

LSI INDUSTRIES INC
Form DEF 14A
September 27, 2007

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

LSI Industries Inc.
(Name of Registrant as Specified In Its Charter)

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

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

(3) Filing Party:

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Date Filed:

**Notice of Annual Meeting of Shareholders
and Proxy Statement**

September 27, 2007

Dear Shareholder:

We invite you to attend our Annual Meeting of Shareholders on Thursday, November 15, 2007, at 10:00 a.m. at the Company's headquarters located at 10000 Alliance Road, Cincinnati, Ohio. At the meeting, you will hear a report on our operations and have a chance to meet your Company's directors and executives.

This booklet includes the formal notice of the meeting and the proxy statement. The proxy statement tells you more about the agenda and procedures for the meeting. It also describes how the Board operates and provides information about our director candidates.

Even if you only own a few shares, we want your shares to be represented at the meeting. I urge you to complete, sign, date and promptly return your proxy card in the enclosed envelope.

Sincerely yours,

/s/Robert J. Ready

Robert J. Ready
Chairman of the Board,
Chief Executive Officer, and President

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF
LSI INDUSTRIES INC.**

Time:

10:00 a.m., Eastern Standard Time

Date:

Thursday, November 15, 2007

Place:

LSI Industries Corporate Headquarters
10000 Alliance Road
Cincinnati, Ohio 45242

Purpose:

- Elect Directors
- Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal year 2008
- Conduct other business if properly raised

Only shareholders of record on September 17, 2007 may vote at the meeting. The approximate mailing date of the Proxy Statement and accompanying proxy card is September 27, 2007.

Your vote is important. Please complete, sign, date, and promptly return your proxy card in the enclosed envelope.

/s/Robert J. Ready

Robert J. Ready
Chairman of the Board,
Chief Executive Officer, and President

September 27, 2007

LSI Industries Inc.
Proxy Statement

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LSI INDUSTRIES INC.

**10000 Alliance Road
Cincinnati, Ohio 45242**

Telephone (513) 793-3200

PROXY STATEMENT

**Annual Meeting of Shareholders
November 15, 2007**

INTRODUCTION

The Board of Directors of LSI Industries Inc. is requesting your proxy for the Annual Meeting of Shareholders on November 15, 2007, and at any postponement or adjournment of such meeting. This Proxy Statement and the accompanying proxy card were first mailed on September 27, 2007 to shareholders of record as of September 17, 2007.

VOTING AT ANNUAL MEETING

General Information

In order to carry on the business of the meeting, we must have a quorum. This means at least a majority of the outstanding shares eligible to vote must be represented at the meeting either by proxy or in person. Shareholders may vote in person or by proxy at the Annual Meeting. Proxies given may be revoked at any time by filing with the Company (to the attention of Ronald S. Stowell) either a written revocation or a duly executed proxy bearing a later date, or by appearing at the Annual Meeting and voting in person. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote. All shares will be voted as specified on each properly executed proxy card. If no choice is specified, the shares will be voted as recommended by the Board of Directors, namely "FOR" Proposal 1 to elect the six persons nominated as directors by the Nominating and Corporate Governance Committee of the Board of Directors, and "FOR" Proposal 2 (Ratification of Appointment of Independent Registered Public Accounting Firm). If any other matters come before the meeting or any postponement or adjournment, each proxy will be voted in the discretion of the individuals named as proxies on the proxy card.

As of September 17, 2007, the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting, LSI Industries had 21,529,094 Common Shares outstanding. Each share is entitled to one vote. Only shareholders of record at the close of business on September 17, 2007, will be entitled to vote at the Annual Meeting. Abstentions and shares otherwise not voted for any reason, including broker non-votes, will have no effect on the outcome of any vote taken at the Annual Meeting. Broker non-votes occur when a broker returns a proxy card but does not have authority to vote on a particular proposal.

Principal Shareholders

As of September 17, 2007, the following are the only shareholders known by the Company to own beneficially 5% or more of its outstanding Common Shares:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent Of Class
Columbia Management Group, Inc. 590 Madison Avenue New York, NY 10022-2524	1,927,712	8.82%
Royce & Associates LLC 1414 Avenue of the Americas, 9 th Floor New York, NY 10019-2578	1,285,811	5.89%
Wells Capital Management, Inc. 525 Market Street, 10 th Floor San Francisco, CA 94105-2708	1,119,750	5.12%

Shareholder Proposals

Shareholders who desire to have proposals included in the Notice for the 2008 Annual Meeting of Shareholders must submit their proposals to the Company at its offices on or before May 30, 2008.

The form of Proxy for the Annual Meeting of Shareholders grants authority to the persons designated therein as proxies to vote in their discretion on any matters that come before the meeting, or any adjournment thereof, except those set forth in the Company's Proxy Statement and except for matters as to which adequate notice is received. In order for a notice to be deemed adequate for the 2008 Annual Shareholders' Meeting, it must be received prior to August 14, 2008. If there is a change in the anticipated date of next year's annual meeting or if these deadlines change by more than 30 days, we will notify you of this change through our Form 10-Q filings.

Proposal 1. Election of Directors

The Company's Code of Regulations provides that the Board of Directors be composed of six directors, each of whom is elected for a one-year term. The terms of the Company's directors expire at the 2007 Annual Meeting of Shareholders.

The Nominating and Corporate Governance Committee of the Board has nominated for reelection the six present directors, namely, Gary P. Kreider, Dennis B. Meyer, Wilfred T. O'Gara, Robert J. Ready, Mark A. Serriane and James P. Sferra. Proxies solicited by the Board will be voted for the election of these six nominees.

All directors elected at the Annual Meeting will be elected to hold office for one year and until their successors are elected and qualified. In voting to elect directors, shareholders are entitled to one vote for each share held of record. Shareholders are not entitled to cumulate their votes in the election of directors.

Should any of the nominees become unable to serve, proxies will be voted for any substitute nominee designated by the Board. The six nominees receiving the highest number of votes cast will be elected.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR each of the six directors nominated in this Proxy Statement. Nominees receiving the highest number of votes will be elected.

Proposal 2. Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors appointed Deloitte & Touche LLP as the Company's independent registered public accountants for fiscal 2008. Deloitte & Touche LLP has been the independent registered public accounting firm for the Company since December 2005. Although not required by law, the Board is seeking shareholder ratification of its selection. If ratification is not obtained, the Audit Committee intends to continue the employment of Deloitte & Touche LLP at least through fiscal 2008.

Representatives of Deloitte & Touche LLP are expected to be present at the Shareholders' Meeting and will be given an opportunity to make a statement, if they so desire, and to respond to appropriate questions that may be asked by shareholders.

On December 16, 2005, the Audit Committee of the Board of Directors dismissed Grant Thornton LLP as its independent registered public accounting firm. On that same date, the Audit Committee engaged Deloitte & Touche LLP as its independent registered public accounting firm effective December 16, 2005.

Grant Thornton's report on LSI's financial statements for fiscal years 2004 and 2005 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. During LSI's fiscal years 2004 and 2005 and the subsequent interim period preceding the dismissal of Grant Thornton, there were no disagreements on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Grant Thornton, would have caused it to make a reference to the subject matter in connection with its report. During LSI's two most recent fiscal years and the subsequent interim period preceding Grant Thornton's dismissal, there have been no reportable events (as defined in Regulation S-K Item 304(a)(1)(v)).

During the two most recent fiscal years and the interim period prior to engaging Deloitte, neither LSI nor anyone on its behalf consulted Deloitte regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on LSI's financial statements, and no written report or oral advice was provided to LSI that Deloitte concluded was an important factor considered by LSI in reaching a decision as an accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement or a reportable event (as defined in Regulation S-K Item 304(a)(1)(iv) and Regulation S-K Item 304(a)(1)(v)).

Grant Thornton furnished LSI with a letter addressed to the Securities and Exchange Commission related to the disclosures in our current report on Form 8-K filed with the Commission on December 20, 2005. The letter was filed as Exhibit 16 to the Form 8-K.

Audit Fees

The Company expensed the following fees from Deloitte & Touche LLP in the fiscal years ended June 30, 2006 and 2007, respectively:

Deloitte & Touche LLP

	2006	2007
Audit fees	\$ 461,616	\$ 668,507
Audit-related fees	210,775	13,950
Tax fees	3,000	158,913
All other fees	4,793	3,195
Total fees	\$ 680,184	\$ 844,565

Audit fees represent fees and out-of-pocket expenses related to the audit of the Company's financial statements; review, documentation and testing of the Company's system of internal controls; filing of the Form 10-K; services related to review of the Company's quarterly financial statements and Form 10-Q's; and attendance at the Company's quarterly Audit Committee meetings. Audit-related fees represent fees for consultation related to accounting and regulatory filing matters, acquisition due diligence services, and to audits of the Company's qualified retirement plan. Tax fees relate to services and out-of-pocket expenses related to tax compliance (or filing of the Company's various income and franchise tax returns), tax planning, and tax advice. All other fees represent fees related to services and consultation related to various planning matters.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR Proposal 2. The affirmative vote of a majority of Common Shares voting at the Annual Meeting is required for approval of this proposal.

Other Matters

Approval of any other matters considered at the Annual Meeting, including adjournment, will require the affirmative vote of a majority of Common Shares voting at the meeting.

MANAGEMENT**Directors and Executive Officers**

The directors and executive officers of LSI Industries are:

Name and Age	Position	Common Shares Beneficially Owned	
		Amount	Percentage
Robert J. Ready (a) 67	Chairman, President, and Chief Executive Officer	1,023,443	(e) 4.68%
Fred D. Jalbout 51	President of LSI Technology Solutions <i>Plus</i> , and President of LSI Saco Technologies Inc.	1,005,000	4.59%
James P. Sferra (a) 68	Executive Vice President-Manufacturing; Secretary and Director	461,749	(e) 2.11%
Ronald S. Stowell 57	Vice President, Chief Financial Officer and Treasurer	91,245	(e) *
David W. McCauley 58	President of LSI Graphic Solutions <i>Plus</i> and President of Grady McCauley Inc.	53,138	(e) *
Scott D. Ready 45	President of LSI Lighting Solutions <i>Plus</i>	154,494	(e)

Computershare Investor Services PLC**Computershare Hong Kong Investor Services Limited**

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Register
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US Shareholder

**Corporate Shareholder
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4242**

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**The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda
Telephone: 299 6737**

Email: bob.bda.shareholder.services@bob.hsbc.com

Investor Centre: www.computershare.com/investor/bm

Persons whose shares are held on their behalf by another person may have been nominated to receive communications from HSBC pursuant to section 146 of the UK Companies Act 2006 (“nominated persons”). The main point of contact for nominated persons remains the registered shareholder (for example your stockbroker, investment manager, custodian or other person who manages the investment on your behalf). Any changes or queries relating to nominated persons’ personal details and holding (including any administration thereof) must continue to be directed to the registered shareholder and not HSBC’s Registrars. The only exception is where HSBC, in exercising one of its powers under the UK Companies Act 2006, writes to nominated persons directly for a response.

Within this document the Hong Kong Special Administrative Region of the People’s Republic of China has been referred to as ‘Hong Kong’.

The Directors of HSBC Holdings plc are S K Green, M F Geoghegan, S A Catz† , V H C Cheng, J D Coombe† , J L Durán† , R A Fairhead† , D J Flint, A A Flockhart, W K L Fung*, S T Gulliver, J W J Hughes-Hallett† , W S H Laidlaw† , J R Lomax† , Sir Mark Moody-Stuart† , G Morgan† , N R N Murthy† , S M Robertson† , J L Thornton† and Sir Brian Williamson† .

* Non-executive Director

† Independent non-executive Director

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: P A Stafford

Title: Assistant Group

Secretary

Date: December 03, 2008