

LIGHTPATH TECHNOLOGIES INC
Form DEF 14A
December 16, 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
(Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2)) |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |
| <input type="checkbox"/> | Soliciting Material Pursuant to §240.14a-12 | | |

LIGHTPATH TECHNOLOGIES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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| <input checked="" type="checkbox"/> | No fee required. |
| <input type="checkbox"/> | Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11. |

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

LightPath Technologies, Inc.
Annual Meeting of Stockholders
February 2, 2012

Notice and Proxy Statement

December 23, 2011

Dear LightPath Stockholder:

I am pleased to invite you to the Annual Meeting of the Stockholders of LightPath Technologies, Inc. The meeting will be held on Thursday, February 2, 2012 at 11:00 a.m. EST at the Hyatt Regency Orlando International Airport Hotel. The address is 9300 Airport Boulevard, Orlando, FL 32827.

At the meeting, you and the other stockholders will be asked to elect directors and ratify our independent auditor. You will also have the opportunity to hear what has happened in our business in the past year and to ask questions.

The enclosed Notice and Proxy Statement contain details concerning the foregoing items and any other business to be conducted at the Annual Meeting. Other detailed information about LightPath and its operations, including its audited financial statements, are included in our Annual Report on Form 10-K, a copy of which is enclosed. We urge you to read and consider these documents carefully.

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

Sincerely,

Robert Ripp
Chairman of the Board

Corporate Headquarters

2603 Challenger Tech Court, Suite 100 * Orlando, Florida USA 32826 * 407-382-4003

LIGHTPATH TECHNOLOGIES, INC.
2603 Challenger Tech Court, Suite 100
Orlando, Florida USA 32826

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On Thursday, February 2, 2012

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of LightPath Technologies, Inc., a Delaware corporation (the "Company"). The meeting will be held on Thursday, February 2, 2012 at 11:00 a.m. EST at the Hyatt Regency Orlando International Airport Hotel. The address is 9300 Airport Boulevard, Orlando, FL 32827 for the following purposes:

1. To elect Class III directors to the Company's Board of Directors;
2. To ratify the selection of Cross, Fernandez & Riley LLP as the Company's independent public accountant; and
3. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

These items of business are more fully described in the proxy statement accompanying this Notice.

The record date for the Annual Meeting is December 12, 2011. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors,

J. James Gaynor
President & Chief Executive Officer
Orlando, Florida
December 23, 2011

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

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
To be held February 2, 2012

LIGHTPATH TECHNOLOGIES, INC.
2603 Challenger Tech Court, Suite 100
Orlando, Florida USA 32826

Proxies in the form enclosed with this proxy statement are solicited by the Board of Directors of LightPath Technologies, Inc., a Delaware corporation (the “Company”), for use at the Annual Meeting of Stockholders to be held Thursday, February 2, 2012 at 11:00 a.m. EST, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at 11:00 a.m. EST at the Hyatt Regency Orlando International Airport Hotel. The address is 9300 Airport Boulevard, Orlando, FL 32827.

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

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 2, 2012.

This proxy statement, the enclosed proxy card, and the Annual Report on Form 10-K for the fiscal year ended on June 30, 2011, are made available to you on our website, www.lightpath.com. With respect to the Annual Meeting and all of our future shareholder meetings, please contact Dorothy Cipolla at 1-800-472-3486 ext. 305, or dcipolla@lightpath.com to request a copy of the proxy statement, annual report or proxy card or to obtain directions to such meeting.

Why am I receiving these materials?

We sent you this proxy statement and the enclosed proxy card because our Board of Directors is soliciting your proxy to vote at the Annual Meeting of Stockholders to be held on Thursday, February 2, 2012 at 11:00 a.m. EST at the Hyatt Regency Orlando International Airport Hotel. The address is 9300 Airport Boulevard, Orlando, FL 32827. You are invited to attend the Annual Meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We intend to mail this proxy statement and accompanying proxy card on or about December 23, 2011 to all stockholders of record entitled to vote at the Annual Meeting.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on December 12, 2011 will be entitled to vote at the Annual Meeting. On this record date, there were 9,761,129 shares of Class A common stock (our only class of common stock) outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on December 12, 2011, your shares were registered directly in your name with our transfer agent, Registrar and Transfer Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted. Even if you fill out and return your proxy, you may still vote in person if you are able to attend the meeting.

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

If on December 12, 2011 your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

The following matters are scheduled for the Annual Meeting: (i) the election of two Class III directors to our Board of Directors; and (ii) the ratification of the selection of Cross, Fernandez & Riley LLP as independent auditor.

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

Why is it important for me to vote?

If you are the beneficial owner of shares held in “street name” by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not direct your broker how to vote your shares, the broker will be entitled to vote the shares with respect to “discretionary” items but will not be permitted to vote the shares with respect to “non-discretionary” items (resulting in a “broker non-vote”). The ratification of the appointment of our independent public accountant under Proposal No. 2 is a “discretionary” matter. The election of directors under Proposal No. 1 is a “non-discretionary” matter.

How do I vote?

With regard to the election of directors, you may vote “For” all nominees listed or you may vote “Against” any or all of the nominees. With regard to the ratification of the appointment of our independent public accountant, you may vote “For” or “Against” or abstain from voting. The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

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

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

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

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from LightPath. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

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

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of December 12, 2011.

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

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted “For” all nominees listed for Proposal No. 1 and “For” the ratification of our independent public accountant for Proposal No. 2. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

LightPath will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

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

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

What is “householding”?

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

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

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

Yes. You can revoke your proxy at any time before the final vote at the meeting. You may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a written notice that you are revoking your proxy to LightPath’s Secretary at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826.

You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

How are votes counted?

Votes will be counted by the inspector of elections appointed for the meeting, who will separately count “For”, “Against”, “Withhold Authority” and “Abstain” as applicable, and other votes, abstentions and broker non-votes. A broker “non-vote” occurs when a nominee/broker holding shares for a beneficial owner does not vote on a particular proposal because the nominee/broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Abstentions will have the same effect as “Against” votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved.

How many votes are needed to approve the proposals?

With regard to Proposal No. 1 (election of directors), the two nominees receiving a plurality of the votes cast at the meeting will be elected as directors of the Company. A properly executed proxy marked “Withhold Authority” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

With regard to Proposal No. 2 (ratification of independent auditor), a majority of the votes cast at the meeting will ratify Cross, Fernandez & Riley LLP as independent auditor of the Company.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares of Class A common stock entitled to vote is represented by votes at the meeting or by proxy. On the record date, there were 9,761,129 outstanding shares (including all restricted stock awards at such date) entitled to vote. Thus 4,880,565 must be represented by votes at the meeting or by proxy to have a quorum.

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

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

Preliminary voting results will be announced at the Annual Meeting. LightPath will subsequently file a Current Report on Form 8-K within four business days following such results becoming final indicating the results from the Annual Meeting.

When are stockholder proposals for the 2013 Annual Meeting due?

Stockholders interested in presenting a proposal to be considered for inclusion in next year’s proxy statement and form of proxy may do so by following the procedures prescribed in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), and the Company’s By-laws. To be considered for inclusion, stockholder proposals must be submitted in writing to the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 before August 23, 2012, which is 120 calendar days prior to the anniversary of the mailing date of this proxy statement, and must be in compliance with all applicable laws and regulations.

If a stockholder wishes to present a proposal at the 2013 Annual Meeting, but the proposal is not intended to be included in the Company's proxy statement relating to the meeting, the stockholder must give advance notice to the Company prior to the deadline for such meeting determined in accordance with the By-laws (the "By-law Deadline"). Under the Company's By-laws, in order for a proposal to be timely, it must be received by the Company no later than 60 days, nor earlier than 90 days, prior to the annual meeting date. If a stockholder gives notice of such a proposal after the By-law Deadline, the stockholder will not be permitted to present the proposal to the stockholders for a vote at the meeting.

Furthermore, Rule 14a-4 under the Securities Exchange Act also establishes a different deadline for submission of stockholder proposals that are not intended to be included in the Company's proxy statement with respect to discretionary voting (the "Discretionary Vote Deadline"). The Discretionary Vote Deadline for the 2013 Annual Meeting is November 7, 2012 (45 calendar days prior to the anniversary of the mailing date of this proxy statement). If a stockholder gives notice of such a proposal after the Discretionary Vote Deadline, the Company's proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the 2013 Annual Meeting. A properly submitted proposal received after the Discretionary Vote Deadline but before the By-law Deadline would be eligible to be presented at the annual meeting, however, the Company believes that its proxy holders would be allowed to use the discretionary authority granted by the proxy card to vote against the proposal at the meeting without including any disclosure of the proposal in the proxy statement relating to such meeting.

How do I get a copy of the exhibits filed with the Company's Form 10-K?

A copy of the Company's Annual Report for 2011, which contains the Company's Form 10-K for the fiscal year ended June 30, 2011, and consolidated financial statements, has been delivered to you with this proxy statement. We will provide to any stockholder as of the Record Date, who so specifically requests in writing, a copy of the exhibits filed with the Company's Form 10-K. Requests for such copies should be directed to Investor Relations at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. In addition, copies of all exhibits filed electronically by the Company may be reviewed and printed from the SEC website at <http://www.sec.gov> under the EDGAR archives section.

Where can I get information regarding how to send communications to the Board of Directors and the Company's policy regarding Board member's attendance at annual meetings?

The Board of Directors provides a process for stockholders to send communications to the Board of Directors and has adopted a policy regarding Board member's attendance at annual meetings. Information regarding these matters is contained on our website at <http://www.lightpath.com> under "Investor Relations," "FAQs."

PROPOSAL NO. 1

ELECTION OF DIRECTORS

LightPath's Board of Directors is divided into three classes, denoted as Class I, Class II and Class III, serving staggered three-year terms with one class elected at the annual meeting of stockholders. The current Board of Directors consists of:

Class I	Class II	Class III
Robert Ripp J. James Gaynor	Sohail Khan Dr. Steven Brueck	Louis Leeburg Gary Silverman

The Class III directors' term expires at this annual meeting of stockholders. The Class II directors' term expires at the annual meeting of stockholders proposed to be held in 2013. The Class I directors' term expires at the annual meeting of stockholders proposed to be held in 2014.

Pursuant to the Company's Certificate of Incorporation and By-laws, the current Board of Directors or the stockholders may nominate persons for election to the Board of Directors. In accordance with such governing documents and upon the recommendation of the Board of Directors, Louis Leeburg and Gary Silverman, who are both current members of the Board of Directors, have been nominated by the Board of Directors to serve as Class III directors for a term ending at the third successive annual meeting of stockholders following this Annual Meeting of Stockholders, or until their successor has been duly elected and qualified.

The individual named as proxy will vote the enclosed proxy "FOR" the election of Mr. Leeburg and Mr. Silverman unless you direct them to withhold your votes. If Mr. Leeburg or Mr. Silverman become unable or unwilling to serve as a director before the Annual Meeting, an event which is not presently anticipated, discretionary authority may be exercised by the person named as proxy to vote for substitute nominees proposed by the Board of Directors, or, if no substitute is selected by the Board of Directors prior to or at the Annual Meeting, for a motion to reduce the present membership of the Board to the number of nominees available.

THE BOARD OF DIRECTORS RECOMMENDS VOTING "FOR"
THE ELECTION OF CLASS III DIRECTORS

Each of our directors and officers serves until his or her successor is elected and qualified. The names and ages of our directors and officers, the years they became directors or officers, their principal occupations or employment for at least the past five years and certain of their other directorships are set forth below.

Class I Directors

Robert Ripp, 70
Director (Chairman of the
Board)

Mr. Ripp has dedicated over ten years of service to the Company. Mr. Ripp has served as a director of the Company since 1999 and as Chairman of the Board since November 1999. During portions of fiscal year 2002 he also served as the Company's Interim President and Chief Executive Officer. Mr. Ripp also serves on the Company's Compensation and Finance Committees. Mr. Ripp held various executive positions at AMP Incorporated ("AMP") from 1994 to 1999, including serving as Chairman and Chief Executive Officer of AMP from August 1998 until April 1999, when AMP was sold to TYCO International Ltd. Mr. Ripp previously spent 29 years with IBM of Armonk, New York. He held positions in all aspects of operations within IBM culminating in the last four years as Vice President and Treasurer. He retired from IBM in 1993. Mr. Ripp graduated from Iona College and received a Masters of Business Administration degree from New York University. Mr. Ripp is currently on the board of directors of Ace, Ltd., and PPG Industries, both of which are listed on the New York Stock Exchange. His extensive executive management experience, in addition to his financial expertise gained from various executive positions, qualify him for service as a director of our Company.

J. James Gaynor, 60
President & Chief
Executive
Officer,
Director

Mr. Gaynor was appointed as President, Chief Executive Officer and as a director on February 1, 2008 and prior to that served as Interim Chief Executive Officer from September 18, 2007. From July 2006 until September 2007, Mr. Gaynor served as the Company's Corporate Vice President of Operations. Mr. Gaynor is a mechanical engineer with over 25 years business and manufacturing experience in volume component manufacturing in the electronics and optics industries. Prior to joining the Company, from August 2002 to July 2006, Mr. Gaynor was Director of Operations and Manufacturing for Puradyn Filter Technologies. Previous to that, he was Vice President of Operations and General Manager for JDS Uniphase Corporation's Transmission Systems Division. He has also held executive positions with Spectrum Control, Rockwell International and Corning Glass Works. His experience includes various engineering, manufacturing and management positions in specialty glass, electronics, telecommunications components and mechanical assembly operations. His global business experience encompasses strategic planning, budgets, capital investment, employee development, and cost reduction, acquisitions and business start-up and turnaround success. Mr. Gaynor holds a Bachelor of Mechanical Engineering degree from the Georgia Institute of Technology and has worked in the manufacturing industries since 1976. Mr. Gaynor has an in-depth knowledge of the optics industry gained through over 25 years of working in various capacities in the industry. Mr. Gaynor understands the engineering aspects of our business, due to his engineering background, and has the management experience necessary to lead our Company and serve as a director.

Class II Directors

Sohail Khan, 57
Director

Mr. Khan has served as a director of the Company since February 2005. Mr. Khan currently serves on the board of directors for Gainspan Corporation, a Wi-Fi semiconductor company. He was the President and Chief Executive Officer of SiGe Semiconductor (“SiGe”), a leader in silicon based RF front end solutions until June 2011 when SiGe was acquired by Skyworks. Prior to SiGe, Mr. Khan was Entrepreneur in Residence and Operating Partner of Bessemer Venture Partners, a venture capital group focused on technology investments from March 2006 to March 2007. From 1996 to 2006 he held various executive positions with Agere Systems/Lucent Technologies, ending as Executive Vice President and Chief Strategy & Development Officer of Agere Systems. Mr. Khan has also held various management positions at NEC Electronics, Intel and the National Engineering Services of Pakistan. Mr. Khan received a Bachelor of Science in Electrical Engineering from the University of Engineering and Technology in Pakistan. Additionally, he received a Masters of Business Administration from the University of California at Berkeley. Mr. Khan’s experience in venture financing, specifically technology investments, is an invaluable asset Mr. Khan contributes to the Board composition. In addition, Mr. Khan’s significant experience in executive management positions at various manufacturing companies, as well as his background in engineering qualifies him for service as a director of our Company.

Dr. Steven Brueck, 67
Director

Dr. Brueck has served as a director of the Company since July 2001. Dr. Brueck also serves on the Company’s Audit Committee. He is the Director of the Center for High Technology Materials (CHTM) and Professor of Electrical and Computer Engineering and Professor of Physics at the University of New Mexico in Albuquerque, New Mexico, which he joined in 1985. He is a graduate of Columbia University with a Bachelor of Science degree in Electrical Engineering and a graduate of the Massachusetts Institute of Technology where he received his Masters of Science degree in Electrical Engineering and Doctorate of Science degree in Electrical Engineering. Dr. Brueck is a fellow of the Optical Society America, the Institute of Electrical and Electronics Engineers and the American Association for the Advancement of Science. Dr. Brueck’s background in engineering and his significant experience in research and material systems qualify him for service as a director of our Company.

Class III Directors

Louis Leebug, 58
Director

Mr. Leebug has served as a director of the Company since May 1996. Mr. Leebug also serves on the Company's Audit and Finance Committees. Mr. Leebug is currently a self-employed business consultant. From 1988 until 1993 he was the Vice President for Finance of The Fetzer Institute, Inc. From 1980 to 1988 he was in financial positions with different organizations with an emphasis in investment management. Mr. Leebug was an audit manager for Price Waterhouse & Co. until 1980. Mr. Leebug received a Bachelor of Science degree in Accounting from Arizona State University. He is a member of Financial Foundation Officers Group and the treasurer and trustee for the John E. Fetzer Memorial Trust Fund and The Institute for Noetic Sciences. Mr. Leebug has a broad range of experience in accounting and financial matters. His expertise gained in his role as an audit manager for Price Waterhouse & Co. and his service as Vice President of Finance of the Fetzer Institute, Inc. add invaluable knowledge to our Board and qualify him for service as a director of our Company.

Gary Silverman, 72
Director

Mr. Silverman has served as a director of the Company since September 2001. Mr. Silverman also serves on the Company's Compensation Committee and Audit Committee. Mr. Silverman is currently the managing partner of GWS Partners, established in 1995 to conduct searches for senior-level executives and board of director candidates for a broad cross section of publicly held corporations. From 1983 to 1995 he worked for Korn/Ferry International as an executive recruiter and held the position of Managing Director. He spent fourteen years with Booz, Allen & Hamilton, and in his last position as Vice President and Senior Client Officer was responsible for generation of new business, the management of client assignments and the development of professional staff. Mr. Silverman is a graduate of the University of Illinois with both a Bachelor of Science degree and Masters of Science degree in Finance. Mr. Silverman contributes a unique attribute to our Board in that he has extensive experience in the human resources aspect of our Company. Mr. Silverman's background in advising companies in the development of professional staff qualifies him for service as a director of our Company.

Executive Officers Who Do Not Serve as Directors

Dorothy Cipolla, 55
Chief Financial Officer,
Secretary and Treasurer

Ms. Cipolla has been the Company's Chief Financial Officer, Secretary and Treasurer since February 2006. Ms. Cipolla was Chief Financial Officer and Secretary of LaserSight Technologies, Inc., ("LaserSight") from March 2004 to February 2006. Prior to joining LaserSight, she served in various financial management positions. From 1994 to 1999, she was Chief Financial Officer and Treasurer of Network Six, Inc., a NASDAQ-listed professional services firm. From 1999 to 2002, Ms. Cipolla was Vice President of Finance with Goliath Networks, Inc., a privately held network consulting company. From 2002 to 2003, Ms. Cipolla was Department Controller of Alliant Energy Corporation, a regulated utility. She received a Bachelor of Science degree in Accounting from Northeastern University and is a Certified Public Accountant in Massachusetts.

Dr. Brian Soller, 38
Vice President
of Business Development
and Sales

Dr. Soller was named as the Company's Vice President of Business Development and Sales in September 2010. Previously, Dr. Soller was Corporate Vice President of Strategic Business Development at Luna Innovations Incorporated ("Luna") from June 2009 to August 2010, where he focused on corporate growth via strategic alliances, marketing and sales and channel strategy. Dr. Soller also held the following positions at Luna: Division President of the Products Division from January 2008 to May 2009, Vice President & General Manager of the Luna Technologies Division from November 2006 to December 2007, and Business Unit Director of the Products Division from October 2005 to November 2006. From December 2001 to September 2005, he was a Senior Optical Engineer at Luna. Dr. Soller is a Goldwater scholar who received his Bachelor of Science degree in Mathematics and Physics from the University of Wisconsin-LaCrosse. He conducted his doctoral studies as a National Defense Science and Engineering Graduate fellow in Optical Science at the University of Rochester in New York. He has authored numerous publications and has several patents pending.

Alan Symmons, 40
Vice President of
Engineering

Mr. Symmons was named as the Company's Corporate Vice President of Engineering in September 2010. Mr. Symmons served as Director of Engineering since October 2006. Prior to joining LightPath, Mr. Symmons was Engineering Manager for Aurora Optical, a subsidiary of Multi-Fineline Electronix, ("MFLEX"), dedicated to the manufacture of cell phone camera modules. From 2000 to 2006, Mr. Symmons worked for Applied Image Group – Optics, ("AIG/O"), a recognized leader in precision injection molded plastic optical components and assemblies, working up to Engineering Manager. AIG/O was purchased by MFLEX in 2006. Prior to 2000, Mr. Symmons held engineering positions at Ryobi N.A., SatCon Technologies and General Dynamics. Mr. Symmons has a Bachelor of Science degree in Mechanical Engineering from Rensselaer Polytechnic Institute and a Masters of Business Administration degree from the Eller School of Management at the University of Arizona.

Other Significant Employees

Michael Lancaster, 47
Director of Operations
Interim General Manager,
Shanghai Operations

Mr. Lancaster has been the Company's Director of Operations since November 2006. He was appointed interim General Manager of our Shanghai facility in March 2011. Mr. Lancaster was the Materials Manager for Bolton Medical from August 2005 to November 2006. Prior to joining Bolton Medical he held the position of Logistics/Materials Manager for Hydro Aluminum from March 2000 to May 2005. Mr. Lancaster was also Materials Manager at Yuasa, Inc. from October 1998 to April 2005. He obtained a Masters of Business Administration degree and a Bachelor of Arts degree in Industrial Relations from Western Illinois University.

Meetings of the Board of Directors and its Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Finance Committee. The Board of Directors does not have a standing nominating committee. The entire Board of Directors met eight times, including telephonic meetings, during fiscal year 2011. All of the directors attended 81% or more of the meetings of the Board of Directors and the meetings held by committees of the Board of Directors on which they served. Three of six of the then elected directors attended the 2010 Annual Meeting of Stockholders on February 3, 2011. Steven Brueck, Louis Leeburg and Sohail Khan missed the 2010 Annual Meeting of Stockholders because they were unable to travel when a severe winter snow storm closed numerous airports, affecting air travel across the United States.

It is the Company's policy that all directors of the Company are required to make a concerted and conscientious effort to attend the Company's Annual Meeting of the Stockholders in each year during which that director serves as a member of the Board of Directors of the Company.

Audit Committee. The Audit Committee, which consists of Dr. Steven Brueck, Louis Leeburg (Chairman) and Gary Silverman, met five times during fiscal year 2011. The meetings included discussions with management and the Company's independent auditors to discuss the interim and annual financial statements and the annual report of the Company and the Company's financial and accounting functions and organization. The Audit Committee acts pursuant to a written charter adopted by the Board of Directors, a copy of which is available on the Company's website at www.lightpath.com. The Audit Committee's responsibilities include, among others, direct responsibility for the engagement and termination of the Company's independent accountants, and overseeing the work of the accountants and determining the compensation for their engagement(s). The Board of Directors has determined that the Audit Committee is comprised entirely of independent members as defined under applicable listing standards set out by the SEC, the National Association of Securities Dealers (NASD) and the Nasdaq Capital Market. The Board of Directors has also determined that at least one member of the Audit Committee, Mr. Leeburg, is an "audit committee financial expert" as defined by SEC rules. Mr. Leeburg's business experience that qualifies him to be determined an "audit committee financial expert" is described above.

Compensation Committee. The Compensation Committee, which consists of Sohail Khan, Robert Ripp and Gary Silverman (Chairman), met twice during fiscal year 2011. The Compensation Committee reviews and recommends to the Board of Directors the compensation and benefits of certain executive officers of the Company, including the Chief Executive Officer, and the Chief Financial Officer and also administers the Amended and Restated Omnibus Plan, pursuant to which incentive awards, including stock options, are granted to directors, executive officers and key employees of the Company. The Compensation Committee does not have a charter and may not delegate its authority to other persons.

The Compensation Committee is responsible for establishing, implementing and continually monitoring the Company's compensation policies and philosophy. The Compensation Committee is responsible for determining executive compensation, including approving recommendations regarding equity awards to all executive officers of the Company. However, the Compensation Committee does rely on the annual reviews made by the Chief Executive Officer with respect to the performance of each of the Company's other executive officers. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Compensation Committee. The Compensation Committee can exercise its discretion in modifying any recommended adjustments or awards to executive officers. In the case of the Chief Executive Officer, compensation is determined solely based on the review conducted by the Compensation Committee. Neither the Compensation Committee nor management employed any compensation consultants during fiscal year 2011.

The Compensation Committee also annually reviews director compensation to ensure non-employee directors are adequately compensated for the time expended in fulfilling their duties to the Company as well as the skill-level required by the Company of members of the Board of Directors. After the Compensation Committee completes their annual review, they make recommendations to the Board of Directors regarding director compensation. For fiscal 2011, the Board determined that the current cash and stock-based incentive compensation awarded to directors was still appropriate.

Finance Committee. The Finance Committee, which consists of Louis Leeburg and Robert Ripp, did not meet during fiscal year 2011. The Finance Committee reviews and provides guidance to the Board of Directors and management with respect to the Company's significant financial policies. For fiscal 2011, the full Board of Directors performed these functions, especially with regard to matters having to do with the Company's financing transactions concluded throughout the fiscal year.

All current committee members are expected to be nominated for re-election to the same committees at a Board of Directors' meeting to be held immediately following the Annual Meeting.

Nominations Process and Criteria

The Board of Directors does not consider it necessary to form a committee of the Board of Directors specifically for governance or nomination matters due to the modest scope of the Company. With respect to nomination matters, all independent directors participate in the consideration of director nominees. The Board of Directors has determined that each current director, except for Mr. Gaynor, meets the independence criteria for members of a nominating committee as set forth in the applicable rules of the Nasdaq Capital Market and the SEC. Due to the status of Mr. Gaynor as the Company's Chief Executive Officer, he is not an independent board member and may not specifically nominate anyone for Board membership nor vote on the matter of appointments to the Board of Directors.

Additionally, the Board of Directors believes it is not necessary to adopt criteria for the selection of directors. The Board of Directors believes that the desirable background of a new individual member of the Board of Directors may change over time and that a thoughtful, thorough selection process is more important than adopting criteria for directors. The Board of Directors is fully open to utilizing whatever methodology is efficient in identifying new, qualified directors when needed, including using industry contacts of the Company's directors or professional search firms.

There were no fees paid or due to third parties in fiscal 2011 to identify or evaluate or to assist in evaluating or identifying potential nominees to the Board.

Any stockholder wishing to propose that a person be nominated for or appointed to the Board of Directors may submit such a proposal, according to the procedure described in the stockholder proposal section on page 5 of this proxy statement, to:

Corporate Secretary
LightPath Technologies, Inc.
2603 Challenger Tech Court, Suite 100
Orlando, Florida 32826

Such correspondence will be timely forwarded to the Chairman of the Audit Committee for review and consideration in accordance with the criteria described above. The independent directors will consider director candidates recommended by stockholders.

Director Independence

In accordance with Nasdaq Capital Market and SEC rules, the Board of Directors affirmatively determines the independence of each director and nominee for election as a director in accordance with guidelines it has adopted, which include all elements of independence set forth in the Nasdaq Capital Market listing standards. Based on these standards, the Board has determined that each of the following non-employee directors is independent and has no relationship with the Company, except as a director and stockholder of the Company:

Robert Ripp	Steven Brueck
Gary Silverman	Sohail Khan
Louis Leeburg	

All members of the Audit and Compensation Committees are also independent. The Board of Directors approved a Code of Business Conduct and Ethics on May 3, 2004 (the "Code"). The Code applies to the Chief Executive Officer, Chief Financial Officer and senior financial officers and the entire Board of Directors. A copy of the Code is posted on the Company's website at www.lightpath.com.

Related Transactions

When the Company is contemplating entering into any transaction in which any executive officer, director, nominee or any family member of the foregoing would have any direct or indirect interest, regardless of the amount involved, the terms of such transaction have to be presented to the full Board of Directors (other than any interested director) for approval. The Board of Directors has not adopted a written policy for related party transaction review but when presented with such transaction, it is discussed by the full Board of Directors and documented in the board minutes.

In July 2008, the Board of Directors was presented with a Securities Purchase Agreement with twenty-four institutional and private investors with respect to the private placement of 8% senior convertible debentures. Among the investors were Steven Brueck, J. James Gaynor, Louis Leebug, Robert Ripp, Gary Silverman and James Magos, all of whom were directors or officers of LightPath at the time of the transaction. Mr. Ripp invested \$250,000 and the others each invested \$25,000 or less. The principal amount outstanding on the convertible debenture held by Mr. Ripp is \$187,500 as of December 12, 2011. The principal amount outstanding on each of the convertible debentures held by Dr. Brueck, Mr. Gaynor, Mr. Leebug and Mr. Silverman is \$18,750 as of December 12, 2011. Mr. Magos fully converted his convertible debenture into shares of common stock. The Company previously prepaid all interest due on the convertible debentures through August 1, 2011, the original maturity date. The maturity date of the convertible debentures was extended until August 1, 2013. The Company prepaid all interest accruing for the period August 2, 2011 through July 31, 2012. On August 1, 2012, the Company will prepay interest accruing for the period from August 1, 2012 through maturity on August 1, 2013.

Board of Directors Leadership Structure and Role in Risk Oversight

Board Leadership Structure

The Company's Board of Directors has chosen to separate the positions of Chairman and Chief Executive Officer, with Mr. Robert Ripp serving as Chairman and Mr. J. James Gaynor serving as Chief Executive Officer. As Chief Executive Officer and President, Mr. Gaynor is responsible for the day to day leadership and performance of the Company, with the Board being responsible for setting the strategic direction of the Company, as well as overseeing and advising the management of the Company. The Board believes that the current independent leadership of the Board by the Company's non-executive Chairman enhances the effectiveness of its oversight of management and provides a perspective that is separate and distinct from that of management.

Role of the Board in Risk Oversight

Our Board of Directors is responsible for the oversight of our operational risk management process. Our Board has delegated authority for addressing certain risks, and accessing the steps management has taken to monitor, control and report such risks, to our Audit and Finance Committees. Such risks include risks relating to execution of our growth strategy, the effects of the contracting in the global economy and general financial condition and outlook on customer purchases, component inventory supply, or ability to expand our partner network, communication with investors, certain actions of our competitors, the protection of our intellectual property, sufficiency of our capital, inventory investment and risk of obsolescence, security of information systems and data, integration of new information systems, credit risk, product liability and costs of reliance on external advisors. The Audit or Finance Committee, as applicable, then reports such risks as appropriate to the Board of Directors. The Board of Directors initiates discussions with appropriate members of our senior management if, after discussion of such risks, the Board determines that such risks raise questions or concerns about the status of operational risks then facing the Company.

Our Board relies on our Compensation Committee to address significant risk exposures facing the Company with respect to compensation, including risks relating to retention of key employees, protection of partner relationships, management succession and benefit costs, and when appropriate; report these risks to the full Board.

Stockholder Communications with the Board of Directors

Stockholders and other parties interested in communicating directly with the Board of Directors, a committee of the Board of Directors, or any individual director, may do so by sending a written communication to the attention of the intended recipient(s) in care of the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. The Corporate Secretary will forward all appropriate communications to chairman of the Audit Committee.

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for, among other things, reviewing and discussing the Company's audited financial statements with management, discussing with the Company's independent auditors information relating to the auditors' judgments about the quality of the Company's accounting principles, recommending to the Board of Directors that the Company include the audited financial statements in its Annual Report on Form 10-K and overseeing compliance with the SEC requirements for disclosure of auditors' services and activities. At the recommendation of the Audit Committee, the Board of Directors first approved a charter for the Audit Committee on November 14, 2000, which was subsequently revised and approved by the Board of Directors on May 10, 2004.

Review of Audited Financial Statements

The Audit Committee has reviewed the Company's financial statements for the fiscal year ended June 30, 2011, as audited by Cross, Fernandez & Riley, LLP, the Company's independent auditors, and has discussed these financial statements with management. In addition, the Audit Committee has discussed with Cross, Fernandez & Riley, LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as may be modified or supplemented. Furthermore, the Audit Committee has received the written disclosures and the letter from Cross, Fernandez & Riley, LLP required by the Independence Standards Board Standard No. 1, as may be modified or supplemented, and has discussed with Cross, Fernandez & Riley, LLP its independence.

Generally, the members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are not experts in the fields of accounting or auditing, or in determining auditor independence. However, the Board of Directors has determined that each member of the Audit Committee meets the independence criteria set forth in the applicable rules of Nasdaq Capital Markets and the SEC, and that at least one member of the Audit Committee, Mr. Leeburg, is an "audit committee financial expert" as defined by SEC rules. Members of the Audit Committee rely, without independent verification, on the information provided to them and on the representations made by management. Accordingly, the Audit Committee's oversight does not currently provide an independent basis to determine that management has maintained procedures designed to assure compliance with accounting standards and applicable laws and regulations.

Recommendation

Based upon the foregoing review and discussion, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended June 30, 2011, be included in the Company's Annual Report on Form 10-K for such fiscal year.

Audit Committee:
Louis Leeburg, Chairman
Dr. Steven Brueck
Gary Silverman

SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 12, 2011, the number and percentage of outstanding shares of the Company's Class A common stock, owned by: (i) each director (which includes all nominees) at such date, (ii) each of the executive officers named in the Summary Compensation Table below, (iii) directors and executive officers of the Company as a group at such date, and (iv) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Class A common stock of the Company at such date.

The number of shares beneficially owned by each director or executive officer is determined under SEC rules, and the information is not necessarily indicative of the beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares to which the individual has the sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of December 12, 2011, through the exercise of any stock option or other right to purchase, such as a warrant. Unless otherwise indicated, each person has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. In certain instances, the number of shares listed may include, in addition to shares owned directly, shares held by the spouse or children of the person, or by a trust or estate of which the person is a trustee or an executor or in which the person may have a beneficial interest. The table that follows is based upon information supplied by the executive officer, directors and principal stockholders, or based upon information in Schedule 13Gs filed with the SEC.

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Name and Address (1)	Securities					Amount of Shares of Class A Common Stock Beneficially Owned	Percent Owned (%)		
	Common Stock Class A		Warrants	Debentures	Options				
	Restricted	Unrestricted							
Robert Ripp, Director	115,700	274,860	212,750	121,753	36,100	761,163	(2) (3)	4	%
Gary Silverman, Director	115,700	19,764	11,275	12,175	21,100	180,014	(4)	1	%
Louis Leebug, Director	115,700	21,430	11,730	12,175	6,100	167,135	(5)	1	%
Sohail Khan, Director	116,900	—	—	—	6,100	123,000	(6)	1	%
Dr. Steve Brueck, Director	115,700	12,451	11,275	12,175	6,100	157,701	(7)	1	%
J. James Gaynor, President & CEO	—	12,975	11,503	12,175	195,000	231,653	(8)	1	%
Dorothy Cipolla, CFO, Secretary & Treasurer	—	—	—	—	76,500	76,500		*	
Brian Soller, Vice President of Business Development and Sales	—	—	—	—	32,500	32,500		*	
Alan Symmons, Vice President of Engineering	—	—	—	—	39,500	39,500		*	
All directors and named executive officers currently holding office as a group (9 persons)	579,700	341,480	258,533	170,453	419,000	1,769,166		10	%
Berg & Berg Enterprises, LLC	—	1,699,298	—	—	—	1,699,298	(9)	12	%

* less than 1%

Notes:

(1) Except as otherwise noted, each of the parties listed above has sole voting and investment power over the securities listed. The address for all directors, officers and other persons above is "in care of" LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, FL 32826. The address for Mr. Berg as filed on a Schedule 13G filed February 14, 2008 is 10050 Bandle Drive, Cupertino, CA, 94014.

(2) Does not include 7,812 shares of Class A common stock and warrants to purchase 15,000 shares of Class A common stock which are owned by trusts for Mr. Ripp's adult children and for which he disclaims beneficial ownership.

(3) Includes 370,603 shares of Class A common stock with respect to which Mr. Ripp has the right to acquire and includes 115,700 shares of Class A common stock underlying outstanding restricted stock units. Specifically, Mr. Ripp holds a debenture issued by the Company in the principal amount \$187,500, which is currently convertible into 121,753 shares of Class A common stock. Mr. Ripp also holds warrants which are currently exercisable for an aggregate of 212,750 shares of Class A common stock and options which are currently exercisable for an aggregate of 36,100 shares of Class A common stock.

(4) Includes 44,550 shares of Class A common stock with respect to which Mr. Silverman has the right to acquire and includes 115,700 shares of Class A common stock underlying outstanding restricted stock units. Specifically, Mr. Silverman holds a debenture issued by the Company in the principal amount \$18,750, which is currently convertible into 12,175 shares of Class A common stock. Mr. Silverman also holds warrants which are currently exercisable for an aggregate of 11,275 shares of Class A common stock and options which are currently exercisable for an aggregate of 21,100 shares of Class A common stock.

(5) Includes 30,005 shares of Class A common stock with respect to which Mr. Leebug has the right to acquire and includes 115,700 shares of Class A common stock underlying outstanding restricted stock units. Specifically, Mr. Leebug holds a debenture issued by the Company in the principal amount \$18,750, which is currently convertible into 12,175 shares of Class A common stock. Mr. Leebug also holds warrants which are currently exercisable for an aggregate of 11,730 shares of Class A common stock and options which are currently exercisable for an aggregate of 6,100 shares of Class A common stock.

(6) Includes 6,100 shares of Class A common stock with respect to which Mr. Khan has the right to acquire and includes 116,900 shares of Class A common stock underlying outstanding restricted stock units. Specifically, Mr. Khan holds options which are currently exercisable for an aggregate of 6,100 shares of Class A common stock.

(7) Includes 29,550 shares of Class A common stock with respect to which Dr. Brueck has the right to acquire and includes 115,700 shares of Class A common stock underlying outstanding restricted stock units. Specifically, Dr. Brueck holds a debenture issued by the Company in the principal amount \$18,750, which is currently convertible into 12,175 shares of Class A common stock. Dr. Brueck also holds warrants which are currently exercisable for an aggregate of 11,275 shares of Class A common stock and options which are currently exercisable for an aggregate of 6,100 shares of Class A common stock.

(8) Includes 218,687 shares of Class A common stock with respect to which Mr. Gaynor has the right to acquire. Specifically, Mr. Gaynor holds a debenture issued by the Company in the principal amount \$18,750, which is currently convertible into 12,175 shares of Class A common stock. Mr. Gaynor also holds warrants which are currently exercisable for an aggregate of 11,503 shares of Class A common stock and options which are currently exercisable for an aggregate of 195,000 shares of Class A common stock.

(9) Excludes 1,011,244 shares of Class A common stock with respect to which Berg & Berg Enterprises, LLC (“BBE”) may have the right to acquire in the future. Specifically, BBE holds a debenture issued by the Company in the principal amount \$750,000, which would be convertible into 487,013 shares of Class A common stock. BBE also holds warrants which would be exercisable for an aggregate of 524,231 shares of Class A common stock. However, neither BBE nor the Company is able to effect any conversion of the debenture or any exercise of the warrants to the extent that after giving effect to such issuance after conversion or exercise, as the case may be, BBE would beneficially own in excess of 4.99% of the number of shares of Class A common stock outstanding immediately after giving effect to the issuance of shares issuable upon conversion or exercise of the debenture or warrants. Given that BBE currently holds in excess of 4.99% of the issued and outstanding share of Class A common stock, the debenture cannot be converted and the warrants cannot be exercised.

There are no arrangements known to the Company which may at a subsequent date result in a change-in-control.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires the Company's executive officers and directors and persons who own more than 10% of the Company's Class A common stock to file reports of ownership and changes in ownership with the SEC and furnish copies of such reports to the Company. The SEC has also designated specific due dates for such reports and the Company must identify in this proxy statement those persons who did not properly file such reports when due. To the best of the Company's knowledge, Berg & Berg Enterprises, LLC did not file Forms 4 or 5 as required by Section 16(a) of the Securities and Exchange Act; however all other required filings in fiscal year 2011 were properly made in a timely fashion. In making the above statements, the Company has relied solely on its review of copies of the reports furnished to the Company and written representations from certain reporting persons.

EXECUTIVE COMPENSATION

Compensation Philosophy and Objectives. The Company's compensation policy is designed to attract and retain qualified key executive officers critical to the Company's achievement of reaching and maintaining profitability and positive cash flow, and subsequently its growth and long-term success. To attract, retain, and motivate the executive officers required to accomplish our business strategy, the Compensation Committee establishes our executive compensation policies and oversees our executive compensation practices.

The Compensation Committee believes that the most effective executive compensation program is one that is designed to reward the achievement of our specific annual, short-term and long-term goals, and which aligns executives' interests with those of the stockholders by rewarding performance that meets or exceeds established goals, with the ultimate objective of improving stockholder value.

It is the objective of the Compensation Committee to have a portion of each executive officer's compensation contingent upon the Company's performance as well as upon the individual's personal performance. Accordingly, each executive officer's compensation package is comprised of two elements: (i) base salary, which reflects individual performance and expertise and (ii) bonus and long-term equity incentive awards, which are tied to the achievement of certain performance goals that the Compensation Committee establishes from time to time. Based on the foregoing objectives, the Compensation Committee has structured compensation of our executive officers to achieve the business goals set by the Company and reward the executive officers for achieving such goals.

The Compensation Committee also evaluates our compensation program to ensure that we maintain the ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executive officers.

In accordance with the advisory vote of our stockholders at the 2011 Annual Meeting of Stockholders, and as determined by the Board of Directors, the Company will include an advisory “say-on-pay” vote in the Company’s proxy statement every three years until the next required stockholder advisory “say-on-frequency” vote.

Setting Executive Compensation.

In making compensation decisions, the Compensation Committee relies on the following:

- the annual reviews made by the Chief Executive Officer with respect to the performance of each of the Company’s other executive officers;

- the annual review conducted by the Compensation Committee with respect to the performance of the Chief Executive Officer;

- compensation paid to executive officers of other manufacturing companies similar in size and scope as the Company and its competitors; and

- the annual performance of the Company with respect to our short-term and long-term strategic plan.

There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the Compensation Committee annually reviews information to determine the appropriate level and mix of incentive compensation when determining the Company’s executive compensation plan.

Based on these factors, the Compensation Committee makes compensation decisions, including salary adjustments, annual bonus awards, and long-term equity incentive awards for the Company’s executive officers.

2011 Executive Compensation Components. For the year ended June 30, 2011, the principal components of compensation for executive officers were:

- base salary; and

- bonus and long-term equity incentive awards.

Base Salary. Base salaries are determined for each executive officer based on his or her individual qualifications and relevant experience, the strategic goals which he or she was responsible for, the compensation levels at companies which compete with the Company for business and executive talent, and other incentives necessary to attract and retain qualified management. Salary levels are reviewed annually as part of our performance review process as well as upon a promotion or other change in job responsibility. Merit based increases to base salaries are based on the annual reviews conducted by the Chief Executive Officer, for all executive officers other than the Chief Executive Officer, the annual review conducted by the Compensation Committee with respect to the Chief Executive Officer and the Compensation Committee’s assessment of each individual executive’s performance. Due to existing economic conditions, no merit based pay increases to base salaries were given to the named executive officers in fiscal 2011.

Bonuses and Long-Term Equity Incentive Awards. We provide executive officers and other key employees with incentive compensation to incentivize and reward them for high performance and achievement of certain Company goals. The bonus program is designed to reward our executive officers for achieving certain financial objectives tied to growth and profitability set each year by the Compensation Committee. The long-term equity incentive awards are designed to reward executive officers for achieving strategic milestones, as well as for retaining executive officers and other key employees.

Bonus Program. The fiscal 2011 bonus program had three levels of participation: (i) the “level one” participants; (ii) the “level two” participants; and (iii) the “level three” participants. “Level one” participants were eligible to receive a bonus equal to 100% of their base salary, with 50% of such bonus paid in cash and the other 50% paid in stock option awards. “Level two” participants were eligible to receive a bonus equal to 75% of their base salary, with 50% of such bonus paid in cash and the other 50% paid in stock option awards. “Level three” participants were eligible to receive 30% of their base salary, with 50% of such bonus paid in cash and the other 50% paid in stock option awards. For fiscal 2011, the Compensation Committee set three performance goals tied to the Company’s revenues, gross margin and cash flow. The maximum potential bonus payout was based on certain achievements of revenue, varying from a 25% potential bonus payment, if the Company had revenues equal to \$11.46 million, to a 100% potential bonus payment, if the Company had revenues equal to \$14 million. If the revenue performance goal was met, the amount of the bonus payout would be determined by the achievement of the gross margin and cash flow performance goals, with each performance goal tied to 50% of the bonus payout. For fiscal 2011, the “level one” participant was Mr. Gaynor, the “level two” participants were Ms. Cipolla and Messrs. Symmons and Soller, and the “level three” participant was Mr. Lancaster.

For fiscal 2011, there was no performance-based incentive compensation for the executive officers as a result of our failure to achieve the revenue performance goal.

Long-Term Equity Incentive Awards. The Compensation Committee has the latitude to award our executive officers, or other key employees, stock options. Stock options are awarded under the Omnibus Amended and Restated Incentive Plan. In granting these awards, the Compensation Committee may establish any conditions or restrictions it deems appropriate. Options are awarded at the closing price of the Company’s stock on the date of the grant as determined by NASDAQ.

For fiscal 2011, the Compensation Committee granted discretionary stock options to the executive officers as disclosed in the Narrative Discussion of Summary Compensation section below.

Retirement Benefits. We offer a qualified 401(k) defined contribution plan. The ability of executive officers to participate fully in this plan is limited under IRS and ERISA requirements. The 401(k) plan encourages employees to save for retirement by investing on a regular basis through payroll deductions.

Executive Compensation and Risk. Although a substantial portion of the compensation paid to our executive officers is performance-based, we believe our executive compensation programs do not encourage excessive and unnecessary risk-taking by our executive officers because these programs are designed to encourage our executive officers to remain focused on both the short-term and long-term operational and financial goals of the Company. We achieve this balance through a combination of elements in our overall compensation plans, including: elements that reward different aspects of short-term and long-term performance; incentive compensation that rewards performance on a variety of different measures; and cash awards and stock option awards, to encourage alignment with the interests of stockholders.

Summary Compensation Table

The following table sets forth certain compensation awarded to, earned by or paid to (i) the Chief Executive Officer and (ii) the three other most highly compensated executive officers of the Company serving as executive officers at the end of fiscal year 2011, for services rendered in executive officer capacities to the Company during fiscal years 2011 and 2010.

Name and Position (a)	Fiscal Year (b)	Salary (\$) (c)		Option Awards (\$)** (f)	All Other Compensation (\$) * (i)	Total (\$) (j)	
J. James Gaynor President & Chief Executive Officer	2011	206,827	(2)	44,632	—	251,459	(2)
	2010	196,442		60,985	—	257,427	
Dorothy M. Cipolla Chief Financial officer, Treasurer & Secretary	2011	150,404	(3)	15,171	—	165,575	(3)
	2010	138,173		32,586	—	170,759	
Alan Symmons Corporate Vice President, Vice President Engineering	2011	122,187	(4)	8,764	—	130,951	(4)
	2010	101,115		12,608	—	113,723	
Brian Soller Corporate Vice President, Vice President Business Development & Sales (1)	2011	107,327		7,088	—	114,415	
	2010	—		—	—	—	

Notes:

* Other Compensation, as defined by SEC rules does not include the amounts that qualify under the applicable de minimis rule for all periods presented. The de minimis rule does not require reporting of perquisites and other compensation that totals less than \$10,000 in the aggregate. The nature of these compensatory items include the Company's matching of elective employee 401(k) deferrals and the Company's contribution toward the premium cost for employee and dependent medical, dental, life and disability income insurances.

** The disclosed amounts reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended June 30, 2011 in accordance with FASB ASC Topic 718 and thus may include amounts from awards granted in and prior to fiscal 2011.

(1) Mr. Soller started as Vice President Business Development and Sales on September 13, 2010.

(2) Mr. Gaynor's salary for fiscal 2011 was incorrectly reported in the Company's Form 10-K, filed with the SEC on September 8, 2011, as \$199,039. The Company discovered an error in the calculation of his salary and has correctly reported his salary as reflected above in the Summary Compensation Table.

(3) Ms. Cipolla's salary for fiscal 2011 was incorrectly reported in the Company's Form 10-K, filed with the SEC on September 8, 2011, as \$144,692. The Company discovered an error in the calculation of her salary and has correctly reported her salary as reflected above in the Summary Compensation Table.

(4) Mr. Symmon's salary for fiscal 2011 was incorrectly reported in the Company's Form 10-K, filed with the SEC on September 8, 2011, as \$118,103. The Company discovered an error in the calculation of his salary and has correctly reported his salary as reflected above in the Summary Compensation Table.

The Company's Amended and Restated Omnibus Incentive Plan (the "Plan") includes several available forms of stock compensation of which incentive stock options, non-qualified stock options and restricted stock awards have been granted to date. Most awards granted under the Company's Plan vest ratably over two to four years and generally have three-year to ten-year contract lives. The initial assumed forfeiture rate used in calculating the fair value of option grants with both performance and service conditions was 44% for 2010 and 20% for 2011. The forfeiture rate for restricted stock units was 0% for 2010 and 2011. The volatility rate is based on historical trends in common stock closing prices and the expected term was determined based primarily on historical experience of previously outstanding awards. The interest rate used is the treasury interest rate for constant maturities. The Company uses the Black-Scholes-Merton pricing model. The amount reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended June 30, 2011 in accordance with ASC Topic 718 and thus may include amounts from awards granted in and prior to fiscal 2011. The assumptions used were:

	Year ended June 30, 2011	Year ended June 30, 2010
Expected volatility	117%	131%
Weighted average expected volatility	117%	131%
Dividend yields	0%	0%
Risk-free interest rate	1.18% - 1.47%	1.34%
Expected term, in years	3 - 7	3-7

Narrative Discussion of Summary Compensation Table of Executive Officers

The following is a narrative discussion of the material factors which we believe are necessary to understand the information disclosed in the foregoing Summary Compensation Table. The following narrative disclosure is separated into sections, with a separate section for each of our executive officers.

J. James Gaynor

Cash Compensation (Base Salaries and Bonuses). Mr. Gaynor was awarded total cash compensation for his services to the Company in fiscal 2011 in the amount of \$206,827. This represents his annual base salary for fiscal 2011. The base salary paid to Mr. Gaynor for fiscal 2011 constituted approximately 82% of the total compensation paid to Mr. Gaynor as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On July 24, 2006, Mr. Gaynor was granted an option to purchase 15,000 shares which vested on July 24, 2008. Based on the vesting schedule of the shares, the Company recognized compensation expense prior to fiscal 2010 in accordance with Accounting Standards Codification ("ASC") Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Gaynor was granted an option to purchase 20,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the options, we recognized compensation expense of \$22,910 in fiscal 2010 and \$5,043 in fiscal 2011 under ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Gaynor was granted an option to purchase 15,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the options, we recognized compensation expense of \$10,684 in fiscal 2010, and \$6,766 in fiscal 2011 and we expect to recognize \$2,066 in fiscal 2012 under ASC Topic 718, Share-Based Payment.

On January 31, 2008, Mr. Gaynor was granted an option to purchase 30,000 shares which vested one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on January 31, 2012. Based on the vesting schedule of the options, we recognized \$14,625 of compensation expenses for fiscal 2010 and \$9,214 for fiscal 2011. We expect to recognize compensation expense of \$4,241 in fiscal 2012 under ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Gaynor was granted an option to purchase 50,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on February 4, 2014. Based on the vesting schedule of the options, we recognized \$12,766 of compensation expenses for fiscal 2010 and \$18,018 for fiscal 2011. We expect to recognize compensation expense of \$17,762 in fiscal 2012 and \$10,363 in fiscal 2013 under ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Gaynor was granted an option to purchase 25,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on November 3, 2014. Based on the vesting schedule of the options, we recognized \$5,591 of compensation expenses for fiscal 2011. We expect to recognize compensation expense of approximately \$8,388 in each of fiscal 2012, fiscal 2013 and fiscal 2014 and \$2,797 in fiscal 2015 under ASC Topic 718, Share-Based Payment.

All Other Compensation. Mr. Gaynor is eligible to participate in COBRA health insurance and in any other benefits generally available to our executive officers. He received other compensation for insurance payments for health insurance, dental insurance, life insurance, short term disability and long term disability premiums.

Change of Control Agreement. Mr. Gaynor is eligible to receive twenty-four months compensation in the event of a change of control. For additional details, please see the section titled "Potential Payments Upon Termination or Change of Control".

Dorothy Cipolla

Cash Compensation (Base Salaries and Bonuses). Ms. Cipolla was awarded total cash compensation for her services to the Company in fiscal 2011 in the amount of \$150,404. This represents her annual base salary for fiscal 2011. The base salary paid to Ms. Cipolla for fiscal 2011 constituted approximately 91% of the total compensation paid to Ms. Cipolla as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On October 27, 2006, Ms. Cipolla was granted an option to purchase 20,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the options, the Company recognized compensation expense of \$22,910 in fiscal 2010 and \$5,043 in fiscal 2011 under ASC Topic 718, Share-Based Payment.

On November 6, 2007, Ms. Cipolla was granted an option to purchase 10,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the options, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$4,511 in fiscal 2011 and expects to recognize compensation expense of \$1,375 in fiscal 2012 under ASC Topic 718, Share-Based Payment.

On February 4, 2010, Ms. Cipolla was granted an option to purchase 10,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on February 4, 2014. Based on the vesting schedule of the options, the Company recognized compensation expense of \$2,553 in fiscal 2010 and \$3,604 in fiscal 2011 and expects to recognize compensation expense of \$3,553 in each of fiscal 2012 and fiscal 2013 and \$2,072 in fiscal 2014 under ASC Topic 718, Share-Based Payment.

On November 3, 2010, Ms. Cipolla was granted an option to purchase 9,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on November 3, 2014. Based on the vesting schedule of the options, the Company recognized compensation expense of \$2,013 in fiscal 2011 and expects to recognize compensation expense of \$3,020 in each of fiscal 2012, fiscal 2013 and fiscal 2014 and \$1,007 in fiscal 2015 under ASC Topic 718, Share-Based Payment.

All Other Compensation. Ms. Cipolla is eligible to participate in COBRA health insurance and in any other benefits generally available to our executive officers. She received other compensation for insurance payments for health insurance, life insurance, short term disability and long term disability premiums.

Change of Control Agreement. Ms. Cipolla is eligible to receive three months compensation in the event of a change of control. For additional details, please see the section titled "Potential Payments Upon Termination or Change of Control".

Alan Symmons

Cash Compensation (Base Salaries and Bonuses). Mr. Symmons was awarded total cash compensation for his services to the Company in fiscal 2011 in the amount of \$122,187. This represents his annual base salary for fiscal 2011. The base salary paid to Mr. Symmons for fiscal 2011 constituted approximately 93% of the total compensation paid to Mr. Symmons as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On October 18, 2006, Mr. Symmons was granted a stock option for 5,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the shares, the Company recognized compensation expense of \$6,246 in fiscal 2010 and \$1,189 in fiscal 2011 under ASC Topic 718, Share-Based Payment.

On December 3, 2007, Mr. Symmons was granted an option to purchase 5,000 shares which vested one-fourth of the shares on each of the first, second, third and fourth anniversaries of the grant date. Based on the vesting schedule of the options, the Company recognized compensation expense of \$3,809 in fiscal 2010 and \$2,406 in fiscal 2011 and expects to recognize \$919 in fiscal 2012 under ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Symmons was granted an option to purchase 10,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on February 4, 2014. Based on the vesting schedule of the options, the Company recognized compensation expense of \$2,553 in fiscal 2010 and \$3,604 in fiscal 2011 and expects to recognize compensation expense of \$3,553 in fiscal 2012 and fiscal 2013 and \$2,072 in fiscal 2014 under ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Symmons was granted an option to purchase 7,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on November 3, 2014. Based on the vesting schedule of the options, the Company recognized compensation expense of \$1,565 in fiscal 2011 and expects to recognize compensation expense of \$2,349 in each of fiscal 2012, fiscal 2013 and fiscal 2014 and \$784 in fiscal 2015 under ASC Topic 718, Share-Based Payment.

All Other Compensation. Mr. Symmons is eligible to participate in COBRA health insurance and in any other benefits generally available to our executive officers. He received other compensation for insurance payments for health insurance, life insurance, short term disability and long term disability premiums.

Change of Control Agreement. Mr. Symmons is eligible to receive three months compensation in the event of a change of control. For additional details, please see the section titled "Potential Payments Upon Termination or Change of Control".

Brian Soller

Cash Compensation (Base Salaries and Bonuses). Mr. Soller was awarded total cash compensation for his services to the Company in fiscal 2011 in the amount of \$107,327. This represents his annual base salary for fiscal 2011. The base salary paid to Mr. Soller for fiscal 2011 constituted approximately 94% of the total compensation paid to Mr. Soller as set forth in the "Total" column in the Summary Compensation Table. Mr. Soller started employment with the Company on September 13, 2010.

Long-Term Equity Incentive Awards. On September 13, 2010, Mr. Soller was granted an option to purchase 20,000 shares which vests one-fourth of the shares on each of the first, second and third anniversaries of the grant date, and vests as to the last fourth on September 13, 2014. Based on the vesting schedule of the options, the Company recognized compensation expense of \$7,088 in fiscal 2011 and expects to recognize compensation expense of approximately \$8,507 in each of fiscal 2012, fiscal 2013 and fiscal 2014 and \$1,419 in fiscal 2015 under ASC Topic 718, Share-Based Payment.

All Other Compensation. Mr. Soller is eligible to participate in COBRA health insurance and in any other benefits generally available to our executive officers. He received other compensation for insurance payments for health insurance, life insurance, short term disability and long term disability premiums.

Change of Control Agreement. Mr. Soller is eligible to receive three months compensation in the event of a change of control. For additional details, please see below.

Potential Payments upon Termination or Change in Control

The following table provides the change of control payments that are due to the executive officers named in the Summary Compensation Table. These cash payments would be due to the executive officers in the event of a change of control.

Executive Officer	Amount of Payment Upon A Change of Control (1)
J. James Gaynor (2)	\$ 450,000
Dorothy Cipolla (3)	\$ 41,250
Brian Soller (3)	\$ 36,250
Alan Symmons (3)	\$ 35,000

All unvested stock options for Mr. Gaynor immediately vests upon a change of control. If Mr. Gaynor is terminated without cause, he is entitled to three months paid COBRA benefits.

(1) A change of control is defined as any of the following transactions occurring:

the dissolution or liquidation of the Company,

the stockholders of the Company approve an agreement providing for a sale, lease or other disposition of all or substantially all of the assets of the Company and the transactions contemplated by such agreement are consummated,

a merger or a consolidation in which the Company is not the surviving entity,

any person acquires the beneficial ownership of securities of the Company representing at least fifty percent (50%) of the combined voting power entitled to vote in the election of directors, and

the individuals who, prior to the transaction, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least fifty percent (50%) of the Board, except that if the election of or nomination for election by the Stockholders of any new director was approved by a vote of at least fifty percent (50%) of the Incumbent Board, such new director shall be deemed to be a member of the Incumbent Board.

Notwithstanding the foregoing, a public offering of the common stock of the Company shall not be considered a change of control.

(2) Payments made pursuant to a change of control to Mr. Gaynor would be paid in a lump sum and would only be paid out in the event Mr. Gaynor was no longer employed by the Company.

(3) Payments made pursuant to a change of control to Ms. Cipolla, Mr. Symmons or Mr. Soller would occur according to our normal payroll schedule and would only be paid out in the event they were no longer employed by the Company.

Outstanding Equity Awards at Fiscal Year-End

(a) Name	(b) Number of Securities Underlying Unexercised Options (#) Exercisable	(c) Number of Securities Underlying Unexercised Options (#) Unexercisable	(e) Option Exercise Price (\$)	Vesting Schedule	(f) Option Expiration Date
J. James Gaynor	15,000	—	\$ 3.47	2 year cliff	7/24/2016
	20,000	—	\$ 4.80	25%/yr for 4 yrs	10/27/2016
	11,250	3,750	\$ 3.05	25%/yr for 4 yrs	11/6/2017
	22,500	7,500	\$ 2.10	25%/yr for 4 yrs	1/31/2018
	12,500	37,500	\$ 2.66	25%/yr for 4 yrs	2/4/2020
	—	25,000	\$ 2.69	25%/yr for 4 yrs	11/3/2020
Dorothy Cipolla	15,000	—	\$ 4.53	2 year cliff	2/28/2016
	20,000	—	\$ 4.80	25%/yr for 4 yrs	10/27/2016
	7,500	2,500	\$ 3.05	25%/yr for 4 yrs	11/6/2017
	2,500	7,500	\$ 2.66	25%/yr for 4 yrs	2/4/2020
	—	9,000	\$ 2.69	25%/yr for 4 yrs	11/3/2020
	—	20,000	\$ 3.40	25%/yr for 4 yrs	8/13/2020
Alan Symmons	5,000	—	\$ 5.24	4 year cliff	10/18/2016
	3,750	1,250	\$ 3.27	25%/yr for 4 yrs	12/3/2017
	2,500	7,500	\$ 2.66	25%/yr for 4 yrs	2/4/2020
	—	7,000	\$ 2.69	25%/yr for 4 yrs	11/3/2020
	—	—	—	—	—

The stock options are issued pursuant to the Amended and Restated Omnibus Incentive Plan and have a ten year life. The awards will terminate 90 days after termination of employment.

DIRECTOR COMPENSATION

Director Compensation

The Company uses a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on its Board of Directors. In setting director compensation, the Company considers the significant amount of time that directors expend in fulfilling their duties to the Company as well as the skill-level required by the Company of members of the Board of Directors.

Cash Compensation Paid to Board Members

For fiscal year 2005 and beyond, all non-employee members of the Board of Directors receive a retainer of \$2,000 per month, paid quarterly. There are no meeting attendance fees paid unless, by action of the Board of Directors, such fees are deemed advisable due to a special project or other effort requiring extra-normal commitment of time and effort. Additionally, the following fees are paid to the Chairman of the Board and Committee Chairmen on a quarterly basis for their responsibilities overseeing their respective functions:

	Base Amount	10% Reduction
Chairman of the Board	\$ 15,000	\$ 13,500
Audit Committee Chairman	\$ 2,000	\$ 1,800
Compensation Committee Chairman	\$ 1,000	\$ 900
Finance Committee Chairman	\$ 1,000	\$ 900

The Directors earned the amounts above for fiscal 2011 that were adjusted for a 10% reduction. The 10% reduction was put in place when the Orlando staff received a 10% pay reduction in fiscal 2009. The board fees reverted to base amounts in October 2011, when the Orlando staff reduction was eliminated. Directors who are employees of the Company receive no compensation for their service as directors.

Director Summary Compensation Table

The table below summarizes the compensation paid by the Company to non-employee directors for the fiscal year ended June 30, 2011.

Name (1)	Fees Earned or Paid in Cash \$(2)	Stock Awards \$(3)	Total (\$)
(a)	(b)	(c)	(h)
Robert Ripp	\$ 75,600	\$ 29,077	\$ 104,677
Sohail Khan	\$ 21,600	\$ 29,077	\$ 50,677
Steve Brueck	\$ 21,600	\$ 29,077	\$ 50,677
Louis Leebug	\$ 28,800	\$ 29,077	\$ 57,877
Gary Silverman	\$ 25,200	\$ 29,077	\$ 54,277

- (1) J. James Gaynor, the Company's President and Chief Executive Officer during fiscal 2011, is not included in this table as he was an employee of the Company and thus received no compensation for his services as Director. The compensation received by Mr. Gaynor as an employee of the Company is shown in the Summary Compensation Table on page 24.

- (2) Does not include earned but unpaid board fees at year end as follows: Mr. Ripp - \$18,900, Mr. Leeburg - \$7,200, Mr. Silverman - \$6,300, Mr. Brueck - \$5,400 and Mr. Khan - \$5,400.
- (3) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended June 30, 2011 in accordance with ASC Topic 718 and thus may include amounts from awards granted in and prior to 2011.

Narrative Disclosure of Summary Compensation Table of Directors

Robert Ripp

Cash Compensation (Base Fees and Position Fees). Mr. Ripp earned total cash compensation for his services to the Company in fiscal 2011 in the amount of \$75,600. This represents his retainer and chairman fees for fiscal 2011. Fees paid were \$75,600 with \$18,900 due in accounts payable at year end. The base fees to Mr. Ripp for fiscal 2011 constituted approximately 72% of the total fees paid to Mr. Ripp as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On November 10, 2005, Mr. Ripp was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$117 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Ripp was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$118 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Ripp was granted a restricted stock unit for 10,000 shares which vested on November 6, 2011. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$7,114 in fiscal 2011 and expects to recognize \$2,371 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On October 30, 2008, Mr. Ripp was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$3,060 in fiscal 2010 and \$3,050 in fiscal 2011 and expects to recognize \$763 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Ripp was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on February 4, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$4,155 in fiscal 2010 and \$9,950 in fiscal 2011 and expects to recognize \$9,950 in fiscal 2012 and \$5,807 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Ripp was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on November 3, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$8,863 in fiscal 2011 and expects to recognize \$13,450 in fiscal 2012 and fiscal 2013 and \$4,487 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

Sohail Khan

Cash Compensation (Base Fees and Position Fees). Mr. Khan earned total cash compensation for his services to the Company in fiscal 2011 in the amount of \$21,600. This represents his retainer for fiscal 2011. Fees paid were \$21,600 with \$5,400 due in accounts payable at year end. The base fees to Mr. Khan for fiscal 2011 constituted approximately 43% of the total fees paid to Mr. Khan as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On November 10, 2005, Mr. Khan was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$117 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Khan was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$118 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Khan was granted a restricted stock unit for 10,000 shares which vested on November 6, 2011. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$7,114 in fiscal 2011 and expects to recognize \$2,371 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On October 30, 2008, Mr. Khan was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$3,060 in fiscal 2010 and \$3,050 in fiscal 2011 and expects to recognize \$763 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Khan was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on February 4, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$4,155 in fiscal 2010 and \$9,950 in fiscal 2011 and expects to recognize \$9,950 in fiscal 2012 and \$5,807 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Khan was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on November 3, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$8,863 in fiscal 2011 and expects to recognize \$13,450 in fiscal 2012 and fiscal 2013 and \$4,487 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

Steven Brueck

Cash Compensation (Base Fees and Position Fees). Mr. Brueck earned total cash compensation for his services to the Company in fiscal 2010 in the amount of \$21,600. This represents his retainer for fiscal 2011. Fees paid were \$21,600 with \$5,400 due in accounts payable at year end. The base fees to Mr. Brueck for fiscal 2011 constituted approximately 43% of the total fees paid to Mr. Brueck as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On November 10, 2005, Mr. Brueck was granted restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$117 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Brueck was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$118 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Brueck was granted a restricted stock unit for 10,000 shares which vested on November 6, 2011. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$7,114 in fiscal 2011 and expects to recognize \$2,371 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On October 30, 2008, Mr. Brueck was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$3,060 in fiscal 2010 and \$3,050 in fiscal 2011 and expects to recognize \$763 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Brueck was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on February 4, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$4,155 in fiscal 2010 and \$9,950 in fiscal 2011 and expects to recognize \$9,950 in fiscal 2012 and \$5,807 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Brueck was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on November 3, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$8,863 in fiscal 2011 and expects to recognize \$13,450 in fiscal 2012 and fiscal 2013 and \$4,487 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

Louis Leeburg

Cash Compensation (Base Fees and Position Fees). Mr. Leeburg earned total cash compensation for his services to the Company in fiscal 2011 in the amount of \$28,800. This represents his retainer and fee for audit committee chair for fiscal 2011. Fees paid were \$28,800 with \$7,200 due in accounts payable at year end. The base fees to Mr. Leeburg for fiscal 2011 constituted approximately 50% of the total fees paid to Mr. Leeburg as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On November 10, 2005, Mr. Leeburg was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$117 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Leeburg was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$118 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Leeburg was granted a restricted stock unit for 10,000 shares which vested on November 6, 2011. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$7,114 in fiscal 2011 and expects to recognize \$2,371 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On October 30, 2008, Mr. Leeburg was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$3,060 in fiscal 2010 and \$3,050 in fiscal 2011 and expects to recognize \$763 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Leeburg was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on February 4, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$4,155 in fiscal 2010 and \$9,950 in fiscal 2011 and expects to recognize \$9,950 in fiscal 2012 and \$5,807 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Leeburg was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on November 3, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$8,863 in fiscal 2011 and expects to recognize \$13,450 in fiscal 2012 and fiscal 2013 and \$4,487 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

Gary Silverman

Cash Compensation (Base Fees and Position Fees). Mr. Silverman earned total cash compensation for his services to the Company in fiscal 2011 in the amount of \$25,200. This represents his retainer and fee for compensation committee chair for fiscal 2011. Fees paid were \$25,200 with \$6,300 due in accounts payable at year end. The base fees to Mr. Silverman for fiscal 2011 constituted approximately 46% of the total fees paid to Mr. Silverman as set forth in the "Total" column in the Summary Compensation Table.

Long-Term Equity Incentive Awards. On November 10, 2005, Mr. Silverman was granted restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$117 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On October 27, 2006, Mr. Silverman was granted a restricted stock unit for 10,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$118 in fiscal 2010 in accordance with ASC Topic 718, Share-Based Payment.

On November 6, 2007, Mr. Silverman was granted a restricted stock unit for 10,000 shares which vested on November 6, 2011. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$7,123 in fiscal 2010 and \$7,114 in fiscal 2011 and expects to recognize \$2,371 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On October 30, 2008, Mr. Silverman was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first, second and third anniversaries of the grant date. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$3,060 in fiscal 2010 and \$3,050 in fiscal 2011 and expects to recognize \$763 in fiscal 2012 in accordance with ASC Topic 718, Share-Based Payment.

On February 4, 2010, Mr. Silverman was granted a restricted stock unit for 15,000 shares which vested one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on February 4, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$4,155 in fiscal 2010 and \$9,950 in fiscal 2011 and expects to recognize \$9,950 in fiscal 2012 and \$5,807 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

On November 3, 2010, Mr. Silverman was granted a restricted stock unit for 15,000 shares which vests one-third of the shares on each of the first and second anniversaries of the grant date, and vests as to the last third on November 3, 2013. Based on the vesting schedule of the stock, the Company recognized compensation expense of \$8,863 in fiscal 2011 and expects to recognize \$13,450 in fiscal 2012 and fiscal 2013 and \$4,487 in fiscal 2013 in accordance with ASC Topic 718, Share-Based Payment.

Stock Option/Restricted Stock Program

All directors are eligible to receive equity incentives under the Company's Amended and Restated Omnibus Incentive Plan, including stock options, restricted stock awards or units. In the case of restricted stock units, directors are granted a restricted stock unit for a specific number of shares, with a portion of such shares vesting on certain anniversaries of the grant date. Each director has agreed that all vested shares underlying the restricted stock units will remain unissued until such time as the director is no longer a board member. The vested shares underlying the restricted stock units are included in calculating the directors' beneficial ownership of the Company's securities. In fiscal year 2011, the following directors received grants under the Company's Amended and Restated Omnibus Incentive Plan:

Restricted Stock Units

Name of Director	Number of Units		Fair Value Price
	Granted	Grant Date	Per Share
Dr. Steve Brueck	15,000	11/3/2010	\$ 2.69
Sohail Khan	15,000	11/3/2010	\$ 2.69
Louis Leebug	15,000	11/3/2010	\$ 2.69
Robert Ripp	15,000	11/3/2010	\$ 2.69
Gary Silverman	15,000	11/3/2010	\$ 2.69
	75,000		

Equity Compensation Plan Information

The following table sets forth as of June 30, 2011, the end of the Company's most recent fiscal year, information regarding (i) all compensation plans previously approved by the stockholders and (ii) all compensation plans not previously approved by the stockholders:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise and grant price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders	1,715,625	\$ 2.53	335,239
Equity compensation plans not approved by security holders	—	—	—

PROPOSAL NO. 2

RATIFICATION OF INDEPENDENT AUDITOR

It is the responsibility of the Audit Committee to select and retain independent auditors. Our Audit Committee has appointed Cross Fernandez & Riley LLP (“CFR”) as our independent auditors for the Company’s fiscal year ending June 30, 2012. Although stockholder ratification of the Audit Committee’s selection of independent auditors is not required by our By-laws or otherwise, we are submitting the selection of CFR to stockholder ratification so that our stockholders may participate in this important corporate decision. If not ratified, the Audit Committee will reconsider the selection, although the Audit Committee will not be required to select different independent auditors for the Company.

Representatives of CFR will be present at the Annual Meeting and will have an opportunity to make a statement and respond to questions from stockholders present at the meeting.

The following table presents fees paid or to be paid for professional audit services rendered by CFR for the audit of the Company’s annual financial statements during the years ended June 30, 2011 and 2010, and fees billed for other services rendered by CFR:

	Fiscal 2011	Fiscal 2010
Audit Fees (1)	120,750	124,677
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total All Fees	\$ 120,750	\$ 124,677

-
- (1) Audit Fees consisted of fees billed for professional services rendered for the audit of the Company’s annual financial statements and review of the interim financial statements included in quarterly reports, and review of other documents filed with the Securities and Exchange Commission within those fiscal years.

The Audit Committee has adopted policies and procedures to oversee the external audit process including engagement letters, estimated fees and solely pre-approving all permitted audit and non-audit work performed by CFR. The Audit Committee has pre-approved all fees for audit and non-audit work performed.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING “FOR”
THE RATIFICATION OF CFR AS THE COMPANY’S INDEPENDENT AUDITOR FOR THE FISCAL YEAR
ENDING JUNE 30, 2012**

OTHER BUSINESS

The Board of Directors is not aware of any other business to be considered or acted upon at the Annual Meeting of stockholders other than that for which notice is provided in this proxy statement and the accompanying notice. In the event any other matters properly come before the Annual Meeting, it is expected that the shares represented by proxy will be voted with respect thereto in accordance with the judgment of the persons voting them.

2011 ANNUAL REPORT ON FORM 10-K

Copies of the Company's Annual Report for 2011, which contains the Company's Form 10-K for the fiscal year ended June 30, 2011, and consolidated financial statements, as filed with the SEC, have been included in this mailing. Additional copies may be obtained without charge to stockholders upon written request to Investor Relations at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. In addition, copies of this document, the Form 10-K and all other documents filed electronically by the Company may be reviewed and printed from the SEC's website at: <http://www.sec.gov>.

By Order of the Board of Directors,

J. James Gaynor

President & Chief Executive Officer
Orlando, Florida
December 23, 2011

PROXY

ANNUAL MEETING OF STOCKHOLDERS
LIGHTPATH TECHNOLOGIES, INC.
February 2, 2012

This Proxy is solicited and proposed by the Board of Directors of LightPath Technologies, Inc., which recommends that you vote "For" proposals 1 and 2.

The undersigned hereby appoints Robert Ripp (the "Proxy"), with power of substitution, to vote on the following matters, which may properly come before the Annual Meeting of Stockholders of LightPath Technologies, Inc. to be held on February 2, 2012, or any adjournment or postponement thereof. The Proxy shall cast votes according to the number of shares of common stock of the Company which the undersigned may be entitled to vote with respect to the proposal set forth below, in accordance with the specification indicated, if any, and shall have all the powers which the undersigned would possess if personally present. The undersigned hereby revokes any prior proxy to vote at the Annual Meeting, and hereby ratifies and confirms all that said Proxy may lawfully do by virtue hereof and thereof.

(1) Proposal No. 1: To approve the election of Class III Directors. Nominees are:

Louis Leeburg " FOR " WITHHOLD AUTHORITY
Gary Silverman " FOR " WITHHOLD AUTHORITY

(2) Proposal No. 2: To ratify the selection of Cross, Fernandez & Riley LLP as independent auditors.

" FOR " AGAINST " ABSTAIN

In his/her discretion, the proxy is authorized to vote on such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

" If you plan to attend the Annual Meeting, please check here

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. UNLESS OTHERWISE SPECIFIED, THE SHARES WILL BE VOTED 'FOR' ALL ITEMS UNDER PROPOSAL NOS. 1 and 2.

The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders of the Company and the Proxy Statement dated December 23, 2011 and a copy of the Company's Annual Report on Form 10-K.

_____ Date: _____
_____ Date: _____

Signatures of Stockholder(s)

NOTE: Signature should agree with name on stock certificate as printed hereon. Executors, administrators, trustees and other fiduciaries should so indicate when signing.

PLEASE DATE, SIGN AND RETURN THIS PROXY PROMPTLY USING

THE ENCLOSED POSTAGE PAID ENVELOPE THANK YOU
