

Kentucky First Federal Bancorp  
Form DEF 14A  
October 10, 2006

**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934 (Amendment No. \_\_\_\_)**

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
- ☒ x Definitive Proxy Statement
- ☐ o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ o Definitive Additional Materials
- ☐ o Soliciting Material Pursuant to § 240.14a-12

## KENTUCKY FIRST FEDERAL BANCORP

---

(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):

- ☒ x No fee required.
- ☐ o 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:

---

(5) Total fee paid:

---

- ☐ o Fee paid previously with preliminary materials:
- ☐ o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

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

---

Edgar Filing: Kentucky First Federal Bancorp - Form DEF 14A

(3) Filing Party:

---

(4) Date Filed:

---

# Edgar Filing: Kentucky First Federal Bancorp - Form DEF 14A

October 10, 2006

Dear Stockholder:

We invite you to attend the Annual Meeting of Stockholders (the Annual Meeting ) of Kentucky First Federal Bancorp (the Company ) to be held at the First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Tuesday, November 14, 2006, at 3:30 p.m., Eastern time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the meeting. During the meeting, we will also report on the Company's operations to date. Directors and officers of the Company and First Federal of Hazard and First Federal of Frankfort will be present to respond to any questions the stockholders may have.

**ON BEHALF OF THE BOARD OF DIRECTORS, WE URGE YOU TO SIGN, DATE AND RETURN THE ACCOMPANYING FORM OF PROXY AS SOON AS POSSIBLE EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING.** Your vote is important, regardless of the number of shares you own. This will not prevent you from voting in person but will assure that your vote is counted if you are unable to attend the meeting.

On behalf of the Board of Directors and all the employees of the Company and First Federal of Hazard and First Federal of Frankfort, I wish to thank you for your continued support.

Sincerely,

/s/Tony D. Whitaker

---

*Chairman of the Board and  
Chief Executive Officer*

Sincerely,

/s/Don D. Jennings

---

*President and  
Chief Operating Officer*

**KENTUCKY FIRST FEDERAL BANCORP**  
**479 Main Street**  
**Hazard, Kentucky**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held on November 14, 2006**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting ) of Kentucky First Federal Bancorp ( Kentucky First or the Company ) will be held at the First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Tuesday, November 14, 2006, at 3:30 p.m., Eastern time.

A Proxy Statement and Proxy Card for the Annual Meeting are enclosed.

The Annual Meeting is for the purpose of considering and acting upon the following matters:

1. The election of three directors of the Company for three-year terms;
2. The ratification of the appointment of Grant Thornton LLP as independent certified public accountants of the Company for the fiscal year ending June 30, 2007; and
3. The transaction of such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors is not aware of any other business to come before the Annual Meeting.

Any action may be taken on any one of the foregoing proposals at the Annual Meeting on the date specified above or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned. Stockholders of record at the close of business on September 29, 2006, are the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

You are requested to fill in and sign the enclosed proxy card which is solicited by the Board of Directors and to mail it promptly in the enclosed envelope. The proxy will not be used if you attend and vote at the Annual Meeting in person.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Roy L. Pulliam, Jr.  
*Secretary*

Hazard, Kentucky  
October 10, 2006

**IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO INSURE A QUORUM. A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.**

**PROXY STATEMENT  
OF  
KENTUCKY FIRST FEDERAL BANCORP  
479 Main Street  
Hazard, Kentucky 41701**

**ANNUAL MEETING OF STOCKHOLDERS  
November 14, 2006**

**GENERAL**

This Proxy Statement is furnished to stockholders of Kentucky First Federal Bancorp ( Kentucky First or the Company ) in connection with the solicitation by the Board of Directors of the Company of proxies to be used at the Annual Meeting of Stockholders (the Annual Meeting ) which will be held at the First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Tuesday, November 14, 2006, at 3:30 p.m., Eastern time, and at any adjournment thereof. The accompanying Notice of Annual Meeting and proxy card and this Proxy Statement are being first mailed to stockholders on or about October 10, 2006.

**VOTING AND REVOCABILITY OF PROXIES**

Stockholders who execute proxies retain the right to revoke them at any time. Unless so revoked, the shares represented by properly executed proxies will be voted at the Annual Meeting and all adjournments thereof. Proxies may be revoked by written notice to Roy L. Pulliam, Jr., Secretary of the Company, at the address shown above, by filing a later-dated proxy prior to a vote being taken on a particular proposal at the Annual Meeting or by attending the Annual Meeting and voting in person. The presence of a stockholder at the Annual Meeting will not in itself revoke such stockholder's proxy.

Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. **Where no instructions are indicated, proxies will be voted FOR the nominees for director set forth below, and FOR the ratification of the appointment of Grant Thornton LLP as the Company's independent public accountants for the year ending June 30, 2007.** The proxy confers discretionary authority on the persons named therein to vote with respect to the election of any person as a director where the nominee is unable to serve or for good cause will not serve, and matters incident to the conduct of the Annual Meeting. If any other business is presented at the Annual Meeting, proxies will be voted by those named therein in accordance with the determination of a majority of the Board of Directors. Proxies marked as abstentions will not be counted as votes cast. Shares held in street name which have been designated by brokers on proxies as not voted ( broker non-votes ) will not be counted as votes cast. Proxies marked as abstentions or as broker non-votes, however, will be treated as shares present for purposes of determining whether a quorum is present.

### VOTING SECURITIES AND SECURITY OWNERSHIP

The securities entitled to vote at the Annual Meeting consist of the Company's common stock, par value \$.01 per share (the Common Stock). Stockholders of record as of the close of business on September 29, 2006 (the Record Date) are entitled to one vote for each share of Common Stock then held. As of the Record Date, there were 8,507,864 shares of Common Stock issued and outstanding. The presence, in person or by proxy, of at least a majority of the total number of shares of Common Stock outstanding and entitled to vote will be necessary to constitute a quorum at the Annual Meeting.

Persons and groups beneficially owning more than 5% of the Common Stock are required to file certain reports with respect to such ownership pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). The following table sets forth information regarding the shares of Common Stock beneficially owned as of the Record Date by persons who beneficially own more than 5% of the Common Stock, each of the Company's directors, the executive officers of the Company named in the Summary Compensation Table set forth under Proposal I Election of Directors Executive Compensation Summary Compensation Table, and all of the Company's directors and executive officers as a group.

	Shares of Common Stock Beneficially Owned as of the Record Date (1)	Percent of Class
<b><u>5% Stockholder:</u></b>		
First Federal MHC Main & Lovern Streets Hazard, Kentucky 41701	4,727,938	55.6%
<b><u>Directors:</u></b>		
Tony D. Whitaker	76,154	*
Don D. Jennings	48,525	*
Stephen G. Barker	28,731	*
Walter G. Ecton, Jr.	19,357	*
William D. Gorman	28,400	*
David R. Harrod	9,330	*
Herman D. Regan, Jr.	48,775	*
All directors and executive officers of the Company as a group (10) persons)	387,950	4.6%

- (1) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of Common Stock if he has or shares voting or investment power with respect to such Common Stock or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares.

\* Represents less than 1% of the shares outstanding.

**PROPOSAL I -- ELECTION OF DIRECTORS****General**

The Company's Board of Directors consists of seven members, all of whom are independent under the listing standards of Nasdaq, except Tony D. Whitaker, Don D. Jennings and Stephen G. Barker. The Company's Bylaws require that directors be divided into three classes, as nearly equal in number as possible, with approximately one-third of the directors elected each year. At the Annual Meeting, three directors will be elected for a term expiring at the 2009 annual meeting. The Board of Directors has nominated Stephen G. Barker, David R. Harrod, and Tony D. Whitaker, to each serve as directors for a three-year period. Each of the nominees is currently a member of the Board. Pursuant to the Company's Bylaws, there is no cumulative voting for the election of directors. As a result, directors are elected by a plurality of the votes present in person or by proxy at a meeting at which a quorum is present.

It is intended that the persons named in the proxies solicited by the Board of Directors will vote for the election of the named nominees. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend or the size of the Board may be reduced to eliminate the vacancy. At this time, the Board knows of no reason why any nominee might be unavailable to serve.

The following table sets forth, for each nominee for director and continuing director of the Company, his age, the year he first became a director either of the Company or the Company's wholly owned subsidiary, First Federal Savings and Loan Association of Hazard ( "First Federal of Hazard" ), and the expiration of his term as a director. All such persons were appointed as directors of the Company in March 2005 upon the formation and organization of the Company. Directors Barker, Ecton, Gorman and Whitaker also serve on the Board of Directors of First Federal of Hazard, and Directors Harrod and Regan also serve on the Board of Directors of the Company's wholly owned subsidiary, Frankfort First Bancorp, Inc. ( "Frankfort First" ), and Frankfort First's wholly owned subsidiary, First Federal Savings Bank of Frankfort ( "First Federal of Frankfort" ). Director Jennings also serves on the Board of First Federal of Frankfort.

Name	Age at June 30, 2006	Year First Elected as Director	Year First Elected as Director of Bank Subsidiary	Current Term to Expire
<b>BOARD NOMINEES FOR TERMS TO EXPIRE IN 2009</b>				
Stephen G. Barker	52	2005	1997	2006
Tony D. Whitaker	60	2005	1993	2006
David R. Harrod	47	2005	2003	2006
<b>DIRECTORS CONTINUING IN OFFICE</b>				
William D. Gorman	82	2005	2003	2007
Herman D. Regan, Jr.	77	2005	1988	2007
Walter G. Ecton, Jr.	52	2005	2005	2008
Don D. Jennings	41	2005	1998	2008

## Edgar Filing: Kentucky First Federal Bancorp - Form DEF 14A

Set forth below is information concerning the Company's directors.

**Stephen G. Barker** has been a director of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as a director of First Federal of Hazard since 1997. Mr. Barker has been in the private practice of law in Hazard, Kentucky since 1980 and has served as Assistant General Counsel to the Kentucky River Properties, LLC since 1985.

**Tony D. Whitaker** has served as Chairman of the Board and Chief Executive Officer of Kentucky First Federal Bancorp since its inception in March, 2005. Since 1997, he has served as President and Chief Executive Officer of First Federal of Hazard. He has also served First Federal of Hazard as a Director since 1993. Mr. Whitaker was President of First Federal Savings Bank in Richmond, Kentucky from 1980 until 1994. From 1994 until 1996, Mr. Whitaker was the President of the central Kentucky region and served on the Board of Great Financial Bank, a \$3 billion savings and loan holding company located in Louisville, Kentucky. Mr. Whitaker served as a director of the Federal Home Loan Bank of Cincinnati from 1991 to 1997 and has served on the Board of America's Community Bankers since 2001. Mr. Whitaker has served on the Board of Directors of Pentegra Group, Inc., a financial services company specializing in retirement benefits, since 2002.

**David R. Harrod** has been a director of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as a Director of First Federal Savings Bank of Frankfort since 2003. He also previously served as Director and Chairman of the Audit Committee of Frankfort First Bancorp, Inc. Mr. Harrod is a certified public accountant and is a principal of Harrod and Associates, P.S.C., a Frankfort, Kentucky-based accounting firm.

**William D. Gorman** has been a director of Kentucky First Federal Bancorp since its inception in March, 2005. He has been a director of First Federal of Hazard since 2003. Mr. Gorman has served as mayor of Hazard, Kentucky since 1977.

**Herman D. Regan, Jr.** has been a director of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as a Director of First Federal Savings Bank of Frankfort since 1988. Mr. Regan served as Chairman of the Board and President of Kenvirons, Inc., a civil and environmental engineering consulting firm, from 1975 until his retirement in August, 1994.

**Walter G. Ecton, Jr.** has been a director of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as a director of First Federal of Hazard since 2004. Mr. Ecton has been engaged in the private practice of law in Richmond, Kentucky since 1979.

**Don D. Jennings** has served as President and Chief Operating Officer and as a Director of Kentucky First Federal Bancorp since its inception in March, 2005. He was President and Chief Executive Officer of Frankfort First Bancorp, Inc., beginning in 2000 and continues to serve as Executive Vice President, director and Secretary of First Federal of Frankfort, a position he has held since 1998. He has been employed by First Federal of Frankfort since 1991.

# Edgar Filing: Kentucky First Federal Bancorp - Form DEF 14A

## Executive Officers Who Are Not Directors

The following sets forth information with respect to executive officers of the Company who do not serve on the Board of Directors.

Name	Age at June 30, 2006	Title
R. Clay Hulette	44	Vice President, Chief Financial Officer and Treasurer of the Company and Vice President and Treasurer of First Federal of Frankfort
Roy L. Pulliam, Jr.	68	Vice President and Secretary of the Company and Vice President and Secretary of First Federal of Hazard

**R. Clay Hulette** has served as Vice President, Treasurer and Chief Financial Officer of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as Vice President and Chief Financial Officer of Frankfort First Bancorp, Inc. and of First Federal Savings Bank of Frankfort since 2000. He has been employed by First Federal of Frankfort since 1997. He is a Certified Public Accountant.

**Roy L. Pulliam, Jr.** has served as Vice President and Secretary of Kentucky First Federal Bancorp since its inception in March, 2005. He has served as Vice President and Secretary of First Federal of Hazard since 1970.

## Committees of the Board of Directors

The Board of Directors of the Company meets quarterly and may have additional special meetings. During the year ended June 30, 2006, the Board of Directors of the Company met seven times. No director attended fewer than 75% in the aggregate of the total number of Company Board of Directors meetings held during the year ended June 30, 2006 and the total number of meetings held by Committees on which he served during such fiscal year.

**Audit Committee.** The Company has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. During the fiscal year ended June 30, 2006, the Board of Directors' Audit Committee consisted of Directors Harrod (Chairman), Ecton, Gorman and Regan. Each of the members of the Audit Committee are independent, as independent is defined in Rule 4200(a)(15) of the listing standards of the National Association of Securities Dealers, Inc. (NASD). The Company's Board of Directors has determined that one member of the Audit Committee, David R. Harrod, qualifies as an audit committee financial expert as defined in Section 401(h) of Regulation S-K promulgated by the U.S. Securities and Exchange Commission. Director David R. Harrod is independent, as such term is defined in Item 7(d)(3)(iv)(A) of Schedule 14A of the Exchange Act.

The function of the Audit Committee is to review and discuss the audited financial statements with management, internal audit and the independent auditors; to determine the independent auditors' qualifications and independence; to engage the independent auditors of the Company; to review the internal audit function and internal accounting controls; to review the internal audit plan; to review the Company's compliance with legal and regulatory requirements; and to review the Company's auditing, accounting and financial processes generally. The Company's Board of Directors adopted a written charter for the Audit Committee. A copy of the Audit Committee Charter was attached to the Company's proxy statement prepared in connection with the Company's 2005 annual meeting of stockholders. The Audit Committee met four times during the year ended June 30, 2006.

***Nominating/Corporate Governance Committee.*** The Board of Directors' Nominating/Corporate Governance Committee nominates directors to be voted on at the Annual Meeting and recommends nominees to fill any vacancies on the Board of Directors. The Nominating/Corporate Governance Committee consists of Directors Ecton (Chairman), Gorman and Regan. The members of the Nominating/Corporate Governance Committee are independent directors as defined in Nasdaq listing standards. The Board of Directors has adopted a Charter for the Nominating/Corporate Governance Committee a copy of which was attached to the Company's proxy statement prepared in connection with the Company's 2005 annual meeting of stockholders. The Nominating/Corporate Governance Committee met once during the fiscal year ended June 30, 2006.

It is the policy of the Nominating/Corporate Governance Committee to consider director candidates recommended by security holders who appear to be qualified to serve on the Company's Board of Directors. Any stockholder wishing to recommend a candidate for consideration by the Nominating/Corporate Governance Committee as a possible director nominee for election at an upcoming annual meeting of stockholders must provide written notice to the Nominating/Corporate Governance Committee of such stockholder's recommendation of a director nominee no later than July 1 preceding the annual meeting of stockholders. Notice should be provided to: Roy L. Pulliam, Jr., Secretary, Kentucky First Federal Bancorp, P.O. Box 1069, Hazard, Kentucky 41702-1069. Such notice must contain the following information:

The name of the person recommended as a director candidate;

All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934;

The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

As to the shareholder making the recommendation, the name and address, as he or she appears on the Company's books, of such shareholder; provided, however, that if the shareholder is not a registered holder of the Company's common stock, the shareholder should submit his or her name and address, along with a current written statement from the record holder of the shares that reflects ownership of the Company's common stock; and

A statement disclosing whether such shareholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In its deliberations, the Nominating/Corporate Governance Committee considers a candidate's personal and professional integrity, knowledge of the banking business and involvement in community, business and civic affairs, and also considers whether the candidate would provide for adequate representation of the Bank's market area. Any nominee for director made by the Nominating/Corporate Governance Committee must be highly qualified with regard to some or all the attributes listed in the preceding sentence. In searching for qualified director candidates to fill vacancies in the Board, the Nominating/Corporate Governance Committee solicits the Company's then current directors for the names of potential qualified candidates. Moreover, the Nominating/Corporate Governance Committee may ask its directors to pursue their own business contacts for the names of potentially qualified candidates. The Nominating/Corporate Governance Committee would then consider the potential pool of director candidates, select a candidate based on the candidate's qualifications and the Board's needs, and conduct a thorough investigation of the proposed candidate's background to ensure there is no past history that would cause the candidate not to be qualified to serve as a director of the Company. In the event a stockholder has submitted a proposed nominee, the Nominating/Corporate Governance Committee would consider the proposed nominee in the same manner in which the Nominating/Corporate Governance Committee would evaluate nominees for director recommended by directors.

With respect to nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's Board and committee attendance and performance, length of Board service, experience, skills and contributions that the existing director brings to the Board and independence.

**Compensation Committee.** The Compensation Committee consists of Directors Ecton, Gorman and Regan (Chairman). The Committee evaluates the compensation and fringe benefits of the directors, officers and employees and recommends changes. The Compensation Committee met three times during the year ended June 30, 2006.

**Board Policies Regarding Communications with the Board of Directors and Attendance at Annual Meetings.** The Board of Directors maintains a process for stockholders to communicate with the Board of Directors. Stockholders wishing to communicate with the Board of Directors should send any communication to Roy L. Pulliam, Jr., Secretary, Kentucky First Federal Bancorp, P.O. Box 1069, Hazard, Kentucky 41702-1069. All communications that relate to matters that are within the scope of the responsibilities of the Board and its Committees are to be presented to the Board no later than its next regularly scheduled meeting. Communications that relate to matters that are within the responsibility of one of the Board Committees are also to be forwarded to the Chair of the appropriate Committee. Communications that relate to ordinary business matters that are not within the scope of the Board's responsibilities, such as customer complaints, are to be sent to the appropriate officer. Solicitations, junk mail and obviously frivolous or inappropriate communications are not to be forwarded, but will be made available to any director who wishes to review them.

Directors are expected to prepare themselves for and to attend all Board meetings, the Annual Meeting of Stockholders and the meetings of the Committees on which they serve, with the understanding that on occasion a director may be unable to attend a meeting. All directors attended the Company's annual meeting held on November 15, 2005.

#### **Compensation Committee Report on Executive Compensation**

**Overview and Philosophy** The Company's executive compensation policies are established by the Compensation Committee of the Board of Directors (the Committee). The Committee is responsible for developing the Company's executive compensation policies. The Committee's objectives in designing and administering the specific elements of the Company's executive compensation program are as follows:

To link executive compensation rewards to increases in stockholder value, as measured by favorable long-term operating results and continued strengthening of the Company's financial condition.

To provide incentives for executive officers to work towards achieving successful annual results as a step in achieving the Company's long-term operating results and strategic objectives.

To maintain a competitive mix of total executive compensation, with particular emphasis on awards related to increases in long-term stockholder value.

To attract and retain top performing executive officers for the long-term success of the Company.

In furtherance of these objectives, the Committee has determined that there may be four specific components of executive compensation: base salary, a cash bonus, routine fringe benefits, and stock benefit plans.

**Base Salary.** The Committee makes recommendations to the Board concerning executive compensation on the basis of performance, experience, and retention goals. Surveys of salaries paid to executive officers of other savings and loan holding companies, non-diversified savings institutions and other financial institutions similar in size, market capitalization and other characteristics may be used to insure that salaries are competitive with salaries paid by the Company's peers.

**Bonus.** The Company may pay a discretionary bonus on an annual basis. Whether bonuses are paid each year and the amount of such bonuses are determined by the Committee. Bonuses may be used to meet the Committee's goals for retention of executives, or they may be structured so that they reward specific performance goals either for the individual or for the Company as set forth by the Board of Directors. The absence of such a bonus does not indicate an officer's failure to achieve such a performance goal. Currently, the Company does not have any plans for a performance-based incentive bonus. However, each subsidiary Bank may also pay its employees bonuses based either upon certain incentives or as a routine annual bonus. While a bonus may be routine, it is not guaranteed and the Board of the subsidiary Bank may choose not to pay the bonus for any reason. Executive Officers of the Company may participate in such bonus plans with their subsidiary Bank to the same extent all employees participate.

**Routine Fringe Benefits.** Each officer of the Company is also an employee of one of the subsidiary Banks and, as such, is entitled to participate in benefit plans and programs offered to all employees by the Bank of his or her employment. These programs may include retirement plans, health insurance plans, provision of an automobile, entitlement to paid vacation, etc.

**Stock Benefit Plans.** In addition, the Committee believes that stock-related award plans are an important element of compensation since they provide executives with incentives linked to the performance of the Common Stock. Accordingly, the Board of Directors has adopted the 2005 Equity Incentive Plan (the "2005 Plan"), which was approved by stockholders at the 2005 Annual Meeting.

Under the 2005 Plan, the Company reserved for issuance 421,216 shares of Common Stock that may be issued pursuant to stock options. The Committee believes that stock options are an important element of compensation because they provide executives with incentives linked to the performance of the Common Stock. Options are granted with an exercise price equal to the market value of the Common Stock on the date of grant, and thus acquire value only if the Company's stock price increases. In addition, under the 2005 Plan, the Company reserved for issuance as restricted stock awards 168,486 shares of common stock. The Company intends to award stock options and restricted stock as a means of providing employees the opportunity to acquire a proprietary interest in the Company and to link their interests with those of the Company's stockholders.

#### **Compensation of Chief Executive Officer**

Mr. Whitaker's base salary is established in accordance with the terms of the employment agreements entered into between the Company and First Federal of Hazard and Mr. Whitaker. See -- Executive Compensation -- Employment Agreements. The Committee determines Mr. Whitaker's compensation on the basis of several factors. In determining Mr. Whitaker's base salary, the Committee reviewed compensation paid to chief executive officers of similarly situated savings institutions and non-diversified savings institutions and other financial institutions of similar asset size. The Committee believes that Mr. Whitaker's base salary is generally competitive with the average salary paid to executives of similar rank and expertise at banking institutions which the Committee considered to be comparable and taking into account Kentucky First Federal Bancorp's complex operations and First Federal of Hazard's superior performance relative to comparable institutions.

The Committee believes that the Company's executive compensation program serves the Company and its stockholders by providing a direct link between the interests of executive officers and those of stockholders generally and by helping to attract and retain qualified executive officers who are dedicated to the long-term success of the Company.

Members of the Compensation Committee

Herman D. Regan, Jr. (Chairman)

Walter G. Ecton, Jr.

William D. Gorman

**Comparative Stock Performance Graph**

The Common Stock commenced trading on the Nasdaq National Market on March 3, 2005. The graph and table which follow show the cumulative total return on the Common Stock for the period from March 3, 2005 through the fiscal year ended June 30, 2006 with (1) the total cumulative return of all companies whose equity securities are traded on the Nasdaq Stock Market, and (2) the total cumulative return of savings institutions and savings institution holding companies as indicated by America's Community Bankers Index traded on the Nasdaq Stock Market. The comparison assumes \$100 was invested on March 3, 2005 in the Common Stock and in each of the foregoing indices and assumes reinvestment of dividends. The stockholder returns shown on the performance graph are not necessarily indicative of the future performance of the Common Stock or of any particular index.

**CUMULATIVE TOTAL STOCKHOLDER RETURN  
COMPARED WITH PERFORMANCE OF SELECTED INDEXES  
March 3, 2005 to June 30, 2006**

**COMPARISON OF CUMULATIVE TOTAL RETURN\***  
**AMONG KENTUCKY FIRST FEDERAL BANCORP,**  
**THE NASDAQ STOCK MARKET (U.S.) INDEX AND AMERICA S COMMUNITY BANKERS INDEX**

	<u>3/3/05</u>	<u>6/30/05</u>	<u>6/30/06</u>
KENTUCKY FIRST FEDERAL BANCORP	100.00	102.84	102.04
NASDAQ STOCK MARKET (U.S. & FOREIGN)	100.00	95.34	117.28
AMERICA S COMMUNITY BANKERS	100.00	101.04	109.25

**Executive Compensation**

**Summary Compensation Table.** The following information is provided for Tony D. Whitaker, Chairman of the Board and Chief Executive Officer and Don D. Jennings, President and Chief Operating Officer. Messrs. Whitaker and Jennings are the only executive officers who received salary and bonus totaling \$100,000 or more during fiscal 2006.

				Long-Term Compensation		
				Awards (2)		
Annual Compensation						
				Other Annual Compensation (1)	Restricted Stock Award(s)	Secur Under Opti
Salary	Bonus					
\$ 164,400	\$ 22,050			\$ 8,639	\$ 424,200	10
154,800	20,250			7,200		

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND  
CORPORATE GOVERNANCE**

**Directors and Executive Officers**

Our directors and executive officers are as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Cory Lipoff	58	Chief Executive Officer
James A. Mitarotonda	61	Chairman of the Board

Jared L. Landaw	50	Secretary and Director
Jeffrey B. Hecktman	61	Director
Robert Mettler	74	Director
Frank R. Mori	74	Director
Jeffrey D. Nuechterlein	58	Director

**Cory Lipoff** has served as our Chief Executive Officer since May 1, 2015. Mr. Lipoff has been a trusted and passionate advisor to retailers on strategic and financial performance issues for over 30 years. He currently serves as Executive Vice President and a Principal in Hilco Merchant Resources, a division of Hilco Global, and a respected advisor to retail companies. He has assisted numerous retailers around the world to create significant shareholder value across all key retail sectors, including department store, specialty apparel and hard lines, big box and grocery. A recognized expert in bankruptcy, corporate reorganization and restructurings, Mr. Lipoff specializes in structuring and implementing sophisticated asset redeployment strategies for retailers. Prior to joining Hilco in 2000, Mr. Lipoff was a Partner in bankruptcy/commercial law at Jones-Day and has served as Chairman of the Compensation Committee on the board of directors of Loehmann's and has served on the board of advisors for the University of Florida, Miller Retail Center.

We believe that Mr. Lipoff is well qualified to serve as our Chief Executive Officer based on his experience advising retail and other consumer focused businesses, the considerable resources he brings to bear as the Executive Vice President of Hilco Merchant Resources and his legal expertise.

**James A. Mitarotonda** has served as our Chairman of the Board since our inception. From the inception of the Company through May 1, 2015, Mr. Mitarotonda also served as our Chief Executive Officer. Mr. Mitarotonda is Chairman of the Board, President and Chief Executive Officer of Barington Capital Group, L.P., an investment management firm that he co-founded in November 1991. Mr. Mitarotonda is also Chairman of the Board, President and Chief Executive Officer of Barington Companies Investors, LLC, the general partner of Barington Companies Equity Partners, L.P., a value-oriented activist investment fund. Mr. Mitarotonda currently serves as a director of A. Schulman, Inc., where he serves on the Compensation Committee and the Strategic Committee, and The Pep Boys — Manny, Moe & Jack, where he serves on the Compensation Committee and the Nominating and Governance Committee and was the Chairman of the Board from July 2008 until June 2009. During the past five years, he also served as a director of The Jones Group, Inc., Ameron International Corporation, Griffon Corporation and Gerber Scientific, Inc. He is also a former director of Register.com, Inc. and Sielox, Inc. Mr. Mitarotonda also serves as the Chairman of the Business Advisory Board of Queens College.

We believe that Mr. Mitarotonda is well qualified to serve as a director of the Company based on his public company director experience, his investment banking expertise and his experience investing in consumer focused companies.

**Jared L. Landaw** has served as our Secretary and a member of our board since our inception. Mr. Landaw is the Chief Operating Officer and General Counsel of Barington where he has been employed since 2004. From 1998 until 2003, Mr. Landaw worked at International Specialty Products Inc., or ISP, a manufacturer of specialty chemicals and performance enhancing products, where he was the Vice President of Law. At ISP, Mr. Landaw was responsible for, among other things, handling all merger and acquisition and strategic transactions and was the recipient of the Chairman's Award for "outstanding work and notable contribution to the affairs of the Company." Prior to that, he was an attorney in the Mergers & Acquisitions Practice Group at the law firm Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Landaw currently serves as a director of Costar Technologies, Inc., where he serves as Chairman of the Nominating and Corporate Governance Committee and as a member of the Strategic Committee which oversees mergers, acquisitions and other strategic transactions. He is also a member of the Board of Trustees of Big Brothers Big Sisters of New York City, Inc.

We believe that Mr. Landaw is well qualified to serve as a director of the Company based on, among other things, his extensive experience in mergers and acquisitions and his expertise in corporate governance.

**Jeffrey B. Hecktman** has served as a director since September, 2014. Mr. Hecktman is Chairman and Chief Executive Officer of Hilco Global, an independent financial services company that helps companies maximize the value of their assets. Mr. Hecktman founded Hilco in 1987 to conduct business asset liquidations. Today, Hilco Global has expanded its services with a portfolio of twenty companies that focus on asset valuation, asset monetization, and advisory solutions for clients around the world. Mr. Hecktman is an active member of the National Retail Federation, the Commercial Finance Association, the Turnaround Management Association and the American Bankruptcy Institute.

We believe that Mr. Hecktman is well qualified to serve as a director of the Company based on his experience advising retail and other consumer focused businesses, the considerable resources he brings to bear as the Chairman and Chief Executive Officer of Hilco Global and his management experience as a chief executive officer.

**Robert Mettler** has served as a director since September, 2014. Mr. Mettler was President of Special Projects of Macy's, Inc. from February 2008 until his retirement in January 2009. He previously served as Chairman and Chief Executive Officer of Macy's West, a division of Macy's, Inc., from 2002 to 2008 and as President and Chief Operating Officer of Macy's West from 2000 to 2002. Prior to joining Macy's, Mr. Mettler held various executive positions in the retail industry, including President of Merchandising - Full Line Stores of Sears, Roebuck and Co. from 1996 to 2000, President of Apparel and Home Fashions of Sears from 1993 to 1996, and President and Chief Executive Officer of Robinson's May Company from 1987 to 1993. During the past five years, Mr. Mettler has served on the Board of Directors of Stein Mart, Inc., Quiksilver, Inc., and The Jones Group.

We believe Mr. Mettler is well qualified to serve as a director of the Company based on his experience in the retail industry, including more than 20 years in executive positions with major department stores, his merchandising and marketing expertise, and his experience as a public company director.

**Frank R. Mori** has served as a director since September, 2014. Mr. Mori is the Co-Chief Executive of Takiho, LLC, a private investment firm headquartered in New York City. From 1986 to 2000, he served as a director of Donna Karan International, Inc. and served for part of this time as the company's first Chief Executive Officer. From 1975 to 2002, he served as Chief Executive Officer and director of Anne Klein & Co., Inc. Mr. Mori has been a member of the Board of Directors of Dillard's, Inc. since 2008, where he serves as a member of the Board's Stock Option and Executive Compensation Committee. From 2002 to 2007, Mr. Mori served as a member of the Board of Directors of The Stride Rite Corporation, where he served from 2005 to 2007 as lead outside director and spearheaded the sale of the company in 2007 to Collective Brands, Inc.

We believe Mr. Mori is well qualified to serve as a director of the Company based on his broad knowledge and perspectives as an apparel manufacturer, his

sourcing and manufacturing expertise and his experience as a chief executive officer.

**Jeffrey D. Nuechterlein** has served as a director since September, 2014. In 2000, Mr. Nuechterlein founded and since inception has been Managing Partner of an investment management company now called Nue Capital LLC. Nue Capital manages public and private equity investments and frequently invests in retail and consumer focused companies. Previously, Mr. Nuechterlein served as Managing Director and Chief Investment Officer, Pension Fund Investments, at National Gypsum Company from 1997 until 2000, Senior Counsel to the U.S. Trade Representative from 1995 until 1996, was an attorney with Dewey Ballantine, LLP from 1992 until 1995, served as Special Assistant for Policy to the Governor of Virginia from 1990 to 1991, served as Counsel to the U.S. Senate's Judiciary Subcommittee on Technology from 1989 until 1990, and he practiced law with Covington & Burling from 1987 until 1989. Mr. Nuechterlein serves on the Board of Trustees of Chesapeake Lodging Trust, where he is a member of the Audit Committee and the Nominating and Corporate Governance Committee and he is Chairman of the Board of Directors of Cartica Capital, a privately-held equity manager that is focused on investments in emerging markets. In addition, he is a former member of the Board of Directors of The Jones Group, Inc., where he served on the Audit Committee. Among his non-profit activities, Mr. Nuechterlein serves on the board of Americans for Oxford, Inc. and the Classical American Homes Preservation Trust in New York, and he is a member of the Council on Foreign Relations in New York.

We believe Mr. Nuechterlein is well qualified to serve as a director of the Company based on, among other things, his experience in strategic planning, corporate finance and venture capital investing.

### **Audit Committee**

Upon the closing of the IPO, we established an audit committee of the board of directors, consisting of Jeffrey D. Nuechterlein, Robert Mettler and Frank Mori, each of whom is an independent director. Jeffrey D. Nuechterlein is the chairman of our audit committee. The audit committee's duties, which are specified in our Audit Committee Charter, include, but are not limited to:

- reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the board whether the audited financial statements should be

included in our Form 10-K;

· discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements;

· discussing with management major risk assessment and risk management policies;

· monitoring the independence of the independent auditor;

- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;

- reviewing and approving all related-party transactions;

inquiring and discussing with management our compliance with applicable laws and regulations;

pre-approving all audit services and permitted non-audit services to be performed by our independent auditor, including the fees and terms of the services to be performed;

- appointing or replacing the independent auditor;

determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;

- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies; and

- approving reimbursement of expenses incurred by our management team in identifying potential target businesses.

### **Financial Experts on Audit Committee**

The audit committee is composed exclusively of “independent directors” who are “financially literate” as defined under the Nasdaq listing standards. The Nasdaq listing standards define “financially literate” as being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.

In addition, we have certified to Nasdaq that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. The board of directors has determined that Jeffrey D. Nuechterlein qualifies as an "audit committee financial expert," as defined under rules and regulations of the SEC.

### **Code of Ethics and Audit Committee Charter**

We have adopted a Code of Ethics applicable to our directors, officers and employees. We have filed a copy of our Code of Ethics and our audit committee charter as exhibits to the registration statement associated with our IPO. You will be able to review these documents by accessing our public filings at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, a copy of the Code of Ethics will be provided without charge upon request from us. We intend to disclose any amendments to or waivers of certain provisions of our Code of Ethics in a Current Report on Form 8-K.

## **ITEM 11. EXECUTIVE COMPENSATION**

### **Executive Compensation**

No executive officer has received any cash compensation for services rendered to us. From the date of effectiveness of the IPO through December 31, 2015, we paid Barington Capital Group, L.P., an affiliate of James A. Mitarotonda, a fee of \$7,500 per month for providing us with office space and certain office and secretarial services. However, this arrangement was solely for our benefit and was not intended to provide James A. Mitarotonda compensation in lieu of a salary. Other than the \$7,500 per month administrative fee, no compensation or fees of any kind, including finder's, consulting fees and other similar fees, has been or will be paid to our sponsors, members of our management team or their respective affiliates, for services rendered prior to or in connection with the consummation of our Initial Business Combination (regardless of the type of transaction that it is). However, such individuals may receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on our behalf, such as identifying potential target businesses, performing business due diligence on suitable target businesses and business combinations as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations. There is no limit on the amount of out-of-pocket expenses reimbursable by us; provided, however, that to the extent such expenses exceed the available proceeds not deposited in

the Trust Account and the interest income earned on the amounts held in the Trust Account, such expenses would not be reimbursed by us unless we consummate an Initial Business Combination.

After our Initial Business Combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials furnished to our stockholders. It is unlikely the amount of such compensation will be known at the time of a stockholder meeting held to consider our Initial Business Combination, as it will be up to the directors of the post-combination business to determine executive and director compensation. In this event, such compensation will be publicly disclosed at the time of its determination in a Current Report on Form 8-K, as required by the SEC.

### **Compensation Committee**

Upon the effectiveness of the IPO, we established a compensation committee of the board of directors consisting of Robert Mettler, Frank Mori and Jeffrey D. Nuechterlein. Robert Mettler is the chairman of the compensation committee. The compensation committee will determine the salary, fees or other compensation (including any cash-based and equity-based compensation plans and arrangements) to be paid to our officers or directors. No salary, fees or other compensation will be paid to our officers and directors until we consummate our Initial Business Combination. Therefore, the compensation committee will not conduct any meetings until after we consummate our Initial Business Combination.

### **Compensation Committee Interlocks and Insider Participation**

Except as disclosed, none of our executive officers currently serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information regarding the beneficial ownership of our shares of Common Stock and rights as of the date of this prospectus and as adjusted to reflect the sale of our shares of Common Stock and rights included in the units offered by this prospectus (assuming none of the individuals listed purchase units in this offering), by:

each person known by us to be the beneficial owner of more than 5% of our outstanding shares of Common Stock and rights;

each of our officers and directors; and

all of our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock and rights beneficially owned by them.

<b>Name and Address of Beneficial Owner<sup>(1)</sup></b>	<b>Amount and Nature of Beneficial Ownership of Common Stock</b>	<b>Approximate Percentage of Outstanding Shares of Common Stock</b>
James A. Mitarotonda	632,758 (2)	11.2 %
Barington Companies Advisors, LLC	625,258	11.0 %
AQR Capital Management LLC	600,000 (3)	10.6 %
Polar Securities Inc.	600,000 (4)	10.6 %
Jeffrey B. Hecktman <sup>(5)</sup>	580,959 (6)	10.3 %
Hilco Global	575,959 (7)	10.2 %
Davidson Kempner Partners	398,000 (8)	7.0 %
Robert Mettler <sup>(9)</sup>	47,300	*
Frank R. Mori <sup>(10)</sup>	47,300	*
Jeffrey D. Nuechterlein <sup>(11)</sup>	47,300	*
Jared L. Landaw	12,845	*
All directors and executive officers as a group (six individuals)	1,368,462	24.2 %

\* Less than 1%

(1) Unless otherwise indicated, the business address of each of the individuals is 888 Seventh Avenue, 17th Floor, New York, NY 10019.

(2) Includes the shares of Common Stock beneficially owned by Barington Companies Advisors, LLC, an affiliate of Barington Capital Group, L.P., of which James A. Mitarotonda, as Managing Member, has sole voting and investment power.

(3) The business address of AQR Capital Management LLC is Two Greenwich Plaza, Greenwich, CT 06830.

(4) The business address of Polar Securities Inc. is 401 Bay Street, Suite 1900, PO Box 19, Toronto, Ontario M5H 2Y4, Canada.

(5) The business address of Mr. Hecktman is 5 Revere Drive, Suite 2056, Northbrook, IL 60062.

(6) Includes the shares of Common Stock beneficially owned by Hilco Global and Hilco Merchant Resources, of which Jeffrey B. Hecktman has sole voting and investment power.

(7) Includes the shares of Common Stock beneficially owned by Hilco Merchant Resources, LLC, an affiliate of Hilco Global, of which Hilco Global has sole voting and investment power.

(8) The business address of Davidson Kempner Capital Management LP is 65 East 55<sup>th</sup> Street, 19<sup>th</sup> Floor, New York, NY 10022.

(9) The business address of Mr. Mettler is P.O. Box 1209, Rancho Santa Fe, CA 92067.

(10)

The business address of Mr. Mori is 64 Turkey Hill Road South, Westport, CT 06880.

- (11) The business address of Mr. Nuechterlein is 204 South Union Street, Alexandria, VA 22314.

**ITEM CERTAIN RELATIONSHIPS AND RELATED  
13. TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

**Insider Shares**

In September and October 2014, the Company issued 1,150,000 shares of Common Stock to its sponsors (the “Insider Shares”) for an aggregate purchase price of \$25,000. The 1,150,000 Insider Shares included an aggregate of up to 150,000 shares subject to forfeiture to the extent that the underwriters’ over-allotment was not exercised in full or in part, so that the Company’s sponsors would collectively own 20% of the Company’s issued and outstanding shares after the IPO (excluding the shares underlying the Private Units). As a result of the underwriters’ election to exercise their over-allotment option to purchase 293,069 Units on February 11, 2015 (see Note 6 to the Financial Statements), 73,267 Insider Shares are no longer subject to forfeiture. The underwriters elected not to exercise the remaining portion of the over-allotment option; accordingly, 76,733 Insider Shares were forfeited.

### **Private Placement**

Simultaneously with the IPO, the Company's sponsors and EBC purchased 295,000 Private Units (285,000 Units by the Company's sponsors and 10,000 Units by EBC) at a price of \$10.00 per Unit (\$2,950,000 in the aggregate) from the Company in a private placement. The proceeds from the Private Units were added to the net proceeds from the IPO held in the Trust Account. The Private Units are identical to the Units sold in the IPO, except for the private warrants ("Private Warrants"), as described in Note 8 to the Financial Statements. In addition, the holders of the Common Stock underlying the Private Units have agreed (a) to vote such shares in favor of an Initial Business Combination, (b) not to propose, or vote in favor of, an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Initial Business Combination activities prior to the consummation of such Initial Business Combination, unless the Company provides dissenting stockholders with the opportunity to convert such shares in connection with any such vote, (c) not to convert such shares into the right to receive cash from the Trust Account in connection with a stockholder vote to approve the Company's proposed Initial Business Combination or a vote to amend the provisions of the Company's amended and restated certificate of incorporation relating to stockholders' rights or pre-Initial Business Combination activity and (d) that such shares shall not participate in any liquidating distribution upon winding up if an Initial Business Combination is not consummated. Additionally, the holders have agreed not to transfer, assign or sell any of the Private Units or underlying securities (except to certain permitted transferees and provided the transferees agree to the same terms and restrictions as the permitted transferees of the Insider Shares must agree to) until the completion of the Initial Business Combination. If the Company does not complete an Initial Business Combination, the Private Warrants and the Private Rights will expire worthless.

### **Administrative Services Agreement**

The Company entered into an Administrative Services Agreement pursuant to which the Company paid Barington Capital Group, L. P., an affiliate of James A. Mitarotonda, the Company's Chairman of the Board, a total of \$7,500 per month for office space, utilities and support commencing on February 11, 2015. The Company paid \$75,000 in fees for the year ended December 31, 2015. The Company ceased being charged and paying these fees effective January 1, 2016.

### **Promissory Notes**

The Company entered into promissory notes with affiliates of certain of its sponsors, whereby the affiliates, Barington Capital Group, L.P. and Hilco Global, loaned the Company an aggregate of \$120,000 (“Promissory Notes”) to be used for the payment of expenses related to the IPO. The Promissory Notes were non-interest bearing, unsecured and due on the earlier of (i) September 29, 2015, (ii) the date on which the Company consummated its IPO or (iii) the date on which the Company determined to not proceed with the IPO. The Promissory Notes were repaid on February 12, 2015.

In order to meet the Company’s working capital needs following the consummation of the IPO, the Company’s sponsors, officers and directors or their affiliates may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan would be evidenced by a promissory note. The notes either would be paid upon consummation of the Initial Business Combination, without interest, or, at the lender’s discretion, up to \$500,000 of the notes may be converted upon consummation of an Initial Business Combination into additional Private Units at a price of \$10.00 per Unit.

### **Director Independence**

Currently Jeffrey B. Hecktman, Robert Mettler, Frank R. Mori and Jeffrey D. Nuechterlein are each considered an “independent director” under the Nasdaq listing rules, which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company’s board of directors would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director.

We will only enter into an Initial Business Combination if it is approved by a majority of our independent directors. Additionally, we will only enter into transactions with our officers and directors and their respective affiliates that are on terms no less favorable to us than could be obtained from independent parties. Any related-party transactions must be approved by our audit committee and a majority of disinterested directors.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The firm of Marcum LLP acted as our independent registered public accounting firm during the years ended December 31, 2015 and 2014. The following is a summary of fees paid to Marcum LLP for services rendered.

*Audit Fees*

During the years ended December 31, 2015 and 2014, audit fees for our independent registered public accounting firm were \$65,515 and \$10,000, respectively. Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by Marcum LLP in connection with regulatory filings.

*Audit-Related Fees*

We did not receive audit-related services that are not reported as audit fees for the years ended December 31, 2015 and 2014.

*Tax Fees*

During the years ended December 31, 2015 and 2014, our independent registered public accounting firm did not render any fees for tax services to us.

*All Other Fees*

During the years ended December 31, 2015 and 2014, fees billed for services provided by our independent registered public accounting firm other than those set forth above amounted to \$120,002 and \$0, respectively.

**Audit Committee Pre-Approval Policies and Procedures**

Our audit committee, on at least an annual basis, reviews audit and non-audit services performed by Marcum LLP as well as the fees charged by Marcum LLP for such services. Our policy is that all audit and non-audit services must

be pre-approved by the audit committee. All of such services and fees were pre-approved during the year ended December 31, 2015.

## PART IV

### ITEM 15. Exhibits, Financial Statement Schedules.

Exhibit No.	Description
1.1	Form of Underwriting Agreement. †
1.2	Merger and Acquisition Agreement. †
3.1	Certificate of Incorporation.*
3.2	Amended and Restated Certificate of Incorporation.†
3.3	Bylaws.*
4.1	Specimen Unit Certificate.**
4.2	Specimen Common Stock Certificate.**
4.3	Specimen Rights Certificate.**
4.4	Specimen Warrant Certificate.**
4.5	Form of Warrant Agreement.**
4.6	Form of Right Agreement.**
4.7	Form of Unit Purchase Option to be issued to EarlyBirdCapital, Inc. †
10.1	Form of Letter Agreement among the Company, EarlyBirdCapital, Inc. and each of the Company's Officers, Directors and Sponsors.**
10.2	Form of Investment Management Trust Agreement between Continental Stock Transfer & Trust Company and the Company.**
10.3	Form of Escrow Agreement between the Company, Continental Stock Transfer & Trust Company and the Initial Stockholders.**
10.4	Form of Letter Agreement between Barington Capital Group, L.P. and Registrant regarding administrative support.**
10.5	Form of Promissory Note issued to each of Barington Companies Advisors, LLC and Hilco Global.*
10.6	Form of Registration Rights Agreement among the Company and the Sponsors and EarlyBirdCapital, Inc.**
10.7	Form of Subscription Agreements among the Company, Kramer Levin Naftalis & Frankel LLP and the Purchasers of Private Units.**
10.8	Form of Subscription Agreements among the Company, Kramer Levin Naftalis & Frankel LLP and EarlyBird Capital, Inc. †
14	Code of Ethics.**
24	Power of Attorney (included on signature page of this Annual Report).
31	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
99.1	Form of Audit Committee Charter.**
99.2	Form of Nominating Committee Charter.**

101.INS XBRL Instance Document  
101.SCH XBRL Taxonomy Extension Schema  
101.CAL XBRL Taxonomy Extension Calculation Linkbase  
101.DEF XBRL Taxonomy Extension Definition Linkbase  
101.LAB XBRL Taxonomy Extension Label Linkbase  
101.PRE XBRL Taxonomy Extension Presentation Linkbase

\*Incorporated by reference to the Registration Statement on Form S-1 filed by the Company with the Commission on November 13, 2014.

\*\* Incorporated by reference to the Registration Statement on Form S-1/A filed by the Company with the Commission on January 27, 2015.

† Incorporated by reference to the Registration Statement on Form S-1/A filed by the Company with the Commission on February 5, 2015.

## **SIGNATURES**

Pursuant to the requirements of the Section 13 or 15 or 15(d) 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 on the 29<sup>th</sup> day of March, 2016.

### **BARINGTON/HILCO ACQUISITION CORP.**

By: /s/ Cory Lipoff

Name: Cory Lipoff

Title: Chief Executive Officer

(Principal executive officer and  
principal financial and accounting officer)

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Cory Lipoff and Jared L. Landaw his true and lawful attorney-in-fact, with full power of substitution and substitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this annual report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Name	Position	Date
/s/ Cory Lipoff	Chief Executive Officer	
Cory Lipoff	(Principal executive officer and principal financial and accounting officer)	March 29, 2016
/s/ James A. Mitarotonda		
James A. Mitarotonda	Chairman	March 29, 2016
/s/ Jared L. Landaw		
Jared L. Landaw	Secretary and Director	March 29, 2016
/s/ Jeffrey B. Hecktman		
Jeffrey B. Hecktman	Director	March 29, 2016
/s/ Robert Mettler		
Robert Mettler	Director	March 29, 2016

/s/ Frank R. Mori

Frank R. Mori      Director

March 29,  
2016

/s/ Jeffrey D.

Nuechterlein

Jeffrey D.

Nuechterlein

Director

March 29,  
2016

**BARINGTON/HILCO ACQUISITION CORP.**

**INDEX TO FINANCIAL STATEMENTS**

<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Balance Sheets</u>	F-3
<u>Statements of Operations</u>	F-4
<u>Statements of Changes in Stockholders' Equity</u>	F-5
<u>Statements of Cash Flows</u>	F-6
<u>Notes to Financial Statements</u>	F-7 to F-15

F-1

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING  
FIRM**

To the Audit Committee of the Board of Directors and Shareholders  
of Barington/Hilco Acquisition Corp.

We have audited the accompanying balance sheets of Barington/Hilco Acquisition Corp. (the “Company”) as of December 31, 2015 and 2014 and the related statements of operations, changes in stockholders’ equity and cash flows for the year ended December 31, 2015 and for the period from July 24, 2014 (inception) through December 31, 2014. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barington/Hilco Acquisition Corp. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year ended December 31, 2015 and for the period from July 24, 2014 (inception) through December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, there is substantial doubt about the ability of the Company to continue as a going concern at December 31, 2015. Management's plans in regard to this matter are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Marcum LLP

Marcum LLP

New York, NY

March 29, 2016

F-2

**BARINGTON/HILCO ACQUISITION CORP.****Balance Sheets**

	December 31	
	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$199,436	\$63,937
Prepaid expenses	50,670	-
Total Current Assets	250,106	63,937
Cash and securities held in Trust Account	43,646,683	-
Deferred offering costs	-	80,345
<b>TOTAL ASSETS</b>	<b>\$43,896,789</b>	<b>\$144,282</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$80,095	\$966
Promissory notes - related parties	-	120,000
Total Liabilities	80,095	120,966
<b>Commitments and Contingencies</b>		
Common Stock subject to possible redemption, 3,817,993 and 0 shares at redemption value as of December 31, 2015 and 2014, respectively	38,816,693	-
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value; 1,000,000 authorized, none issued and outstanding	-	-
Common Stock, \$0.0001 par value; 11,000,000 shares authorized; 1,843,343 and 1,150,000 shares issued and outstanding (excluding 3,817,993 and 0 shares subject to possible redemption) as of December 31, 2015 and 2014, respectively	184	115
Additional paid-in capital	5,475,191	24,885
Accumulated deficit	(475,374 )	(1,684 )
Total Stockholders' Equity	5,000,001	23,316
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$43,896,789</b>	<b>\$144,282</b>

The accompanying notes are an integral part of the financial statements.

F-3

**BARINGTON/HILCO ACQUISITION CORP.**

**Statements of Operations**

	Year Ended December 31, 2015	For the Period from July 24, 2014 (inception) through December 31, 2014
Formation and operating costs	\$477,604	\$ 1,684
Loss from operations	(477,604 )	(1,684 )
Other income:		
Interest income	3,914	-
Net Loss	\$(473,690 )	\$ (1,684 )
Weighted average shares outstanding, basic and diluted	1,816,854	1,000,000
Basic and diluted net loss per common share	\$(0.26 )	\$ (0.00 )

The accompanying notes are an integral part of the financial statements.

**BARINGTON/HILCO ACQUISITION CORP.****Statement of Changes in Stockholders' Equity**

**For the year ended December 31, 2015 and for the period from July 24, 2014 (inception) through December 31, 2014**

	Common Stock Shares	Amount	Additional Paid- in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance – July 24, 2014 (Inception)	-	\$-	\$-	\$-	\$-
Issuance of Common Stock	1,150,000	115	24,885	-	25,000
Net loss	-	-	-	(1,684 )	(1,684 )
Balance – December 31, 2014	1,150,000	115	24,885	(1,684 )	23,316
Sale of 4,000,000 Units, net of underwriters discount and offering expenses	4,000,000	400	38,473,799	-	38,474,199
Sale of 295,000 Private Units	295,000	30	2,949,970	-	2,950,000
Unit Purchase Options issued to underwriters	-	-	100	-	100
Sale of 293,069 over-allotment Units to underwriters, net of underwriters discount and offering expenses	293,069	29	2,842,740	-	2,842,769
	(76,733 )	(8 )	-	-	-

Forfeiture of 76,733  
shares of Common  
Stock due to  
underwriters not  
exercising full  
over-allotment  
option

Common Stock subject to redemption	(3,817,993)	(382)	(38,816,311)	-	(38,816,693)
--	-------------	-------	--------------	---	--------------

Net loss	-	-	-	(473,690)	(473,690 )
----------	---	---	---	-----------	------------

Balance - December 31, 2015	1,843,343	\$184	\$5,475,191	\$(475,374)	\$5,000,001
--------------------------------	-----------	-------	-------------	-------------	-------------

The accompanying notes are an integral part of the financial statements.

F-5

**BARINGTON/HILCO ACQUISITION CORP.****Statements of Cash Flows**

	Year Ended December 31, 2015	For the Period from July 24, 2014 (inception) through December 31, 2014
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (473,690 )	\$ (1,684 )
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest earned on Trust Account	(3,914 )	-
Changes in operating assets and liabilities:		
Prepaid expenses	(50,670 )	-
Accounts payable and accrued expenses	79,129	-
Accrued formation and offering costs	80,345	966
Net cash used in operating activities	(368,800 )	(718 )
<b>Cash Flows from Investing Activities:</b>		
Investment of cash and securities held in trust	(43,642,769 )	-
Net cash used in investing activities	(43,642,769 )	-
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of Common Stock to sponsors	-	25,000
Proceeds from sale of Units, net of underwriting discounts paid	38,800,000	-
Proceeds from sale of Private Units	2,950,000	-
Proceeds from sale of over-allotment Units, net of underwriting discounts paid	2,842,769	-
Proceeds from sale of Unit Purchase Option	100	-
Payment of offering costs	(325,801 )	(80,345 )
Proceeds from promissory notes - related parties	-	120,000
Repayment of promissory notes - related parties	(120,000 )	-
Net cash provided by financing activities	44,147,068	64,655
Net Change in Cash and Cash Equivalents	135,499	63,937

Edgar Filing: Kentucky First Federal Bancorp - Form DEF 14A

Cash and Cash Equivalents - Beginning	63,937	-
Cash and Cash Equivalents - Ending	\$ 199,436	\$ 63,937

The accompanying notes are an integral part of these financial statements.

F-6

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Barington/Hilco Acquisition Corp. (the “Company”) is a blank check company incorporated in Delaware on July 24, 2014. The Company was formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, with one or more businesses or entities (“Business Combination”).

At December 31, 2015, the Company had not yet commenced any operations. All activity through December 31, 2015 relates to the Company’s formation, its Initial Public Offering, which is described below, and identifying a target company for a Business Combination.

The registration statement for the Company’s initial public offering (“IPO”) was declared effective on February 5, 2015. The Company consummated the IPO of 4,000,000 units (“Units”) at \$10.00 per Unit on February 11, 2015, generating gross proceeds of \$40,000,000, which is described in Note 4.

Simultaneously with the closing of the IPO, the Company consummated the sale of 295,000 Units (“Private Units”) at a price of \$10.00 per Unit in a private placement to the Company’s sponsors and EarlyBirdCapital, Inc. (“EBC”), generating gross proceeds of \$2,950,000, which is described in Note 5.

Following the closing of the IPO on February 11, 2015, an amount of \$40,800,000 (\$10.20 per Unit) from the net proceeds of the sale of the Units in the IPO and the Private Units was placed in a trust account (“Trust Account”) and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “1940 Act”),

with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (c)(2), (c)(3) and (c)(4) of Rule 2a-7 of the 1940 Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the Trust Account as described below.

On February 11, 2015, EBC notified the Company of its election to exercise its over-allotment option to the extent of 293,069 Units. The sale of the additional Units closed on February 18, 2015 at \$10.00 per Unit, generating total gross proceeds of \$2,930,690. Following the closing of the over-allotment, an additional \$2,842,769 of net proceeds was placed in the Trust Account, resulting in \$43,642,769 (approximately \$10.17 per Unit) held in Trust Account.

Transaction costs amounted to \$1,613,722, consisting of \$1,287,921 of underwriting fees and \$325,801 of Initial Public Offering costs. In addition, as of December 31, 2015, cash held outside of the Trust Account amounted to \$199,436.

The Company's management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. The Company's Units are listed on the Nasdaq Capital Market ("NASDAQ"). Pursuant to the NASDAQ listing rules, the Company's Business Combination must be with a target business or businesses whose collective fair market value is equal to at least 80% of the balance in the Trust Account at the time of the execution of a definitive agreement for such Business Combination. There is no assurance that the Company will be able to successfully effect a Business Combination.

The Company, after signing a definitive agreement for the acquisition of one or more target businesses or assets, may seek stockholder approval of a Business Combination at a meeting called for such purpose at which stockholders may seek to convert their shares, regardless of whether they vote for or against a Business Combination. In the event that the Company is required to seek stockholder approval in connection with a Business Combination, the Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,001 upon such consummation and a majority of the outstanding shares that are voted are voted in favor of the Business Combination. In connection with such a vote, the Company will provide its stockholders with the opportunity to convert their shares of Common Stock upon the consummation of a Business Combination for a

pro-rata portion of the amount then in the Trust Account (initially approximately \$10.17 per share if the Company has not elected to extend the time available to complete a Business Combination, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company or necessary to pay its taxes). The Company's sponsors, officers and directors have agreed, in the event the Company is required to seek stockholder approval of its Business Combination, to vote their Insider Shares (as defined in Note 7), shares underlying the Private Units and any public shares held, in favor of approving a Business Combination.

F-7

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

The Company has until 18 months from the closing of the IPO to complete a Business Combination. However, if the Company anticipates that it may not be able to consummate a Business Combination within 18 months, the Company may extend the period of time to consummate a Business Combination up to two times, each by an additional three months (for a total of up to 24 months to complete a Business Combination) ("Combination Period"). In order to extend the time available for the Company to consummate a Business Combination, the initial stockholders or their affiliates or designees must deposit into the Trust Account \$100,000 prior to the applicable deadline for each three month extension. The Company's initial stockholders and their affiliates or designees are not obligated to fund the Trust Account to extend the time for the Company to complete its Business Combination. If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purposes of winding up of its affairs; (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares which redemption will completely extinguish such holders' rights as stockholders, including the right to receive further liquidation distributions, if any; and (iii) as promptly as possible following such redemption, subject to the approval of the Company's remaining holders of Common Stock and the Company's board of directors, dissolve and liquidate the balance of its net assets to its remaining stockholders, as part of the Company's plan of dissolution and liquidation. The Company will pay the costs of any subsequent liquidation from its remaining assets outside of the Trust Account. If such funds are insufficient, certain of the Company's sponsors have agreed to pay the funds necessary to complete such liquidation (in an amount not to exceed \$15,000) and have agreed not to seek repayment for such expenses.

In connection with the redemption of 100% of the Company's outstanding public shares for a portion of the funds held in the Trust Account, each holder will receive a full pro rata portion of the amount then in the Trust Account, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company for its working capital requirements or necessary to pay the Company's taxes payable. Holders of rights and warrants will receive no proceeds in connection with the liquidation with respect to such rights and warrants, which will expire worthless.

## **NOTE 2. LIQUIDITY AND GOING CONCERN**

As of December 31, 2015, the Company had \$199,436 in its operating bank accounts, \$43,646,683 in cash and securities held in the Trust Account to be used for a Business Combination or to repurchase or convert its Common Stock in connection therewith and working capital of \$170,011. As of December 31, 2015, \$3,914 of the amount on deposit in the Trust Account represented interest income, which is available to for working capital purposes and to pay the Company's tax obligations. Since inception, the Company has not withdrawn any interest income from the Trust Account.

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination.

The Company may need to raise additional capital through loans or additional investments from its Sponsors, stockholders, officers, directors, or third parties. The Company's officers, directors and Sponsors may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs.

None of the sponsors, stockholders, officers or directors, or third parties is under any obligation to advance funds to, or to invest in, the Company. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

## **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Emerging growth company***

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

F-8

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

***Basis of presentation***

The accompanying financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

***Use of estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future events. Accordingly, the actual results could differ significantly from those estimates.

***Cash and cash equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2015.

***Cash and securities held in Trust Account***

At December 31, 2015, the assets held in the Trust Account were held in cash and U.S. Treasury Bills.

***Common Stock subject to redemption***

The Company accounts for its Common Stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common Stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable Common Stock (including Common Stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, Common Stock is classified as stockholders’ equity. The Company’s Common Stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2015, the Common Stock subject to possible redemption in the amount of \$38,816,693 (or 3,817,993 shares) is presented as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheet.

***Deferred Offering Costs***

Deferred offering costs consisted principally of legal, accounting and underwriting costs incurred through the balance sheet date that were directly related to the IPO. Offering costs amounting to \$1,613,722 were charged to stockholder's equity upon completion of the IPO.

***Net loss per share***

The Company complies with accounting and disclosure requirements of ASC Topic 260, "Earnings Per Share." Net loss per share is computed by dividing net loss by the weighted average number of shares of Common Stock outstanding during the period. Weighted average shares as of December 31, 2014 were reduced for the effect of an aggregate of 150,000 shares that were subject to forfeiture if the over-allotment was not exercised by the underwriters. As a result of the underwriters' election to exercise their over-allotment option on February 11, 2015, 73,267 Insider Shares were no longer subject to forfeiture and are therefore included in the calculation of basic net loss per share as of December 31, 2015. Common stock subject to possible redemption at December 31, 2015 have been excluded from the calculation of basic net loss per share since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. At December 31, 2015, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into Common Stock and then share in the earnings of the Company. The Company has not considered the effect of warrants to purchase shares of Common Stock and rights that convert into shares of Common Stock in the calculation of diluted loss per share, since the exercise of the warrants and the conversion of the rights into shares of Common Stock is contingent upon the occurrence of future events. As a result, diluted loss per share is the same as basic loss per share for the periods presented.

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

***Income taxes***

The Company complies with the accounting and reporting requirements of ASC Topic 740, "Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2015. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position over the next twelve months.

The Company may be subject to potential income tax examinations by federal or state authorities. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws.

The Company's policy for recording interest and penalties associated with audits is to record such expense as a component of income tax expense. There were no amounts accrued for penalties or interest as of December 31, 2015 and 2014.

***Concentration of credit risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. At December 31, 2015, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

***Fair value of financial instruments***

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature.

***Recent Accounting Pronouncements***

In August 2014, the Financial Accounting Standards Board issued ASU 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in ASU 2014-15 are effective for annual reporting periods ending after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. The Company will adopt the methodologies prescribed by ASU 2014-15 by the date required, and does not anticipate that the adoption of ASU 2014-15 will have a material effect on its financial position or results of operations.

***Subsequent events***

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements were issued.

Based upon this review, the Company did not identify subsequent events that would have required adjustment or disclosure in the financial statements.

#### **NOTE 4. INITIAL PUBLIC OFFERING**

On February 11, 2015, the Company sold 4,293,069 Units at a purchase price of \$10.00 per Unit in the IPO. Each Unit consists of one share of the Company's Common Stock, \$0.0001 par value ("Common Stock"), one right ("Public Right") and one redeemable Common Stock purchase warrant ("Public Warrant"). Each Public Right will convert into one-tenth (1/10) of one share of Common Stock upon the consummation of a Business Combination (see Note 8). Each Public Warrant entitles the holder to purchase one-half share of Common Stock at an exercise price of \$12.50 per whole share (see Note 8).

F-10

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. PRIVATE PLACEMENT**

Simultaneously with the IPO, the Company's sponsors and EBC purchased 295,000 Private Units (285,000 Units by the Company's sponsors and 10,000 Units by EBC) at a price of \$10.00 per Unit (\$2,950,000 in the aggregate) from the Company in a private placement. The proceeds from the Private Units were added to the net proceeds from the IPO held in the Trust Account. The Private Units are identical to the Units sold in the IPO, except for the private warrants ("Private Warrants"), as described in Note 8. In addition, the holders of the Common Stock underlying the Private Units have agreed (a) to vote such shares in favor of a Business Combination, (b) not to propose, or vote in favor of, an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities prior to the consummation of such Business Combination, unless the Company provides dissenting stockholders with the opportunity to convert such shares in connection with any such vote, (c) not to convert such shares into the right to receive cash from the Trust Account in connection with a stockholder vote to approve the Company's proposed Business Combination or a vote to amend the provisions of the Company's amended and restated certificate of incorporation relating to stockholders' rights or pre-Business Combination activity and (d) that such shares shall not participate in any liquidating distribution upon winding up if a Business Combination is not consummated. Additionally, the holders have agreed not to transfer, assign or sell any of the Private Units or underlying securities (except to certain permitted transferees and provided the transferees agree to the same terms and restrictions as the permitted transferees of the Insider Shares must agree to) until the completion of the Business Combination. If the Company does not complete a Business Combination, the Private Warrants and the Private Rights will expire worthless.

**NOTE 6. RELATED PARTY TRANSACTIONS**

***Insider Shares***

In September and October 2014, the Company issued an aggregate of 1,150,000 shares of Common Stock to its sponsors (the “Insider Shares”) for an aggregate purchase price of \$25,000. The 1,150,000 Insider Shares included an aggregate of up to 150,000 shares subject to forfeiture to the extent that the underwriters’ over-allotment was not exercised in full or in part, so that the Company’s sponsors would collectively own 20% of the Company’s issued and outstanding shares after the IPO (excluding the shares underlying the Private Units). As a result of the underwriters’ election to exercise their over-allotment option to purchase 293,069 Units on February 11, 2015 (see Note 7), 73,267 Insider Shares were no longer subject to forfeiture. The underwriters elected not to exercise the remaining portion of the over-allotment option; accordingly, 76,733 Insider Shares were forfeited.

### ***Administrative Services Agreement***

The Company entered into an Administrative Services Agreement pursuant to which the Company paid Barington Capital Group, L. P., an affiliate of James A. Mitarotonda, the Company’s Chairman of the Board, a total of \$7,500 per month for office space, utilities and support commencing on February 11, 2015. Upon the completion of a Business Combination or the Company’s liquidation, the Company would cease paying these monthly fees. The Company paid \$75,000 in fees for the year ended December 31, 2015. The Company ceased being charged and paying these fees effective January 1, 2016. Administrative fees in the amount of \$75,000 are included in formation and operating costs in the accompanying statement of operations for the year ended December 31, 2015.

### ***Promissory Notes***

The Company entered into promissory notes with affiliates of certain of its sponsors, whereby the affiliates, Barington Capital Group, L.P. and Hilco Global, loaned the Company an aggregate of \$120,000 (“Promissory Notes”) to be used for the payment of expenses related to the IPO. The Promissory Notes were non-interest bearing, unsecured and due on the earlier of (i) September 29, 2015, (ii) the date on which the Company consummated its Initial Public Offering or (iii) the date on which the Company determined to not proceed with the IPO. The Promissory Notes were repaid on February 12, 2015.

In order to meet the Company’s working capital needs following the consummation of the IPO, the Company’s sponsors, officers and directors or their affiliates may, but are not obligated to, loan the Company funds, from

time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan would be evidenced by a promissory note. The notes either would be paid upon consummation of the Business Combination, without interest, or, at the lender's discretion, up to \$500,000 of the notes may be converted upon consummation of a Business Combination into additional Private Units at a price of \$10.00 per Unit.

## **NOTE 7. COMMITMENTS & CONTINGENCIES**

### ***Registration Rights***

Pursuant to a registration rights agreement entered into on February 5, 2015, the holders of the Insider Shares, as well as the holders of the Private Units (and underlying securities) and any shares the Company's sponsors, officers, directors or their affiliates may be issued in payment of working capital loans made to the Company, are entitled to registration rights. The holders of a majority of these securities are entitled to make up to two demands that the Company register such securities. Notwithstanding the foregoing, EBC may only exercise such demand rights on one occasion. The holders of a majority of the Insider Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of Common Stock are to be released from escrow. The holders of a majority of the Private Units or shares issued in payment of working capital loans made to the Company can elect to exercise these registration rights at any time after the Company consummates a Business Combination. In addition, the holders have certain "piggy-back" registration rights with respect to the registration statements filed subsequent to the consummation of a Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

***Underwriting Agreement***

The Company granted the underwriters a 45-day option to purchase up to 600,000 additional Units to cover over-allotments, if any, at the IPO price. On February 11, 2015, the Company received notice of the underwriter's election to exercise their over-allotment option to purchase 293,069 Units at a purchase price of \$10.00 per Unit. The remaining 306,931 Units expired unexercised by the underwriters.

The underwriters were entitled to an underwriting discount of 3.0%, or \$1,287,921, which was paid in cash at the closing of the IPO on February 11, 2015 and upon the exercise of the underwriter's over-allotment option.

***Business Combination Marketing Agreement***

The Company has engaged EBC as an advisor in connection with its Business Combination to assist the Company in holding meetings with its stockholders to discuss the potential Business Combination and the target business' attributes, introduce the Company to potential investors that are interested in purchasing the Company's securities, assist the Company in obtaining stockholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with the Business Combination. The Company will pay EBC a cash fee for such services upon consummation of the Business Combination in an amount equal to 4% of the total gross proceeds raised in the IPO (exclusive of any applicable finders' fee which might become payable) and the Company has the option to pay up to 25% of the 4% fee with shares of the Company's Common Stock priced at \$10.00 per share.

***Unit Purchase Option***

On February 11, 2015, the Company sold EBC, for \$100, an option to purchase up to a total of 200,000 Units exercisable at \$11.00 per Unit (or an aggregate exercise price of \$2,200,000) commencing on the later of the consummation of a Business Combination and February 5, 2016. The unit purchase option may be exercised for cash or on a cashless basis, at the holder's option, and expires on February 5, 2020. The Units issuable upon exercise of this option are identical to those sold in the IPO. The Company accounted for the unit purchase option, inclusive of the receipt of \$100 cash payment, as an expense of the IPO resulting in a charge directly to stockholders' equity. The Company estimates that the fair value of this unit purchase option on the grant date was approximately \$593,023 (or \$2.97 per Unit) using a Black-Scholes option-pricing model. The fair value of the unit purchase option granted to the underwriter was estimated as of the date of grant using the following assumptions: (1) expected volatility of 35%, (2) risk-free interest rate of 1.54% and (3) expected life of five years.

### ***Legal Matters***

The Company has engaged a law firm to assist the Company with its legal matters in identifying, negotiating, and consummating a Business Combination, as well as assisting with other legal matters. In the event of a successful Business Combination, the amount of fees to be paid will be agreed upon between the Company and the law firm in light of all the facts and circumstances at that point in time. If a Business Combination does not occur, the Company will not be required to pay this contingent fee. Management is unable to determine the amount of the legal fees to be paid at this time. There can be no assurance that the Company will complete a Business Combination.

### **NOTE 8. STOCKHOLDERS' EQUITY**

***Preferred Stock*** - The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share in one or more series. The Company's board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. At December 31, 2015, there are no shares of preferred stock issued or outstanding.

**Common Stock** - On January 28, 2015, the Company filed an Amended and Restated Certificate of Incorporation increasing the number of authorized shares of Common Stock from 8,500,000 shares to 11,000,000 shares. Holders of the Company's Common Stock are entitled to one vote for each common share. At December 31, 2015, there were 1,843,343 shares of Common Stock issued and outstanding (excluding 3,817,993 shares of Common Stock subject to possible redemption).

As of March 6, 2015, holders of the Company's Units were able to separately trade the Common Stock, rights and warrants included in the Units. Those Units not separated continue to trade on NASDAQ under the symbol "BHACU" and each of the underlying shares of Common Stock, rights and warrants trade on NASDAQ under the symbols "BHAC," "BHACR" and "BHACW", respectively.

**Rights** - Each holder of a right will receive one-tenth (1/10) of one share of Common Stock upon consummation of a Business Combination, even if the holder of such right converted all shares of Common Stock held by him, her or it in connection with the Business Combination or an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities. No additional consideration will be required to be paid by a holder of rights in order to receive his, her or its additional shares of Common Stock upon consummation of a Business Combination as the consideration related thereto has been included in the unit purchase price paid for by investors in the IPO. The number of shares of Common Stock issuable upon the conversion of the rights may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. Additionally, in no event will the Company be required to net cash settle the rights. Accordingly, the rights may expire worthless.

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

**Warrants** - Public Warrants may only be exercised for a whole number of shares of Common Stock. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) the consummation of a Business Combination and (b) 12 months from the effective date of the registration statement relating to the IPO. No Public Warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the Common Stock issuable upon exercise of the Public Warrants and a current prospectus relating to such shares of Common Stock. Notwithstanding the foregoing, if a registration statement covering the shares of Common Stock issuable upon the exercise of the Public Warrants is not effective within 90 days from the consummation of the Business Combination, the holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise the Public Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Public Warrants on a cashless basis. The Public Warrants will expire three years after the consummation of a Business Combination or earlier upon redemption or liquidation.

The Private Warrants are identical to the Public Warrants underlying the Units sold in the IPO, except the Private Warrants are exercisable for cash (even if a registration statement covering the Common Stock issuable upon exercise of such Private Warrants is not effective) or on a cashless basis, at the holder's option, and are not redeemable by the Company, in each case so long as they are still held by the initial stockholders or their permitted transferees.

The Company may call the warrants for redemption (excluding the Private Warrants but including any outstanding warrants issued upon exercise of the unit purchase option issued to EBC), in whole and not in part, at a price of \$.01 per warrant:

· at any time while the Public Warrants are exercisable,

·

upon not less than 30 days' prior written notice of redemption to each Public Warrant holder,  
 if, and only if, the reported last sale price of the Common Stock equals or exceeds \$17.50 per share, for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to Public Warrant holders, and  
 if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis."

The exercise price and number of shares of Common Stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of Common Stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. Accordingly, the warrants may expire worthless.

## NOTE 9. INCOME TAX

The Company's net deferred tax assets are as follows:

	December 31,	
	2015	2014
Deferred tax asset		
Net operating loss carryforward	\$122,873	\$674
Business combination search expenses	93,373	-
Total deferred tax assets	216,246	674
Valuation allowance	(216,246)	(674)
Deferred tax asset, net of allowance	\$-	\$-

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

The income tax provision (benefit) consists of the following:

	Year Ended December 31, 2015	For the Period from July 24, 2014 (inception) to December 31, 2014
Federal		
Current	\$ -	\$ -
Deferred	(160,956 )	(504 )
State		
Current	\$ -	\$ -
Deferred	(54,616 )	(170 )
Change in valuation allowance	215,572	674
Income tax provision (benefit)	\$ -	\$ -

As of December 31, 2015, the Company had U.S. federal and state net operating loss carryovers (“NOLs”) of \$269,832 available to offset future taxable income. These NOLs expire beginning in 2036. In accordance with Section 382 of the Internal Revenue Code, deductibility of the Company’s NOLs may be subject to an annual limitation in the event of a change in control as defined under the regulations.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the year ended December 31, 2015, the change in the

valuation allowance was \$215,572.

A reconciliation of the federal income tax rate to the Company's effective tax rate at December 31, 2015 and 2014 is as follows:

	Year Ended December 31, 2015		For the Period from July 24, 2014 (inception) to December 31, 2014	
Statutory federal income tax rate	(34.0	)%	(34.0	)%
State taxes, net of federal tax benefit	(11.5	)%	(11.5	)%
Change in valuation allowance	45.5	%	45.5	%
Income tax provision (benefit)	0.0	%	0.0	%

The Company files income tax returns in the U.S. federal jurisdiction in various state and local jurisdictions and is subject to examination by the various taxing authorities. The Company considers New York to be a significant state tax jurisdiction.

#### NOTE 10. FAIR VALUE MEASUREMENTS

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 1:
- Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 2:

F-14

**BARINGTON/HILCO ACQUISITION CORP.**

**NOTES TO THE FINANCIAL STATEMENTS**

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at December 31, 2015 and 2014, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	December 31, 2015	December 31, 2014
Assets:			
Cash and securities held in Trust Account	1	\$43,646,683	\$ -

F-15