effective as of August 15, 2011. Prior to joining the Company, Mr. Edmiston was a Senior Manager within the Banking & Capital Markets Assurance practice at PricewaterhouseCoopers LLP, where he worked from 1997 to 2009, servicing a number of clients in the financial services industry. Mr. Edmiston graduated from Pace University, earning a Bachelor of Business Administration in Accounting. He is a registered C.P.A. in the states of New York and New Jersey.

Corporate Governance

General

Introduction

Ultimate responsibility for management of the Company's business and affairs rests with the Board of Directors. Each director serves for a term of one year. The Board has two standing committees, the Audit Committee and the Executive Compensation Committee, and delegated specific governance responsibilities to them. The Board of Directors held 30 meetings during the Company's fiscal year ended December 31, 2013. The committees of the Board each held the number of meetings noted in the table below under the heading "Committees of the Board of Directors." During 2013, each incumbent director attended in excess of 86% of the aggregate number of meetings of the Board and meetings of the committees on which he serves. Directors are encouraged to attend each annual meeting of stockholders, and all of our current directors attended last year's meeting.

Committees of the Board of Directors

As described above, the Board of Directors currently has two standing committees: the Audit Committee and the Executive Compensation Committee, each of which operates under a written charter that has been approved by the Board. These charters, as well as our Corporate Governance Guidelines, are posted on our website at www.gleacher.com under the heading "Investor Relations Corporate Governance." Each of our committees in 2013 was comprised entirely of "independent directors" as defined in the NASDAQ listing standards, and each director was independent within the meaning of Rule 10A-3 of the rules promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Company's Corporate Governance Guidelines. In addition, the Board determined that all Audit Committee members in 2013 were financially literate in accordance with the NASDAQ listing standards. Messrs. Lifton and Hall were each qualified as an audit committee financial expert within the meaning of Item 401(h) of Regulation S-K under the Exchange Act.

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Committee Name	Members	Functions and Responsibilities of the Committee	Meetings in 2013
Audit	Keith B. Hall (Chair) Marshall Cohen Jaime Lifton	<p>Oversees the integrity of the Company's financial reporting process, including the financial reports and other financial information provided by the Company to its stockholders, any governmental or regulatory body and the public, or other uses thereof.</p> <p>Assesses and, where necessary or desirable, provides for the improvement of the Company's systems of internal accounting and financial controls.</p> <p>Provides for the annual audit of the Company's financial statements by its independent registered public accounting firm (the "Independent Auditor").</p> <p>Evaluates the Independent Auditor's qualifications and independence.</p> <p>Assesses and, where necessary or desirable, provides for the improvement of the Company's legal and regulatory compliance practices and policies;</p> <p>Oversees the Company's management of market, credit, liquidity and other financial and operational risks.</p> <p>Has the sole authority and responsibility to appoint, retain (subject to such stockholder ratification as the Company deems desirable), compensate, evaluate and, where appropriate, terminate the Independent Auditor.</p> <p>Pre-approves all audit, audit-related, and non-audit services, if any, to be provided by the Independent Auditor and also prepares the Audit Committee report required by the rules of the SEC for inclusion in the Company's annual proxy statement. A description of the Audit Committee's procedures for the pre-approval of the audit and permitted non-audit services and the Audit Committee report can be found under the heading "Item 14. Principal Accounting Fees and Services."</p> <p>Oversees the investigation of any reports made under the Company's Procedures for Reporting Violations of Compliance Standards (the "Reporting Policy"). The full text of the Reporting Policy is available on our website at www.gleacher.com under the heading "Investor Relations Corporate Governance."</p>	22

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Committee Name	Members	Functions and Responsibilities of the Committee	Meetings in 2013
Executive Compensation	Christopher R. Pechock (Chair) Jaime Lifton Mark R. Patterson	<p>Implements and reviews executive compensation plans, policies and programs to ensure the attraction and retention of executive officers in a reasonable and cost-effective manner, to motivate their performance in the achievement of the Company's business objectives and to align the interests of executive officers with the long-term interests of our stockholders.</p> <p>Oversees generally any other material compensation arrangements applicable to key business employees who are not executive officers.</p> <p>Develops and approves periodically general compensation policies and salary structures for our executive officers.</p> <p>Reviews and approves base salaries, salary increases and incentive compensation for, and perquisites, if any, offered to, executive officers.</p> <p>Reviews and approves all employment, retention and severance agreements for any executive officer.</p> <p>Reviews and supervises cash-based, equity-based and other incentive compensation plans;</p> <p>Reviews and supervises, in coordination with management, the overall compensation policies of the Company.</p> <p>Prepares a report regarding the Compensation Discussion and Analysis included in our proxy statements or annual reports on Form 10-K as required by the rules and regulations of the SEC. The Executive Compensation Committee may form, and delegate authority to, subcommittees when it deems appropriate.</p> <p>Has the authority to retain and terminate compensation consultants, legal counsel or other compensation adviser to assist in the evaluation of executive officer compensation, including sole authority to approve the consultants' fees and other retention terms. In making the decision to retain any compensation consultant, legal counsel or other compensation</p>	9

adviser, the Executive Compensation Committee shall take into consideration certain factors relating to the independence of any such adviser, as set forth in its charter. The Executive Compensation Committee also has authority to obtain advice and assistance from any officer or employee of the Company or any outside legal expert or other adviser. In 2013, the Executive Compensation Committee did not engage a compensation consultant to advise on compensation matters in respect of compensation earned in 2013.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16 of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of the Company's common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms that they file. Based on the Company's review of reports filed by directors, executive officers and 10% stockholders of the Company on Forms 3, 4 and 5 pursuant to Section 16(a) of the Exchange Act, the Company believes that all such reports were filed on a timely basis during fiscal year 2013.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics (the "Code") applicable to our employees and members of the Board. The Code is available on our website at www.gleacher.com. We intend to satisfy the disclosure requirements regarding any amendments or waivers to the Code by filing Current Reports on Form 8-K with the SEC.

Item 11. Executive Compensation.

Compensation Discussion and Analysis

This compensation discussion describes the principles underlying our executive compensation policies and programs. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our named executive officers and places in perspective the data presented in the tables and other quantitative information that follows this section.

Executive Summary

Historically, we have operated an investment banking business, predominately fixed-income sales and trading and financial advisory services, through three principal business units: Investment Banking, MBS & Rates and Credit Products. We also engaged in residential mortgage lending operations through ClearPoint Funding, Inc. until this business was discontinued, and the business sold to Homeward Residential, Inc., in February 2013.

In August 2012 the Company announced that it had retained a financial advisor to assist it in exploring and evaluating strategic alternatives for the Company. In the ensuing months, our management and financial advisors met with multiple third parties to explore and evaluate strategic alternatives for the Company, including partnering with one or more equity investors, strategic acquisitions and divestitures, and a business combination involving the Company. The Company continued with its operating plan during this period.

In early 2013, the Company announced that, having considered a range of opportunities during its strategic review, the Board determined that the available opportunities were not in the best interests of the Company's stockholders at the time.

Shortly after this announcement, a large group of sales and trading professionals from our Credit Products segment left together to join another securities firm. As a result, revenues from this segment declined significantly. Uncertainties regarding the implications of our net losses and the departure of key revenue-generating personnel were aggravated by the absence of a strategic transaction, the prior departure of Mr. Eric Gleacher, our former chairman, and other employee departures, resulting in further questions regarding the stability and strategic direction of the Company and adversely affecting relations with both our clients and our employees. A number of the Company's trading partners reduced or suspended trading activities with the Company, resulting in further significant declines in revenue.

In order to address these issues and preserve stockholder value, the Company sought a strategic transaction with a third party to effect, for example, an acquisition of the Company or the sale of all or substantially all of its assets.

In April 2013, in the face of continuing losses and the absence of a merger or other strategic transaction, the Company ceased its fixed-income trading businesses, leaving only investment banking with operating activities. In June, the Company also exited investment banking. The Company has had no meaningful revenue-producing operations since then.

Soon after our 2013 Annual Meeting of Stockholders, our Board of Directors began a lengthy and intensive evaluation of potential strategic alternatives in order to preserve and maximize stockholder value. To assist in overseeing the Company's operations and to assist with the Board's ongoing evaluation, on May 31, 2013, we entered into an engagement agreement with Capstone and Christopher J. Kearns. In connection with this agreement, the Board appointed Mr. Kearns as the Chief Restructuring Officer and Chief Executive Officer. The strategic alternatives to be explored included::

pursuing a strategic transaction with a third party, such as a merger or sale of the Company;

reinvesting our liquid assets in favorable opportunities; and

dissolving the Company, winding down our remaining operations and distributing our net assets to our stockholders, after making appropriate reserves for liabilities and expenses.

As a result of this strategic evaluation, on March 12, 2014, our Board of Directors determined that it is in the best interests of our stockholders for the Company to dissolve, liquidate and distribute to stockholders our available assets.

Accordingly, the primary objectives of our Board of Directors and management during most of 2013, and continuing into 2014, has been to 1) conduct an evaluation of strategic alternatives, as described above and 2) expeditiously complete the restructuring and wind up of the Company's principal operating business, while preserving asset value and maximizing recoveries to stockholders. In connection with the foregoing, the primary focus of the Executive Compensation Committee and the Board of Directors has been to retain, and in the instance of our current Chief Executive Officer and Chief Restructuring Officer to engage, the executive officers that the Executive Compensation Committee and the Board of Directors determined were vital to these objectives, as well as to the execution of the strategic alternative chosen.

For 2013, our named executive officers employed as of the end of 2013 were:

Named Executive Officer	Title
Christopher J. Kearns	Chief Restructuring Officer and Chief Executive Officer
Patricia A. Arciero-Craig	Secretary and General Counsel
Bryan Edmiston	Controller (principal financial officer)

Key compensation matters in 2013 for the named executive officers include the following:

On May 31, 2013, we entered into an engagement agreement with Capstone Advisory Group, LLC and Christopher J. Kearns, an Executive Director of Capstone and member of the firm. Under the terms of this agreement, we engaged Capstone to assist in overseeing the Company's operations and to assist with the Board's ongoing evaluation of potential strategic alternatives. In connection with this agreement, the Board appointed Mr. Kearns as the Chief Restructuring Officer and Chief Executive Officer. Mr. Kearns is not an employee of the Company, and has remained an employee of Capstone. In 2013, we paid Capstone approximately \$2.2 million in the aggregate, which includes approximately \$0.4 million paid for services provided by Mr. Kearns. For further information on the agreement with Capstone and Mr. Kearns, please see "Narrative Disclosure and Employment Agreements Capstone Agreement."