

ICONIX BRAND GROUP, INC.
Form 10-K/A
April 29, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

0-10593
(Commission File Number)

ICONIX BRAND GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

11-2481903
(I.R.S. Employer Identification No.)

1450 Broadway, New York, New York 10018
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (212) 730-0030
Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---------------------------------|---|
| Common Stock, \$.001 Par Value | The NASDAQ Stock Market LLC |
| Preferred Share Purchase Rights | (NASDAQ Global Market) |

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

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

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of the close of business on June 30, 2010 was approximately \$1,031.0 million. As of April 14, 2011, 72,889,583 shares of the registrant's Common Stock, par value \$.001 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the "Amendment") amends the Annual Report on Form 10-K of Iconix Brand Group, Inc. for the fiscal year ended December 31, 2010, originally filed with the Securities and Exchange Commission ("SEC") on February 25, 2011 (the "Original Filing"). We are filing this Amendment to amend Part III of the Original Filing to include the information required by and not included in Part III of the Original Filing because we no longer intend to file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2010 and the cover page of the Amendment reflects this fact. In connection with the filing of this Amendment and pursuant to the rules of the SEC, we are including with this Amendment certain new certifications by our principal executive officer and principal financial officer. Accordingly, Item 15 of Part IV has also been amended to reflect the filing of these new certifications.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing other than as expressly indicated in this Amendment. In this Amendment, unless the context indicates otherwise, the terms "Company", "Iconix", "we", "us", "our", similar pronouns refer to Iconix Brand Group, Inc. and its consolidated subsidiaries. Other defined terms used in this Amendment but not defined herein shall have the meaning specified for such terms in the Original Filing.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following information includes information each director and executive officer has given us about his or her age, his or her principal occupation and business experience for at least the past five years, and the names of other publicly-held companies of which he or she currently serves as a director or has served as a director during the past five years. Certain individual qualifications and skills of our directors that contribute to our Board's effectiveness as a whole and what makes the individuals suitable to serve on our Board are described in the following paragraphs.

Our executive officers and directors and their respective ages and positions are as follows:

| Name | Age | Position(s) |
|---------------------------------|-----|--|
| Neil Cole | 54 | Chairman of the Board, President and Chief Executive Officer |
| Warren Clamen | 46 | Executive Vice President and Chief Financial Officer |
| Andrew Tarshis | 45 | Executive Vice President and General Counsel |
| Yehuda Shmidman | 29 | Chief Operating Officer |
| David Blumberg | 52 | Executive Vice President - Head of Strategic Development |
| Barry Emanuel ^{1,3} | 69 | Director |
| Drew Cohen ^{1, 2} | 42 | Director |
| F. Peter Cuneo ^{2, 3} | 67 | Director |
| Mark Friedman ^{1, 3} | 47 | Director |
| James A. Marcum ^{1, 2} | 51 | Director |
| Laurence N. Charney | 64 | Director |

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- (1) Member of governance/nominating committee.
(2) Member of audit committee.
(3) Member of compensation committee.

Neil Cole has served as Chairman of our Board and as our Chief Executive Officer and President since our public offering in February 1993. In 2001, Mr. Cole founded The Candie's Foundation, for the purpose of educating teenagers as to the risks and consequences of teen pregnancy. In April 2003, Mr. Cole, without admitting or denying the SEC's allegations, consented to the entry by the SEC of an administrative order in which Mr. Cole agreed to cease and desist from violating or causing any violations or future violation of certain books and records and periodic reporting provisions and the anti-fraud provisions of the Securities Exchange Act of 1934. Mr. Cole also paid a \$75,000 civil monetary fine. Mr. Cole received a Bachelor of Science degree in political science from the University of Florida in 1978 and his Juris Doctor from Hofstra law school in 1982. The Board believes that Mr. Cole's global

executive leadership skills, his significant experience as an executive in our industry, including as our Chief Executive Officer for more than the past 17 years, and his role in transforming our company from a manufacturing company to a leading brand management company make him uniquely qualified to sit on our Board and act as its chairman.

Warren Clamen has served as our Executive Vice President and Chief Financial Officer since November 11, 2008. Prior to that, Mr. Clamen served as our Chief Financial Officer since joining our company in March 2005. From June 2000 until March 2005, Mr. Clamen served as Vice President of Finance for Columbia House, one of the world's largest licensees of content for music and film, and from December 1998 to June 2000, he was Vice President of Finance of Marvel Entertainment, Inc., a publicly traded entertainment company active in motion pictures, television, publishing, licensing and toys. Prior to that time, Mr. Clamen served as the director, international management for Biochem Pharma Inc., a biopharmaceutical company located in Montreal, Canada, and as a senior manager at Richter, Usher and Vineberg, an accounting firm also located in Montreal, Canada. Mr. Clamen is a certified public accountant and a chartered accountant. He received a Bachelor of Commerce degree in 1986 and a Graduate Diploma in public accounting in 1988, each from McGill University in Montreal.

Andrew Tarshis has served as our Executive Vice President and General Counsel since November 11, 2008. Prior to that, Mr. Tarshis served as our Senior Vice President and General Counsel since September 2006. From July 2005, when he joined our company in connection with our acquisition of the Joe Boxer brand, until September 2006, he served as our Senior Vice President, Business Affairs and Associate Counsel. Prior to joining our company, from May 2001 to July 2005, Mr. Tarshis served as Senior Vice President and General Counsel to Windsong Allegiance Group, LLC and, from December 1998 to May 2001, he served as a general attorney for Toys R Us, Inc. Mr. Tarshis received a Bachelor of Arts degree from the University of Michigan, Ann Arbor in 1988 and his Juris Doctor degree from the University of Connecticut School of Law in 1992.

Yehuda Shmidman has served as our Chief Operating Officer since July 2010. Prior to that he served as our Executive Vice President, Operations since August 2009 and has held various titles in our business development department since joining us in October 2005. Prior to joining our company, Mr. Shmidman held corporate development positions at licensing agencies based in New York, where he was involved with launching several direct-to-retail brands, including Isaac Mizrahi at Target, “Merch” Vintage Rock at Kmart, and Fieldcrest at Target. Mr. Shmidman graduated magna cum laude from Yeshiva University with a Bachelor's degree in Political Science.

David Blumberg has served as our Head of Strategic Development since February 2009 and has served as our Executive Vice President – Head of Strategic Development since August 2009. From November 2006 through January 2009, Mr. Blumberg served our company as a full-time consultant overseeing our merger and acquisition activities. Prior to joining our company as a consultant, during 2005 through October 2006, Mr. Blumberg worked as a consultant to LF Management Ltd., an affiliate of Li & Fung Limited/ LF USA. Prior to joining Li & Fung, from January 1997 to November 1999, Mr. Blumberg was president and managing director-investment banking of Wit Capital, Inc., an online investment bank. From 1981 to 1993, Mr. Blumberg was a managing director and senior vice president of Merrill Lynch Interfunding Inc. and Merrill Lynch Capital Markets- Investment Bank, respectively. Mr. Blumberg received a Bachelor of Science, cum laude in economics from Colgate University in 1981 and a Masters degree in business administration in corporate finance from New York University in 1987.

Barry Emanuel has served on our Board since May 1993. For more than the past five years, Mr. Emanuel has served as president of Copen Associates, Inc., a textile manufacturer located in New York, New York. He received his Bachelor of Science degree from the University of Rhode Island in 1962. The Board believes that Mr. Emanuel's more than 30 years of experience in the apparel industry, including his service as our director for more than 17 years, contributes valuable insight to our Board.

Drew Cohen has served on our Board since April 2004. Since 2007 he has been the President of Music Theatre International, which represents the dramatic performing rights of classic properties, such as “West Side Story” and “Fiddler on the Roof,” and licenses over 50,000 performances a year around the world. Before joining Music Theatre International in September 2002, Mr. Cohen was, from July 2001, the Director of Investments for Big Wave NV, an investment management company, and, prior to that, General Manager for GlassNote Records, an independent record company. Mr. Cohen received a Bachelor of Science degree from Tufts University in 1990, his Juris Doctor degree from Fordham Law School in 1993, and a Masters degree in business administration from Harvard Business School in 2001. The Board believes that Mr. Cohen's legal and business background and experience as an executive in an industry heavily involved in the licensing business, make him well suited to serve on our Board.

F. Peter Cuneo has served on our Board since October 2006. From June 2004 through December 2009 Mr. Cuneo served as the Vice Chairman of the Board of Directors of Marvel Entertainment, Inc. (“Marvel Entertainment”), a publicly traded entertainment company active in motion pictures, television, publishing, licensing and toys, and prior thereto, he served as the President and Chief Executive Officer of Marvel Entertainment from July 1999 to December 2002. Mr. Cuneo has also served as the Chairman of Cuneo & Co., L.L.C., a private investment firm, since July 1997 and previously served on the Board of Directors of WaterPik Technologies, Inc., a New York Stock Exchange

company engaged in designing, manufacturing and marketing health care products, swimming pool products and water-heating systems, prior to its sale in 2006. From October 2004 to December 2005, he served on the Board of Directors of Majesco Entertainment Company, a provider of video game products primarily for the family oriented, mass market consumer. Mr. Cuneo received a Bachelor of Science degree from Alfred University in 1967 and currently serves as the Chairman of the Alfred University Board of Trustees. Mr. Cuneo received a Masters degree in business administration from Harvard Business School in 1973. The Board believes that Mr. Cuneo's extensive business and financial background and significant experience as an executive of Marvel Entertainment, an owner and licensor of iconic intellectual property, contributes important expertise to our Board.

Mark Friedman has served on our Board since October 2006. Mr. Friedman has been the Managing Partner of Trilea Partners LLC, an investment and consulting firm, since May 2006. Previously, beginning in 1996, Mr. Friedman was with Merrill Lynch, serving in various capacities including, most recently, as group head of its U.S. equity research retail team where he specialized in analyzing and evaluating specialty retailers in the apparel, accessory and home goods segments. Prior thereto, he specialized in similar services for Lehman Brothers Inc. and Goldman, Sachs & Co. Mr. Friedman has been ranked on the Institutional Investor All-American Research Team as one of the top-rated sector analysts and received a Bachelor of Business Administration degree from the University of Michigan in 1986 and a Masters degree in business administration from The Wharton School, University of Pennsylvania in 1990. The Board believes that Mr. Friedman's extensive business background and investment banking experience adds key experience and viewpoints to our Board.

James A. Marcum has served on our Board since October 2007. Since February 2010, he has been the Chief Executive Officer, President and a member of the board of Central Parking Corporation, a nationwide provider of professional parking management. From September 2008 to January 2010, Mr. Marcum served as Vice Chairman, Acting President and Chief Executive Officer of Circuit City Stores, Inc., a specialty retailer of consumer electronics, home office products and entertainment software. Mr. Marcum has served as a member of the board of directors of Circuit City Stores, Inc. since June 2008. Circuit City Stores, Inc. filed for bankruptcy in November 2008. He is a limited partner of Tri-Artisan Capital Partners, LLC, a merchant banking firm, and served as an operating partner and operating executive of Tri-Artisan Capital Partners from 2004 until March 2008. From January 2005 to January 2006, he served in various capacities, including chief executive officer and director, of Ultimate Electronics, Inc., a consumer electronics retailer. Prior thereto, Mr. Marcum has served in various senior executive capacities for a variety of nationwide specialty retailers. He received a Bachelor's degree from Southern Connecticut State University in accounting and economics in 1980. The Board believes that Mr. Marcum's contributions to the Board are well served by his extensive business background, his experience as a corporate executive of national retail establishments and his experience as a partner and executive of a merchant banking firm.

Laurence N. Charney has served on our Board since February 2011. Since August 2008, Mr. Charney has served as a private consultant to financial and accounting firms. Previously, from 1970 through June 2007, Mr. Charney was employed by Ernst & Young, LLP, a registered public accounting firm, retiring as a partner. Mr. Charney currently serves as a director of Mrs. Fields' Original Cookies, Inc., a private company involved in the development and franchising of retail stores, which sell cookies and other bakery products in the United States and internationally. In addition, Mr. Charney previously served as a director and audit committee member of Marvel Entertainment, Inc., XTL Bio-Pharmaceuticals Ltd., and Pure Biofuels, Inc.. Mr. Charney graduated with a BBA degree from Hofstra University and completed the Executive MBA in Business program at Columbia University. The Board believes that Mr. Charney's significant accounting and financial background contributes important expertise to our Board.

Election of officers

Our Board of Directors elects the officers of the Company on an annual basis and its officers serve until their successors are duly elected and qualified. No family relationships exist among any of our officers or directors.

Election of directors

Our Board of Directors is currently comprised of seven directors. At each annual meeting of stockholders, the successors to the directors then serving are elected to serve from the time of their election and qualification until the next annual meeting following their election or until their successors have been duly elected and qualified, or until their earlier death, resignation or removal. All of our current directors have been elected to serve until the annual meeting of stockholders to be held in 2011.

Audit Committee and Audit Committee Financial Expert

Our Board has appointed an Audit Committee each of whose members is, and is required to be, an “independent director” under the Listing Rules of NASDAQ. The members of our Audit Committee are Messrs. Cuneo, Cohen and Marcum, and Mr. Cuneo currently serves as its chairperson. In addition to being an “independent director” under the Listing Rules of NASDAQ, each member of the Audit Committee is an independent director under applicable SEC rules under the Securities Exchange Act of 1934. Our Board of Directors has also determined that Mr. Cuneo is our “audit committee financial expert,” as that term is defined under applicable SEC rules and NASDAQ Listing Rules, serving on the Audit Committee.

Our Audit Committee’s responsibilities include:

- appointing, replacing, overseeing and compensating the work of a firm to serve as the registered independent public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results;
- considering the adequacy of our internal accounting controls and audit procedures; and

- approving (or, as permitted, pre-approving) all audit and non-audit services to be performed by the independent registered public accounting firm.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% owners are required by certain SEC regulations to furnish us with copies of all Section 16(a) forms received by us.

Based solely on our review of the copies of such forms received by us, we believe that during 2010, there was compliance with the filing requirements applicable to our officers, directors and greater than 10% common stockholders.

Code of Business Conduct

We have adopted a written code of business conduct that applies to our officers, directors and employees. Copies of our code of business conduct are available, without charge, upon written request directed to our corporate secretary at Iconix Brand Group, Inc., 1450 Broadway, New York, NY 10018.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide the information necessary for understanding the compensation philosophy, policies and decisions which are material to the compensation of our principal executive officer, our principal financial officer and our three other most highly compensated executive officers (we refer to these officers as our “named executive officers”) during 2010. This Compensation Discussion and Analysis will place in context the information contained in the tables and accompanying narratives that follow this discussion.

Philosophy and Objectives

Our compensation philosophy is to offer our named executive officers compensation that is fair, reasonable and competitive, and that meets our goals of attracting, retaining and motivating highly skilled management personnel so that we can be in a position to achieve our financial, operational and strategic objectives to create long-term value for our stockholders. We seek to deliver fair, reasonable and competitive compensation for our employees and executives, including our named executive officers, by structuring compensation around one fundamental goal: incentivizing our executives to build stockholder value over the short and long term. Our ability to attract, motivate and retain employees and executives with the requisite skills and experience to develop, expand and execute business opportunities for us is essential to our growth and success. We believe that we offer attractive career opportunities and challenges for our employees, but remain mindful that the best talent will always have a choice as to where they wish to pursue their careers, and fair and competitive compensation is an important element of job satisfaction.

Our compensation program includes short-term elements, such as annual base salary, and in some cases, an annual incentive cash bonus, and long term elements such as equity-based awards through grants of restricted stock, restricted stock units and stock options. We believe that our compensation program incentivizes our named executive officers and other employees to execute on our goals and perform their job functions with excellence and integrity. We also take into account the roles played by each of our named executive officers and endeavor to individually customize their compensation packages to align the amount and mix of their compensation to their contributions to, and roles

within, our organization. The compensation packages and structure for our chief executive officer, Mr. Neil Cole, and for our executive vice president, head of strategic development, David Blumberg, differ from those of our other named executive officers in light of the distinct role and responsibilities each such executive has within the Company. As Mr. Cole makes executive decisions that influence our direction and growth initiatives, his total compensation is intended to be strongly aligned with objective financial measures, including an annual bonus determined by criteria set forth in his employment agreement based upon our performance. As Mr. Blumberg is responsible for overseeing our merger and acquisition activities that influence our growth, a substantial portion of his total compensation is intended to be tied to our consummation of acquisitions that meet specified objective financial measures as set forth in his employment agreement.

We enter into employment agreements with senior officers, including our named executive officers, when the compensation committee determines that an employment agreement is in order for us to obtain a degree of certainty as to an executive's continued employment in light of prevailing market conditions and competition for the particular position held by the officer, or where the compensation committee determines that an employment agreement is appropriate to attract an executive in light of market conditions, the prior experience of the executive or practices at our company with respect to other similarly situated executives. Based on these and any other factors then deemed relevant, in 2008 we entered into new employment agreements with Messrs. Neil Cole, Warren Clamen and Andrew Tarshis, all of whom were executive officers at the time. We also entered into a new employment agreement in February 2009 with Mr. Blumberg, our executive vice president and head of strategic development, and we entered into a new employment agreement in November 2009 with Mr. Shmidman, our then executive vice president of operations, who is currently our chief operating officer. Messrs. Blumberg and Shmidman became executive officers in August 2009.

Forms of Compensation Paid to Named Executive Officers During 2010

During the last fiscal year, we provided our named executive officers with the following forms of compensation:

Base salary. Base salary represents amounts paid during the fiscal year to named executive officers as direct guaranteed compensation under their employment agreements for their services to us.

Equity-based awards. Awards of restricted stock units, shares of restricted stock and stock options are made under our 2006 Equity Incentive Plan and our 2009 Equity Incentive Plan, which were approved by our stockholders in August 2006 and August 2009, respectively. Shares of restricted stock that were issued subject to a vesting schedule cannot be sold until and to the extent the shares have vested. In 2010, we awarded shares of restricted stock to certain of our named executive officers. While we have not formally adopted any policies with respect to cash versus equity components in the mix of executive compensation, we feel that it is important to provide for a compensation mix that allows for acquisition of a meaningful level of equity ownership by our named executive officers in order to help align their interests with those of our stockholders.

Cash bonuses. Messrs. Cole, Clamen, Tarshis and Blumberg received cash bonuses in 2010. Mr. Cole received a contractually guaranteed cash bonus of \$1,725,000 based upon our achievement of certain 2010 performance goals. Mr. Cole was also awarded a discretionary cash bonus of \$2,300,000 in February 2011 related to our 2010 performance. In May 2008, our stockholders adopted the Executive Incentive Bonus Plan discussed below.

Perquisites and other personal benefits. During 2010, our named executive officers received, to varying degrees, a limited amount of perquisites and other personal benefits that we paid on their behalf. These included, among other things:

- payments of life insurance premiums; and
- car allowances.

Objectives of Our Compensation Program

The compensation paid to our named executive officers is generally structured into two broad categories:

- base salary; and
- incentive compensation, either in the form of equity-based awards under our various equity incentive and stock option plans; cash payments tied to the satisfaction of specified performance criteria set forth in the executive officers employment agreement and from time to time certain of our named executive officers also have received

discretionary cash bonuses not tied to specific pre established performance criteria.

Our overall compensation program with respect to our named executive officers is designed to achieve the following objectives:

- to attract, retain and motivate highly qualified executives through both short-term and long-term incentives that reward company and individual performance;
- to emphasize equity-based compensation to more closely align the interests of executives with those of our stockholders;
- to support and encourage our financial growth and development;
- to motivate our named executive officers to continually provide excellent performance throughout the year;
- to ensure continuity of services of named executive officers so that they will contribute to, and be a part of, our long-term success; and
- to manage fixed compensation costs through the use of performance and equity-based compensation.

Determination of Compensation for Named Executive Officers

Compensation of chief executive officer. During 2010, the compensation of Mr. Cole, our chairman, president and chief executive officer was primarily based on Mr. Cole's employment agreement dated January 28, 2008, as amended on December 24, 2008, which agreement was effective as of January 1, 2008. In determining the salary and other forms of compensation for Mr. Cole, the compensation committee took into consideration Mr. Cole's contribution to our growth over the past several years under his leadership, and his substantial experience and performance in the industry in general and with us in particular. The compensation committee also considered the increased responsibilities of Mr. Cole as a result of our diversification and the substantial growth experienced by our company during his tenure. The compensation committee believes that Mr. Cole's compensation for 2010 as our principal executive officer reflects our performance during 2010 and his significant contributions to that performance.

See “Executive Compensation - Narrative to Summary Compensation Table and Plan-Based Awards Table - Employment Agreements” for further description of Mr. Cole's employment agreement.

Overall compensation program. Compensation of our executive officers, including the named executive officers, has been determined by the Board of Directors pursuant to recommendations made by the chief executive officer and the compensation committee. The compensation committee is responsible for, among other things, reviewing and recommending approval of the compensation of our executive officers; administering our equity incentive and stock option plans; reviewing and making recommendations to the Board of Directors with respect to incentive compensation and equity incentive and stock option plans; evaluating our chief executive officer's performance in light of corporate objectives; and setting our chief executive officer's compensation based on the achievement of corporate objectives.

With respect to the named executive officers, their compensation is based upon what we believe is a competitive base salary in view of our business strategy and accelerated growth goals. In conjunction with our compensation committee, we have assessed our total compensation program, and its components, and believe that it operates well to serve both our goals and the current, short-term and long-term compensation needs of the executive officers. We have implemented a stockholder approved Executive Incentive Bonus Plan in conformance with Section 162(m) of the Internal Revenue Code of 1986 (“Internal Revenue Code” or “Code”) for our named executive officers and other senior executives. In 2010, Mr. Cole was the only named executive officer who was eligible to earn an award under the Executive Incentive Bonus Plan, and he did receive an award under the Executive Incentive Bonus Plan.

Compensation amounts for named executive officers are determined according to the level of seniority and position of the named executive officer. Generally, relatively greater emphasis is typically placed on the equity-based components of compensation so as to put a greater portion of total pay based on Company and individual performance. We believe the combination of a competitive base compensation, coupled with an opportunity to significantly enhance overall individual compensation if individual and Company performance warrant such enhancement, yields an attractive compensation program that facilitates our recruitment and retention of talented executive personnel.

The total compensation amount for our named executive officers is also established relative to officers at levels above and below them, which we believe rewards them for increased levels of knowledge, experience and responsibility.

Base salary. The base salary of each of our named executive officers is fixed pursuant to the terms of their respective employment agreements with us and, when a contract is up for, or otherwise considered for, renewal, upon a review of the executive's abilities, experience and performance, as well as a review of salaries for executives in the marketplace for comparable positions at corporations which either compete with us in its business or of comparable size and scope of operations. The recommendations to the Board of Directors by the compensation committee with respect to base salary are based primarily on informal judgments reasonably believed to be in our best interests. In determining the base salaries of certain of our executives whose employment agreements were up for, or otherwise considered for, renewal, the compensation committee considered our performance and growth plans. Base salaries are used to reward superior individual performance of each named executive officer on a day-to-day basis during the year, and to encourage them to perform at their highest levels. We also use our base salary as an incentive to attract top quality executives and other management employees from other companies. Moreover, base salary (and increases to base salary) are intended to recognize the overall experience, position within our company, and expected contributions of each named executive officer to us.

The following were contractual increases in the base salaries of our named executive officers from 2009 to 2010 as set forth on the table below:

| Named Executive | 2009 Base | 2010 Base | Change in | Percentage of |
|-----------------|-----------|-----------|-----------|---------------|
|-----------------|-----------|-----------|-----------|---------------|

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| Officer | Salary | Salary | Base | 2009 | Base Salary |
|-----------------|--------------|--------------|--------|------|-------------|
| Neil Cole | \$ 1,000,000 | \$ 1,000,000 | \$ - | 0 | % |
| Warren Clamen | 400,000 | 400,000 | - | 0 | % |
| Andrew Tarshis | 400,000 | 400,000 | - | 0 | % |
| Yehuda Shmidman | 350,000 | 375,000 | 25,000 | 7 | % |
| David Blumberg | 400,000 | 400,000 | - | 0 | % |

Equity-based awards. During 2010 equity awards were made to certain of our named executive officers pursuant to our 2009 Equity Incentive Plan and our 2006 Equity Incentive Plan which provide for awards in the form of stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units including restricted stock units, and performance awards to eligible persons. The mix of cash and equity-based awards, as well as the types of equity-based awards, granted to our named executive officers varies from year to year. Consideration has been given to various factors, such as the relative merits of cash and equity as a device for retaining and motivating the named executive officers, individual performance, an individual's pay relative to others, contractual commitments pursuant to employment or other agreements, and the value of already-outstanding grants of equity in determining the size and type of equity-based awards to each named executive officer. As of December 31, 2010, the number of shares remaining for issuance under the 2009 Equity Incentive Plan was 1,909,669.

In 2010, we continued to utilize restricted stock as the primary form of equity compensation primarily because of the increased stock-based compensation expense associated with stock options and similar instruments under Accounting Standards Codification Topic 718 - Stock Compensation. This accounting standard, which we adopted as of January 1, 2006, requires us to record as compensation expense the grant date fair value of restricted stock over the life of the grant.

As described above, we generally provide a substantial portion of named executive officer compensation in the form of equity awards because the compensation committee has determined that such awards serve to encourage our executives to create value for our company over the long-term, which aligns the interests of named executive officers with those of our stockholders.

Generally, we make three types of equity-based grants to our named executive officers:

- initial grants when a named executive officer is hired;
- annual performance based grants; and
- retention grants, which are typically made in connection with new employment agreements or renewals.

An initial grant when an executive officer is hired or otherwise becomes a named executive officer serves to help us to recruit new executives and to reward existing officers upon promotion to higher levels of management. Because these initial grants are structured as an incentive for employment, the amount of these grants may vary from executive to executive depending on the particular circumstances of the named executive officer and are usually recommended by the chief executive officer and approved by the appropriate committee. Annual, time-vested grants of equity awards, as well as retention grants made in connection with renewals of employment agreements are designed so as to compensate our named executive officers for their contributions to our long-term performance.

Generally, restricted stock and stock option awards granted to named executive officers as either initial or annual performance grants or in connection with employment agreement renewals vest in equal installments over the term of the agreement, or a period determined by the compensation committee, typically beginning on the first anniversary of the date of grant. Restricted stock grants for 2010 were as follows: Mr. Clamen – 3,145 shares of restricted stock, Mr. Tarshis – 3,145 shares of restricted stock, Mr. Shmidman – 20,939 shares of restricted stock, and Mr. Blumberg – 17,913 shares of restricted stock. The aforementioned grants to Messrs. Clamen, Tarshis and Shmidman vest over a one to three year period; the grant to Mr. Blumberg vested on the grant date. In addition, in 2010 Mr. Blumberg was granted 15,000 options as a result of the Company's consummation of an acquisition that met certain specified performance criteria set forth in his employment agreement; these options vested immediately. For a discussion of the performance criteria relating to Messrs. Cole's and Blumberg's equity awards, please see the description of their respective employment agreements following the Summary Compensation Table.

Cash bonuses. In May 2008 our stockholders approved the Executive Incentive Bonus Plan, sometimes referred to as the bonus plan. The purpose of the bonus plan is to promote the achievement of our short-term, targeted business objectives by providing competitive incentive reward opportunities to our executive officers who can significantly impact our performance towards those objectives. Further, the bonus plan enhances our ability to attract, develop and motivate individuals as members of a talented management team. The bonus plan is administered, and can be amended, by the compensation committee. All awards are paid in cash. Awards made under the bonus plan are subject to a participant achieving one or more performance goals established by the compensation committee. The performance goals may be based on our overall performance, and also may recognize business unit, team and/or individual performance. No payment will be made under the bonus plan unless the compensation committee certifies that at least the minimum objective performance measures have been met. Such performance measures may include specific or relative targeted amounts of, or changes in: earnings before interest, taxes, depreciation and amortization, herein referred to as EBITDA; revenues; expenses; net income; operating income; equity; return on equity, assets or capital employed; working capital; stockholder return; production or sales volumes; or certain other objective criteria. In 2010, our chairman, president and chief executive officer was the only named executive officer who was eligible to receive a bonus under the bonus plan, and only he received a bonus under the bonus plan.

The amount of any award under the bonus plan may vary based on the level of actual performance. The amount of any award for a given year is determined for each participant by multiplying the individual participant's actual base salary in effect at the end of that year by a target percentage (from 0% to 200%), related to the attainment of one or more performance goals, determined by the compensation committee. In the event that an award contains more than one performance goal, participants in the bonus plan will be entitled to receive the portion of the target percentage allocated to the performance goal achieved. In the event that we do not achieve at least the minimum performance goals established, no award payment will be made.

Additionally, cash bonuses are also covered by employment agreements with our executive officers. Under his employment agreement, in 2010 our chairman, president and chief executive officer received two separate cash performance based bonuses pursuant to his employment agreement and the Executive Bonus Plan which aggregated to \$1,725,000. Mr. Cole earned \$1,225,000 based on the Company's achievement of approximately \$205.9 million of EBITDA, which represents 110% of the targeted EBITDA established by the Board of Directors. Also under his employment agreement, Mr. Cole earned \$500,000 based on the Company's revenue growth of approximately 43%, which puts it in the upper 50th percentile of companies compiled in the Standard & Poors Small Cap Retailing Index for 2010. Also in 2010, Messrs. Clamen and Tarshis each received a discretionary cash bonus of \$100,000 under their respective employment agreements, and, as noted above, Mr. Cole received a discretionary cash bonus of \$2,300,000. These bonuses were based upon both the individual performance of the executives and our overall performance but were not tied to any specified performance criteria. Further, in 2010 Mr. Blumberg received a cash payment of \$500,000 as a result of the Company's consummation of an acquisition that met certain specified performance criteria set forth in his employment agreement.

Post-termination compensation. We have entered into employment agreements with each of the named executive officers. Each of these agreements had provided for certain payments and other benefits if the executive's employment terminated under certain circumstances, including, in the event of a "change in control". See "Executive Compensation - Narrative to Summary Compensation Table and Plan-Based Awards Table - Employment Agreements" and "Executive Compensation - Potential Payments Upon Termination or Change in Control" for a description of the severance and change in control benefits.

Perquisites. The perquisites provided to some or all of our executive officers are described below. Perquisites are generally provided, as applicable, in accordance with the executives' employment agreements. Below is a list of material perquisites, personal benefits and other items of compensation we provided to our named executive officers in 2010, the total amount of each such item paid to all named executive officers and an explanation as to why we chose to pay the item.

| Perquisite, Other Benefit or Other Item of Compensation (1) | Aggregate Amount of This Perquisite Paid to All Named Executive Officers in 2010 | Additional Explanation for Offering Certain Perquisites |
|---|--|--|
| Car allowances | \$ 105,821 | Serves to defray the cost of owning and operating an automobile often used for business purposes; prevents us from having to own and maintain a fleet of automobiles and is a taxable benefit for the named executive officer. |
| Life Insurance Premiums | \$ 21,420 | Reduces risk to the beneficiaries of executives in the event of the death of the executive. |

(1) Perquisites are generally granted as part of our executive recruitment and retention efforts.

Other matters. In 2007 and 2008, the compensation committee engaged an outside consulting firm, James F. Reda & Associates LLC for advice in connection with the negotiation of the employment agreement for our chief executive officer, which agreement was entered into in January 2008 and amended in December 2008. Our board of directors

has not established a policy for the adjustment of any compensation award or payment if the relevant performance measures on which they are based are restated or adjusted. Our board of directors has not established any security ownership guidelines for executive officers.

Tax Deductibility and Accounting Ramifications

The compensation committee generally takes into account the various tax and accounting ramifications of compensation paid to our executives. When determining amounts of equity-based grants to executives the compensation committee also considers the accounting expense associated with the grants.

Our 2009 Equity Incentive Plan and our other plans are intended to allow us to make awards to executive officers that are deductible under the Section 162(m) of the Code, which otherwise sets limits on the tax deductibility of compensation paid to a company's most highly compensated executive officers. The compensation committee will continue to seek ways to limit the impact of Section 162(m). However, the compensation committee also believes that the tax deduction limitation should not compromise our ability to maintain incentive programs that support the compensation objectives discussed above or compromise our ability to attract and retain executive officers. Achieving these objectives and maintaining flexibility in this regard may therefore result in compensation that is not deductible by Iconix for federal income tax purposes.

Summary

In summary, we believe that our mix of salary, cash incentives for short-term and long-term performance and the potential for additional equity ownership in Iconix motivates our management to produce significant returns for our stockholders. Moreover, we also believe that our compensation program strikes an appropriate balance between our interests and needs in operating and further developing our business and suitable compensation levels that can lead to the enhancement of stockholder value.

Compensation Committee Interlocks and Insider Participation

None of the directors on our compensation committee, or who served as a member of our compensation committee at any time during 2010, is or was formerly an officer or employee of the Company or had any relationship or related person transaction requiring disclosure under the rules of the Securities and Exchange Commission. During 2010, none of our executive officers served on the board of directors or the compensation (or equivalent) committee of any other entity that has officers that serve on our Board of Directors or on our compensation committee. In addition, none of the members of our compensation committee were formerly, or during 2010, employed by us in the capacity as an officer or otherwise.

The members of our compensation committee are, and during 2010 were, Messrs. Cuneo, Emanuel and Friedman. Mr. Friedman currently serves as its chairperson. Steven Mendelow also served on the compensation committee prior to his resignation from our Board of Directors in December 2010.

Compensation Committee Report

The compensation committee of our Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis for 2010 appearing in this Report. Based on such reviews and discussions, the compensation committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Report for filing with the SEC.

COMPENSATION COMMITTEE

Mark Friedman, Chairperson
 Barry Emanuel
 F. Peter Cuneo

SUMMARY COMPENSATION TABLE

The following table includes information for 2010, 2009, and 2008 with respect to our named executive officers.

Summary Compensation Table

| | | | | | | Change in Pension Value and Non- qualified Deferred Compensation | Other Compensation | Total |
|--------|-------|-----------------|------------------|---------------------------|----------------------------|---|-----------------------|-------|
| Salary | Bonus | Stock Awards | Option Awards | Incentive Compensation | Non-Equity Compensation | | | |

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| Name and Principal Position | Year | (\$) (a) | (\$) (b) | (\$) (c) | (\$) (d) | (\$) (e) | (\$) (f) | (\$) (g) | (\$) (h) |
|--|------|--------------|--------------|---------------|-------------|--------------|-------------|--------------|---------------|
| Neil Cole President and Chief Executive Officer | 2010 | \$ 1,000,000 | \$ 2,300,000 | \$- | \$- | \$ 1,725,000 | \$- | \$ 55,241(1) | \$ 5,080,241 |
| | 2009 | \$ 1,000,000 | \$- | \$ 8,309,609 | \$- | \$ 1,500,000 | \$- | \$ 42,791(1) | \$ 10,852,400 |
| | 2008 | \$ 1,000,000 | \$ 500,000 | \$ 30,400,008 | \$- | \$ 500,000 | \$- | \$ 53,264(1) | \$ 32,453,272 |
| Warren Clamen(3) Executive Vice President and Chief Financial Officer | 2010 | \$ 400,000 | \$ 100,000 | \$ 52,301 | \$- | \$- | \$- | \$ 18,000(2) | \$ 570,301 |
| | 2009 | \$ 356,806 | \$ 100,000 | \$ 1,235,494 | \$- | \$- | \$- | \$ 18,000(2) | \$ 1,710,369 |
| | 2008 | \$ 306,250 | \$ 50,000 | \$ 80,501 | \$- | \$- | \$- | \$ 18,000(2) | \$ 454,751 |
| Andrew Tarshis(3) Executive Vice President and General Counsel | 2010 | \$ 400,000 | \$ 100,000 | \$ 52,301 | \$- | \$- | \$- | \$ 18,000(2) | \$ 570,301 |
| | 2009 | \$ 356,806 | \$ 100,000 | \$ 1,235,494 | \$- | \$- | \$- | \$ 18,000(2) | \$ 1,710,369 |
| | 2008 | \$ 306,250 | \$ 50,000 | \$ 80,501 | \$- | \$- | \$- | \$ 18,000(2) | \$ 454,751 |
| Yehuda Shmidman(4) Chief Operating Officer | 2010 | \$ 352,936 | \$- | \$ 352,308 | \$- | \$- | \$- | \$ 18,000(2) | \$ 723,244 |
| | 2009 | \$ 262,121 | \$ 216,667 | \$ 956,219 | \$- | \$- | \$- | \$ 18,000(2) | \$ 1,453,007 |
| | 2008 | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- |
| David Blumberg(5) Executive Vice President, Head of Strategic Development | 2010 | \$ 400,000 | \$- | \$ 345,900 | \$ 109,530 | \$ 500,000 | \$- | \$ 18,000(2) | \$ 1,373,430 |
| | 2009 | \$ 400,000 | \$- | \$ 453,915 | \$ 220,465 | \$ 500,000 | \$- | \$ 18,000(2) | \$ 1,592,380 |
| | 2008 | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- |

(a) Salary includes, as applicable, base salary, pro-rated salaries for changes made to base salary during the year, as defined in the employment agreements.

(b) Bonuses are fixed incentive and/or percentage incentive, as provided for in the applicable employment agreements or discretionary, as determined by the compensation committee. For 2010, Mr. Cole received cash performance based bonuses of \$1,225,000 and \$500,000 for a total of \$1,725,000, pursuant to his employment agreement and the Executive Incentive Bonus Plan. The performance targets for 2010 were as follows: \$1,225,000 was earned for our achievement of approximately \$205.9 million of EBITDA, which represents 110% of the targeted EBITDA established by the Board of Directors; \$500,000 was earned for the our achievement of 43% revenue growth, which puts it in the upper 50th percentile of companies compiled in the Standard & Poors Small Cap Retailing Index for 2010. For 2009, Mr. Cole received cash performance based bonuses of \$1,000,000 and \$500,000 for a total of \$1,500,000, pursuant to his employment agreement and the Executive Bonus Plan. The performance targets for 2009 were as follows: \$1,000,000 was earned for our achievement of approximately \$163.1 million of EBITDA, which represents 100% of the targeted EBITDA established by the Board of Directors; \$500,000 was earned for our achievement of 7% revenue growth, which puts us in the upper 50 th percentile of companies compiled in the Standard & Poors Small Cap Retailing Index for 2009. In accordance with SEC rules, the 2010, 2009 and 2008 performance-based bonuses paid to Mr. Cole have been reflected in this table under the Non-Equity Incentive Plan Compensation column. In addition, in February 2011, the Compensation Committee awarded Mr. Cole a discretionary bonus of \$2,300,000 based on our 2010 performance, which, in accordance with SEC rules, has been reflected in this table under the Bonus column. For 2010, Messrs. Clamen and Tarshis each received discretionary cash bonuses of \$100,000 respectively, pursuant to their employment agreements. For 2009, Messrs. Clamen and Tarshis each received discretionary cash bonuses of \$100,000, pursuant to their employment agreements or otherwise and Mr. Shmidman received a \$150,000 cash bonus as specified under his employment agreement and an additional discretionary bonus of \$66,667. For the year ended December 31, 2008, Messrs. Clamen and Tarshis each received cash bonuses of \$50,000 pursuant to their employment agreements. For the year ended December 31, 2008, Mr. Cole received a cash sign-on bonus in the amount of \$500,000 in connection with his new employment agreement. Mr. Cole also received a cash performance based bonus of \$500,000 in 2008 pursuant to his employment agreement and the Executive Incentive Bonus Plan. The performance target for 2008 was our achievement of approximately \$150 million of EBITDA, which represents 80% of the targeted EBITDA established by the Board of Directors.

(c) The amounts shown in this column represent the aggregate grant date fair value in 2010, 2009, and 2008 with respect to shares of restricted stock and stock options. The 2008 award values were recalculated from amounts shown in prior filings made by us with SEC to reflect their grant date fair values, as required by SEC rules effective for 2010. See Notes 6 and 13 to Notes to the Consolidated Financial Statements included in this Report for a discussion for the relevant assumptions used in calculating grant date fair value.

(d) Option awards include, as applicable, Iconix options and equity-based compensation instruments that have option-like features and amounts represent grant date fair value.

(e) Non-equity incentive plan compensation represents the dollar value of all amounts earned during the fiscal year pursuant to non-equity incentive plans. There was no such compensation for 2010, 2009 and 2008 other than the cash payments of \$500,000 in each of 2010 and 2009. Mr. Blumberg received upon our consummation of an acquisition in 2010 that had a “value” (as defined in his employment agreement) of greater than \$30 million and the consummation of two acquisitions in 2009, each of which had a “value” (as defined in his employment agreement) of less than \$30 million, and the performance-based payments received by Mr. Cole in 2010, 2009 and 2008 described in footnote (b) above.

(f) Change in pension value and non-qualified deferred compensation earnings represents the aggregate increase in actuarial value to the named executive officer of all defined benefit and actuarial plans accrued during the year and earnings on non-qualified deferred compensation. There were no defined benefit plans, actuarial plans, or non-qualified deferred compensation for 2010, 2009, and 2008.

(g) All other compensation includes, as applicable, car allowances and life insurance premiums (see the list of perquisites above).

(h) Total compensation represents all compensation from us earned by the named executive officer for the year.

(1) Represents premiums paid by us on a life insurance policy for the benefit of the beneficiaries of Mr. Cole, as well as a car allowance.

(2) Represents amounts paid by us for executives' car allowances.

(3) Mr. Clamen currently serves as our executive vice president and chief financial officer. Prior to November 2008, Mr. Clamen served as our chief financial officer. Mr. Tarshis currently serves as our executive vice president and general counsel. Prior to November 2008, Mr. Tarshis served as our senior vice president and general counsel.

(4) Mr. Shmidman currently serves as our chief operating officer. Prior to July 2010, Mr. Shmidman served as our executive vice president of operations since August 2009. Prior to August 2009, Mr. Shmidman served as our Senior Vice President. Compensation information for 2008 is not provided since Mr. Shmidman was not an executive officer during that year.

(5) Since February 2009 Mr. Blumberg has served as our Head of Strategic Development and he became an executive officer in August 2009 when he assumed the position of executive vice president-head of strategic development. Prior to February 2009, Mr. Blumberg served us as a full-time consultant overseeing our mergers and acquisitions activities.

GRANTS OF PLAN-BASED AWARDS

| Name | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All Other Awards: Number of Shares of Stock | All Other Awards: Number of Securities Underlying Awards | Exercise or Base Price of Option Awards (\$/Sh) | Closing Price of Common Stock Date of Grant | Grant Date Fair Value of Stock and Option Awards |
|-----------------|------------|---|---------------------|--------------------|---|---------------------|-----------|---|--|---|---|--|
| | | Threshold Target (\$) | Maximum Target (\$) | Time Threshold (#) | Threshold Target (\$) | Maximum Target (\$) | Units (#) | | | | | |
| Neil Cole | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Warren Clamen | 4/8/10 | - | - | - | - | - | - | 3,145 | - | - | 16.63 | \$ 52,301 |
| Andrew Tarshis | 4/8/10 | - | - | - | - | - | - | 3,145 | - | - | 16.63 | \$ 52,301 |
| Yehuda Shmidman | 4/8/10 | - | - | - | - | - | - | 3,145 | - | - | 16.63 | \$ 52,301 |
| | 8/3/10 | - | - | - | - | - | - | 17,794 | - | - | 16.86 | \$ 300,007 |
| David Blumberg | 6/3/10 | - | - | - | - | - | - | - | 15,000 | 16.33 | - | \$ 109,530 |
| | 12/31/10 | - | - | - | - | - | - | 17,913 | - | - | 19.31 | \$ 345,900 |

NARRATIVE TO SUMMARY COMPENSATION TABLE AND PLAN-BASED AWARDS TABLE

Employment Agreements

The compensation committee determines the compensation, including related terms of employment agreements with us for those who have them, for each of the named executive officers.

Neil Cole

On January 28, 2008, we entered into a five-year (subject to a one-year extension) employment agreement (the “new employment agreement”), effective as of January 1, 2008, with Neil Cole, chairman of the board, president and chief executive officer, which replaced his prior employment agreement that expired on December 31, 2007 and is described below. The new employment agreement also superseded and terminated the prior non-competition and non-solicitation agreement between us and Mr. Cole, which, among other things, provided for him to receive 5% of the sale price upon a sale of our Company under certain circumstances.

Consistent with our philosophy on executive compensation, Mr. Cole’s new employment agreement reflects a substantial portion of his compensation in the form of long-term equity incentives, including performance stock incentives that vest upon the achievement of specific metrics defined in the agreement, particularly, growth in EBITDA, market capitalization and stock price as measured by targets to be established and certified by the compensation committee.

As described above, in connection with the negotiation of the new employment agreement with Mr. Cole, the compensation committee retained James F. Reda & Associates LLC, as its outside compensation consulting firm to provide advice. In assisting the compensation committee, James F. Reda & Associates LLC performed market research as to compensation levels in similarly capitalized companies in the industry, as well as companies that had achieved similar growth. James F. Reda & Associates LLC also familiarized itself with the circumstances surrounding Mr. Cole's expiring contract and separate non-competition and non-solicitation agreement, which provided Mr. Cole with 5% of the proceeds upon a sale of the Company under certain circumstances. As various aspects of our business, operations and management are unique, the compensation committee utilized the James F. Reda & Associates LLC research as one resource, rather than a stand-alone tool, in assessing the appropriate level of compensation and other terms under Mr. Cole's new employment agreement.

Under his new employment agreement, Mr. Cole is entitled to an annual base salary of \$1,000,000 and received a signing bonus of \$500,000.

Pursuant to the terms of the employment agreement Mr. Cole has been granted 1,181,684 time-vested restricted common stock, or RSUs, and 787,789 performance-based restricted common stock units, or PSUs, under our 2006 Equity Incentive Plan and 2009 Equity Incentive Plan. The RSUs vest in five substantially equal annual installments commencing on December 31, 2008, subject to Mr. Cole's continuous employment with us on the applicable vesting date, and the PSUs are subject to vesting based on our achievement of the following performance goals: 50% is tied to the achievement of EBITDA growth, 25% is tied to the achievement of market cap growth, and 25% is tied to the achievement of stock price growth. Both grants are subject to forfeiture upon the termination of Mr. Cole's employment under certain circumstances. In addition, Mr. Cole's ability to sell or otherwise transfer the common stock underlying the RSUs and the PSUs while he is employed by us is subject to certain restrictions.

The annual performance goals required for the portion of Mr. Cole's PSUs to vest for the year ended December 31, 2010 were as follows: EBITDA of \$194.0 million, (for which Mr. Cole earned 118,169 PSUs); market capitalization of \$1,585.2 million, (for which Mr. Cole earned no PSUs); and a stock price of \$27.62 per share, (for which Mr. Cole earned no PSUs).

On December 24, 2008, we entered into an agreement with Mr. Cole which amended his employment agreement and the related RSU agreement to provide, among other things for the deferral of the issuance to Mr. Cole of the 1,181,684 shares of our common stock to which he is entitled to receive under the RSUs granted to him under the employment agreement until the earlier of (i) the date Mr. Cole is no longer employed by either (a) us or (b) any corporation or other entity owning, directly or indirectly, 50% or more of our outstanding common stock, or in which we or any such corporation or other entity owns, directly or indirectly, 50% or more of the outstanding capital stock (determined by aggregate voting rights) or other voting interests or (ii) a change in control (as defined in the new employment agreement). In consideration of Mr. Cole's agreement to delay the distribution to him of such shares of our common stock to which he will be entitled to receive under the RSUs as noted above, the agreement also provided for the award to Mr. Cole of an annual cash bonus to be granted under our executive incentive bonus plan, in the amount equal to five hundred thousand dollars (\$500,000) for each of the four completed calendar years commencing with the calendar year from January 1, 2009 through December 31, 2009, and ending with the calendar year from January 1, 2012 through December 31, 2012 if either of one of two performance measures specified in the agreement have been satisfied. The two performance measures are as follows: (a) if the percentage determined by dividing our EBITDA by our revenues for the calendar year in question places us in the top 50% of the companies contained in the Standard & Poors Small Cap Retailing Index at the end of that calendar year or (b) if our annual revenue percentage growth for the calendar year in question when compared to the immediately preceding calendar year places us in the top 50% of those companies contained in the Standard & Poors Small Cap Retailing Index at the end of that calendar year.

Mr. Cole is also entitled to various benefits, including benefits available to our other senior executives and certain automobile, air travel and life insurance benefits pursuant to the new employment agreement.

In addition to his salary and benefits, Mr. Cole is eligible to receive an additional annual cash bonus for each completed calendar year, including as a performance goal thereunder the targets specified in the employment agreement. This cash bonus shall not exceed 150% of Mr. Cole's base salary. The bonus shall be a percentage of the base salary determined based on the level of our consolidated earnings before interest, taxes, depreciation and amortization of fixed assets and intangible assets achieved for such year against a target level established for such year by the compensation committee of our board of directors, in the compensation committee's sole discretion, but with prior consultation with Mr. Cole, as follows:

| Annual Level of Targeted EBITDA Achieved | % of Base Salary | |
|--|------------------|---|
| less than 80% | 0 | % |
| 80% (threshold) | 50 | % |
| 90% | 75 | % |
| 100% (target) | 100 | % |
| 105% | 110 | % |
| 110% | 122.5 | % |
| 115% | 135 | % |
| 120% or more (maximum) | 150 | % |

Mr. Cole's annual bonus, if earned, will be paid in a lump sum cash payment in the calendar year following the calendar year for which such bonus is earned.

Under Mr. Cole's new employment agreement, if we terminate Mr. Cole's employment for "cause" or if Mr. Cole terminates his employment without "good reason", he will receive his earned and/or accrued but unpaid compensation, other than any bonus compensation, then due to him and shares of common stock in respect of any of his already vested restricted stock units. If we terminate Mr. Cole's employment without cause or if Mr. Cole terminates his employment for good reason, he will receive, in addition to the foregoing, an amount equal to two times his base salary then in effect plus any previously earned but unpaid annual bonus for a prior fiscal year and a pro-rata portion of the annual bonus for the year of termination, and, if such termination or resignation occurs prior to January 1, 2011, two times the average of the annual bonus amounts he received for the two prior completed fiscal years. In addition, that portion of his performance-based stock units subject to vesting in the year of termination based on performance goals achieved as of the date of termination, and 75% of his unvested restricted stock units, will vest. If his employment is terminated by us without cause or by him for good reason within 12 months of a change in control, the amount of his base salary-related payment will increase to three times, instead of two times, his base salary then in effect and that portion of his performance-based stock units that would vest in the year of termination or in the future based on performance goals achieved as of the date of the change of control, and all of his unvested restricted stock units, will vest, and if such change in control occurs prior to January 1, 2011, Mr. Cole will also receive three, instead of two, times the average of the annual bonus amounts he received for the three, instead of two, prior completed fiscal years.

If Mr. Cole's employment terminates as a result of his disability or death, he or his estate will be entitled to any previously earned and unpaid compensation then due to him plus any previously earned but unpaid annual bonus for the prior fiscal year and a pro-rata portion of the annual bonus for the year of such termination. In addition, that portion of his performance-based stock units subject to vesting in the year of termination based on performance goals achieved as of the date of termination, and 100% (50% in the event of disability) of his unvested restricted stock units, will vest.

The new employment agreement with Mr. Cole also contains certain non-competition and non-solicitation covenants restricting such activities for periods equal to the term of the agreement and any renewal period plus one and two years, respectively, after the agreement is terminated for any reason.

Warren Clamen and Andrew Tarshis

On November 11, 2008, we entered into new employment agreements with each of the following executive officers replacing their prior employment agreements with us: (i) Andrew Tarshis, referred to as the Tarshis employment agreement and (ii) Warren Clamen, referred to as the Clamen employment agreement and, together with the Tarshis employment agreement, the Clamen/Tarshis employment agreements and each of Mr. Tarshis and Mr. Clamen are referred to in the description of the Clamen/Tarshis employment agreements below as an executive. The Clamen/Tarshis employment agreements provide for the employment of Mr. Tarshis as our executive vice president and general counsel and Mr. Clamen as our executive vice president and chief financial officer, for three-year terms.

Under the Clamen/Tarshis employment agreements, each executive is entitled to an annual base salary of not less than \$350,000, \$400,000 and \$400,000, during the first, second and third years of the term of his employment agreement. In addition, each executive is entitled to participate in our executive bonus program and is eligible to receive bonuses of up to 100% of his base salary or such maximum amount available under any executive bonus program generally applicable to our senior executives.

Pursuant to the terms of the Clamen/Tarshis employment agreements, they each received an award of 70,542 shares of our common stock in 2009. The shares vest in three equal annual installments with the first installment vesting on November 11, 2009, subject to acceleration under certain circumstances set forth in the Clamen/Tarshis employment agreements. Each executive is also entitled to various benefits, including benefits available to our other senior executives and certain automobile, life insurance and medical benefits.

Under the Clamen/Tarshis employment agreements, if either of the executive's employment is terminated by us for "cause" or by the executive without "good reason" (as defined in the Clamen/Tarshis employment agreements), he will receive his earned and unpaid base salary through the date of termination and shares of common stock in respect of any of his already vested stock awards. If an executive's employment is terminated by us without cause or by the executive for good reason, he will receive, in addition to the foregoing, an amount equal to his applicable base salary for the remaining term of the Clamen/Tarshis employment agreement plus any earned but unpaid annual bonus for a prior year ("prior year bonus") and a pro-rata portion of any bonus for the year of termination ("pro rata bonus"). In addition, any unvested portion of his stock award will vest. If the employment of an executive is terminated by us without cause or by him for good reason within 12 months of a "change in control" (as defined in the Clamen/Tarshis employment agreements), in addition to the foregoing payments he will also receive an amount equal to \$100 less than three times the executive's "annualized includable compensation for the base period" (as defined in the Internal Revenue Code). If an executive's employment terminates as a result of his disability or death, the executive or his estate will be entitled to any earned and unpaid base salary, plus any prior year bonus and pro rata bonus. In addition, any unvested portion of his stock award will vest.

The Clamen/Tarshis employment agreements also contain certain non-competition and non-solicitation covenants restricting such activities for certain specified periods.

The prior employment agreements between us and each of Messrs. Clamen and Tarshis cover periods prior to November 11, 2008, and are summarized below.

Effective March 9, 2005, we entered into an employment agreement, subsequently amended on October 27, 2006, with Warren Clamen, which, as amended, provided for him to serve as our chief financial officer until October 27, 2008, subject to earlier termination as specified in the agreement (this agreement expired on October 27, 2008). This agreement was superseded by Mr. Clamen's new employment agreement dated November 11, 2008. Mr. Clamen's prior employment agreement provided for him to receive a base salary of \$275,000 per year for the year ending October 27, 2007 and no less than \$300,000 for the year ending October 27, 2008, plus certain fringe benefits. In addition, under the prior employment agreement Mr. Clamen was eligible to participate in any executive bonus program that we had in effect during the term of the employment agreement. Pursuant to this prior employment agreement, in March 2005, we granted Mr. Clamen ten-year stock options to purchase 200,000 shares of our common stock at \$5.06 per share, subject to earlier termination under certain conditions if Mr. Clamen ceased to be employed by us, half of which options vested immediately and the other half vested as of June 1, 2005. Pursuant to the amendment to this prior employment agreement in October 2006, we also issued to Mr. Clamen 10,971 shares of our restricted common stock, which vested in two equal annual installments commencing on October 27, 2007.

On September 22, 2006, we entered into a employment agreement with Andrew Tarshis, which provided for him to serve as our senior vice president and general counsel until September 22, 2009 and provided for him to receive an annual base salary of no less than \$275,000 during the first year of the term and \$300,000 during the second and third years of the term. This agreement was superseded by Mr. Tarshis' new employment agreement dated November 11, 2008. Pursuant to his prior employment agreement, we also issued to Mr. Tarshis 18,461 shares of our restricted common stock, which vest in three equal annual installments commencing on the first year anniversary of the agreement. Under the prior employment agreement, Mr. Tarshis was also eligible for a bonus consistent with other executive officers, as well as customary benefits, including participation in management incentive and benefit plans, a monthly car allowance of \$1,500 and reasonable business related travel and entertainment expenses.

Yehuda Shmidman

On November 17, 2009 we entered into a new employment agreement with Yehuda Shmidman, herein referred to as the Shmidman employment agreement. The Shmidman employment agreement provides for the employment of Mr. Shmidman as our executive vice president of operations for a term of three years. In July 2010, Mr. Shmidman was promoted to chief operating officer.

Under the Shmidman employment agreement, Mr. Shmidman is entitled to an annual base salary of not less than \$350,000, \$375,000 and \$400,000, during the first, second and third years of the term of his employment agreement. In addition, under the employment agreement Mr. Shmidman received a bonus of \$150,000 in 2009 and commencing in 2010 he became eligible to participate in our executive bonus program and is eligible to receive bonuses of up to 100% of his base salary or such maximum amount available under any executive bonus program generally applicable to our senior executives.

Pursuant to the terms of the Shmidman employment agreement, Mr. Shmidman received an award of 74,788 shares of our common stock. The shares vest in three equal annual installments with the first installment vesting on November 16, 2010, subject to acceleration under certain circumstances set forth in the Shmidman employment agreement. Mr. Shmidman is also entitled to various benefits, including benefits available to our other senior executives and certain automobile, life insurance and medical benefits.

Under the Shmidman employment agreement, if Mr. Shmidman's employment is terminated by us for "cause" or by himself without "good reason" (as defined in the Shmidman employment agreement), he will receive his earned and unpaid base salary through the date of termination and shares of common stock in respect of any of his already vested stock awards. If an Mr. Shmidman's employment is terminated by us without cause or by Mr. Shmidman for good reason, he will receive, in addition to the foregoing, an amount equal to his applicable base salary for the remaining term of the Shmidman employment agreement plus any prior year bonus and a pro rata bonus. In addition, any unvested portion of his stock award will vest. If the employment of Mr. Shmidman is terminated by us without cause or by him for good reason within 12 months of a "change in control" (as defined in the Shmidman employment agreement), in addition to the foregoing payments he will also receive an amount equal to \$100 less than three times the executive's "annualized includable compensation for the base period" (as defined in the Internal Revenue Code). If Mr. Shmidman's employment terminates as a result of his disability or death, he or his estate will be entitled to any earned and unpaid base salary, plus any prior year bonus and pro rata bonus. In addition, any unvested portion of his stock award will vest.

The Shmidman employment agreement also contains certain non-competition and non-solicitation covenants restricting such activities for certain specified periods.

The prior employment agreement between us and Mr. Shmidman covered periods prior to November 17, 2009, and is summarized below.

Effective November 6, 2006, we entered into an employment agreement with Yehuda Shmidman which provided for him to serve as our vice president until November 5, 2009, subject to earlier termination as specified in the agreement (this agreement expired on November 5, 2009). This agreement was superseded by Mr. Shmidman's new employment agreement dated November 17, 2009. Mr. Shmidman's prior employment agreement provided for him to receive a base salary of no less than \$150,000 per year for the year ending November 5, 2007, no less than \$200,000 for the year ending November 5, 2008, and no less than \$250,000 for the year ended November 5, 2009, plus certain fringe benefits. In addition, under the prior employment agreement Mr. Shmidman was eligible to participate in any executive bonus program that we had in effect during the term of the employment agreement. Pursuant to this prior employment agreement, in November 2006, we granted Mr. Shmidman 17,626 shares of our restricted common stock, which vested in three equal annual installments commencing on November 5, 2007.

David Blumberg

On February 26, 2009, we entered into an employment agreement with Mr. David Blumberg effective as of January 1, 2009 that provides for the employment of Mr. Blumberg as our Head of Strategic Development for a three-year term. From November 2006 until the commencement of his employment with us in 2009, Mr. Blumberg provided consulting services to us.

Under the employment agreement, Mr. Blumberg is entitled to an annual base salary of not less than \$400,000. In addition, Mr. Blumberg is entitled to payments after the closing by us or our subsidiaries of an “acquisition” (as defined in the employment agreement) in or of any entity, business, brand, trademark, service mark, patent, license, revenue stream or other asset during the term of the agreement and, under certain circumstances, for a 90 day period after termination of the agreement. Subject to an annual acquisition payment cap of 2.5 times his then current base salary (a current annual \$1 million cap), Mr. Blumberg will receive \$500,000 for acquisitions that have a “value” (as defined in the employment agreement), of \$30 million or more and \$250,000 for acquisitions with a lesser “value”. Under Mr. Blumberg’s employment agreement, the value of an acquisition generally shall mean the projected gross revenue stream to be derived by us from such acquisition during the first complete year following the closing of the acquisition, subject to certain adjustments such as deductions for operational and transaction expenses.

In addition, under the employment agreement Mr. Blumberg is also entitled to receive an award of up to 107,476 shares of our common stock, referred to as the award shares. For each acquisition that closes during a calendar year one sixth of the shares will vest at the end of such calendar year subject to an annual vesting cap specified in the employment agreement. On December 31, 2010 and 2009 a total of 17,913 and 35,826, respectively, of the award shares were granted to Mr. Blumberg and vested. To date the Company has not granted the balance of the award to Mr. Blumberg. Any of the award shares that would have vested in a particular year but for the cap instead will vest on December 31, 2011, subject to certain forfeiture provisions. Mr. Blumberg is also entitled to various benefits, including benefits available to our other senior employees including an automobile allowance and certain life insurance and medical and dental benefits.

If Mr. Blumberg’s employment is terminated by us for “cause” or by him without “good reason” (each as defined in the employment agreement), he will receive his earned and unpaid base salary through the date of termination and shares of common stock in respect of any already vested stock awards, including award shares, or, if the award shares have not been granted, the vested portion of the alternate payment described below. In addition, subject to the acquisition cap, Mr. Blumberg will receive the acquisition payment for any acquisition that closes within 90 days of his termination. If his employment is terminated by us without cause or by him for good reason, he will receive, in addition to the foregoing, an amount equal to his base salary for the remaining agreement term plus any earned but unpaid annual bonus for a prior year or other completed period (the prior year bonus) and any unvested portion of his stock award will vest. In addition, subject to the acquisition cap, he will receive the acquisition payment for any acquisition that closes within 90 days of such termination. If his employment is terminated by us without cause or by him for good reason within 12 months of a “change in control” (as defined in the employment agreement), in addition to the foregoing payments he would have received had he been terminated without a change of control, he will also receive an amount equal to equal to three (3) times the greater of (i) \$400,000 or \$100 less than the average of the annual cash compensation received by him on or after January 1, 2009 in his capacity as an employee of the Company during the “base period” (as defined in Section 280G of the Internal Revenue Code) subject to an “excess parachute” payment limitation (as defined in Section 280G). Annual cash compensation includes base salary plus any acquisition payments and acquisition bonus payments paid to him. If Mr. Blumberg’s employment terminates as a result of his disability or death, he or his estate will be entitled to any earned and unpaid base salary, plus any prior year bonus and any unvested portion of his stock award will vest and subject to the acquisition cap, the acquisition payment for any acquisition that closes within 90 days of the date of death or disability.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information with respect to outstanding equity-based awards at December 31, 2010 for our named executive officers.

| Name | Option Awards | | | | | Stock Awards | | | | Equity Incentive Plan Awards: |
|--------------------|---|------------------|----------------|-----------------|---|---|---|--|-------------------------------|--|
| | Number of Securities Underlying Unexercised Options | Number of Awards | Exercise Price | Expiration Date | Number of Shares or Units of Stock That Have Not Vested | Vesting Date of Shares or Units of Stock That Have Not Vested | Market Value of Shares or Units of Stock That Have Not Vested | Number of Shares, Units or Other Rights That Have Not Vested | Equity Incentive Plan Awards: | Value of Unearned Shares, Units or Other Rights That Have Not Vested |
| Neil Cole(1) | 76,500 | - | 2.30 | 10/26/2011 | 236,337 (1) | 12/31/2011 | \$4,563,667 | 157,558 (2) | | \$3,042,445 |
| | 273,500 | - | 2.30 | 10/26/2011 | 236,337 (1) | 12/31/2012 | 4,563,667 | 157,558 (2) | | 3,042,445 |
| | 600,000 | - | 2.75 | 4/23/2012 | - | - | - | 78,779 | | 1,521,222 |
| | 15,000 | - | 4.41 | 5/22/2012 | - | - | - | 78,779 | | 1,521,222 |
| | 800,000 | - | 4.62 | 3/29/2015 | - | - | - | 78,779 | | 1,521,222 |
| | 200,000 | - | 10.00 | 12/28/2015 | - | - | - | - | | - |
| Warren Clamen | | | | | 3,145 | 4/8/2011 | \$60,730 | - | | - |
| | | | | | 23,514 | 11/11/2011 | 454,055 | - | | - |
| Andrew Tarshis | | | | | 3,145 | 4/8/2011 | \$60,730 | - | | - |
| | | | | | 23,514 | 11/11/2011 | 454,055 | - | | - |
| Yehuda Shmidman | | | | | 24,930 | 11/16/2011 | \$481,398 | - | | - |
| | | | | | 24,929 | 11/16/2012 | 481,379 | - | | - |
| | | | | | 3,145 | 4/8/2011 | 60,730 | - | | - |
| | | | | | 5,932 | 8/3/2011 | 114,547 | - | | - |
| | | | | | 5,931 | 8/3/2012 | 114,528 | - | | - |
| | | | | | 5,931 | 8/3/2013 | 114,528 | - | | - |
| David Blumberg (3) | 30,000 | - | \$20.18 | 3/9/2017 | - | - | - | - | | - |
| | 55,000 | - | 20.40 | 3/30/2017 | - | - | - | - | | - |
| | 55,000 | - | 23.66 | 10/3/2017 | - | - | - | - | | - |
| | 30,000 | - | 20.02 | 12/17/2017 | - | - | - | - | | - |
| | 20,000 | - | 6.65 | 10/2/2018 | - | - | - | - | | - |
| | 15,000 | - | 17.16 | 9/22/2019 | - | - | - | - | | - |

| | | | | | | | | | |
|--------|---|---|-------|------------|---|---|---|---|---|
| 15,000 | - | - | 11.66 | 10/30/2019 | - | - | - | - | - |
| 15,000 | - | - | 16.33 | 6/3/2020 | - | - | - | - | - |

- (1) Mr. Cole was granted 1,181,684 RSUs, and 571,150 performance-based restricted common stock units, or PSUs, on February 19, 2008 pursuant to his employment agreement with us. On December 24, 2008, Mr. Cole agreed, in an amendment to his employment agreement, to defer the issuance of 1,181,684 shares of common stock underlying the RSUs until the earlier of (i) the date Mr. Cole is no longer employed by either (a) us or (b) any corporation or other entity owning, directly or indirectly, 50% or more of our outstanding common stock, or in which we or any such corporation or other entity owns, directly or indirectly, 50% or more of the outstanding capital stock (determined by aggregate voting rights) or other voting interests or (ii) a change in control (as defined in the employment agreement). In consideration of Mr. Cole's agreement to delay the distribution to him of such shares of our common stock to which he will be entitled to receive under the RSUs as noted above, the agreement also provided for the award to Mr. Cole of an annual cash bonus to be granted under our executive incentive bonus plan, in the amount equal to \$500,000 for each of the four completed calendar years commencing with the calendar year from January 1, 2009 through December 31, 2009, and ending with the calendar year from January 1, 2012 through December 31, 2012 if either one of two performance measures specified in the agreement have been satisfied. The 1,181,684 RSUs continue to vest in five substantially equal installments on each December 31st, beginning on December 31, 2008 and subject to Mr. Cole's continuous employment with us, although the delivery of the shares underlying such RSUs has been deferred as described above.
- (2) As noted above, Mr. Cole was granted 1,181,684 RSUs and 571,150 PSUs on February 19, 2008 pursuant to his employment agreement with us. At that time he was also entitled to receive an additional 216,639 PSU's under his employment agreement. On May 21, 2008, Mr. Cole entered into an agreement with us that provided for the rescission of 256,034 of the previously granted 571,150 PSUs, which rescinded PSUs were then added to 216,639 additional PSUs he was entitled to under his employment agreement (a total of 472,673 PSUs). These 472,673 PSUs were granted to Mr. Cole in 2009. The 551,452 PSUs reflected in the table represent the unearned portion of the 787,790 PSUs granted to Mr. Cole under the terms of his employment agreement. In February 2011, the Compensation Committee determined that the \$194.0 million EBITDA target was achieved, and, therefore, Mr. Cole earned 118,169 of the 157,558 PSU's that he was eligible to earn for the year ended December 31, 2010. In February 2010, the Compensation Committee determined that the \$160 million EBITDA target was achieved, and, therefore, Mr. Cole earned 39,390 of 157,558 PSU's that he was eligible to receive for the year ended December 31, 2009. In February 2009, the Compensation Committee determined that the \$147 million EBITDA target was achieved, and, therefore, Mr. Cole earned 78,779 of 157,558 PSU's that he was eligible to receive for the year ended December 31, 2008. The other performance goals involving market capitalization and share price were not achieved with respect to the years ended December 31, 2010, 2009 and 2008.
- (3) At December 31, 2010 and 2009 Mr. Blumberg had been awarded 17,913 and 35,826, respectively, of the 107,476 shares of common stock issuable under his employment agreement. All of the 17,913 and 35,826 shares awarded on each such date vested on such date.

Grant dates and vesting dates for all outstanding equity awards at December 31, 2010 are as follows:

| Name | Number of Securities Underlying Unvested Restricted Stock (#) | Number of Securities Underlying Unexercised Options Exercisable (#) | Grant Date | Vesting Date |
|-----------------|---|---|------------|--------------|
| Neil Cole | - | 76,500 | 10/26/2001 | 10/26/2001 |
| | - | 273,500 | 10/26/2001 | 10/26/2001 |
| | - | 200,000 | 4/23/2002 | 2/1/2003 |
| | - | 200,000 | 4/23/2002 | 2/1/2004 |
| | - | 200,000 | 4/23/2002 | 2/1/2005 |
| | - | 15,000 | 5/22/2002 | 5/22/2002 |
| | - | 800,000 | 3/29/2005 | 3/29/2005 |
| | - | 200,000 | 12/28/2005 | 12/28/2005 |
| | 236,337 | - | 8/13/2009 | 12/31/2011 |
| | 236,337 | - | 8/13/2009 | 12/31/2012 |
| | 78,779 | - | 1/28/2008 | 12/31/2012 |
| | 78,779 | - | 8/13/2009 | 12/31/2012 |
| | 78,779 | - | 8/13/2009 | 12/31/2012 |
| | 157,558 | - | 8/13/2009 | 12/31/2011 |
| | 157,558 | - | 8/13/2009 | 12/31/2012 |
| Warren Clamen | 23,514 | - | 9/22/2009 | 11/10/2011 |
| | 3,145 | - | 4/8/2010 | 4/8/2011 |
| Andrew Tarshis | 23,514 | - | 9/22/2009 | 11/10/2011 |
| | 3,145 | - | 4/8/2010 | 4/8/2011 |
| Yehuda Shmidman | 24,929 | - | 11/17/2009 | 11/16/2011 |
| | 24,929 | - | 11/17/2009 | 11/16/2012 |
| | 3,145 | - | 4/8/2010 | 4/8/2011 |
| | 5,932 | - | 8/3/2010 | 8/3/2011 |
| | 5,931 | - | 8/3/2010 | 8/3/2012 |
| | 5,931 | - | 8/3/2010 | 8/3/2013 |
| David Blumberg | - | 30,000 | 3/9/2007 | 3/9/2007 |
| | - | 55,000 | 3/30/2007 | 3/30/2007 |
| | - | 55,000 | 10/3/2007 | 10/3/2007 |
| | - | 30,000 | 12/17/2007 | 12/17/2007 |
| | - | 20,000 | 10/2/2008 | 10/2/2008 |
| | - | 15,000 | 9/22/2009 | 9/22/2009 |
| | - | 15,000 | 10/30/2009 | 10/30/2009 |
| | - | 15,000 | 6/3/2010 | 6/3/2010 |

OPTION EXERCISES AND STOCK VESTED

The following table sets forth certain information regarding exercise of options and vesting of restricted stock held by our named executive officers during the year ended December 31, 2010.

| Name | Option Awards | | Stock Awards | |
|-----------------|---|---------------------------------------|---|-----------------------------------|
| | Number of Shares Acquired on Exercise(1) (#) | Value Realized on Exercise(2) (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| Neil Cole | 245,366 | \$ 3,496,466 | 236,337(3) | \$ 4,563,667 |
| | - | - | 118,169(3) | 2,281,843 |
| Warren Clamen | 60,000 | \$ 742,800 | 2,982 | \$ 49,374 |
| | 50,000 | 372,000 | 1,624 | 24,539 |
| | - | - | 23,514 | 419,725 |
| Andrew Tarshis | 10,000 | \$ 86,300 | 2,982 | \$ 49,374 |
| | - | - | 1,624 | 24,539 |
| | - | - | 23,514 | 419,725 |
| Yehuda Shmidman | 10,000 | \$ 88,600 | 4,979 | \$ 82,452 |
| | 10,000 | 74,400 | 2,166 | 32,728 |
| | - | - | 24,929 | 442,246 |
| David Blumberg | - | - | 35,826 | \$ 453,915 |

(1) The number of shares reflects the gross amount issued upon the exercise of the options and does not give effect to the withholding of a portion of the shares by us to satisfy certain withholding tax liability of the person exercising the options.

(2) Included in this column is the aggregate dollar amount realized by the named executive officer upon exercise of the options.

(3) Includes 236,337 shares of common stock underlying RSU's that vested on December 31, 2010 and 118,169 shares of common stock underlying PSU's that were deemed earned by the compensation committee for the year ended December 31, 2010 as more fully discussed in footnote 2 to the table of Outstanding Equity Awards at Fiscal Year-End. The delivery of the 236,337 shares of common stock underlying the RSU's was deferred, as more fully discussed in footnote 1 to the table of Outstanding Equity Awards at Fiscal Year-End.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

As noted under “- Narrative to Summary Compensation Table-and Plan-Based Awards Table - Employment Agreements”, we have entered into employment agreements with each of our named executive officers. These agreements provide for certain payments and other benefits if a named executive officer’s employment with us is terminated under circumstances specified in his or her respective agreement, including a “change in control” of the Company. A named executive officer’s rights upon the termination of his or her employment will depend upon the circumstances of the termination.

The receipt of the payments and benefits to the named executive officers under their employment agreements are generally conditioned upon their complying with customary non-solicitation, non-competition, confidentiality, non-interference and non-disparagement provisions. By the terms of such agreements, the executives acknowledge that a breach of some or all of the covenants described herein will entitle us to injunctive relief restraining the commission or continuance of any such breach, in addition to any other available remedies.

Except as provided in the footnotes below, the following table provides the term of such covenants following the termination of employment as it relates to each named executive officer:

| Covenant | Neil Cole | Warren Clamen | A n d r e w Tarshis | Yehuda Shidman | David Blumberg |
|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|
| Confidentiality | Infinite duration | Infinite duration | I n f i n i t e duration | Infinite duration | Infinite duration |
| Non-solicitation | Two years | Three years(1) | Three years(1) | Three years(1) | Two years(3) |
| Non-competition | One year | Two years(1) | Two years(1) | Three years(1) | Three years(3) |
| Non-interference | (2) | Three years(1) | Three years(1) | Three years(1) | Two years(3) |
| Non-disparagement | Five years | None | None | None | None |

(1) Covenant runs from the date of the executive's current employment agreement.

(2) Mr. Cole's employment agreement with us provides that during the term and a period of (i) two years thereafter, Mr. Cole cannot solicit our employees and (ii) one year thereafter, Mr. Cole cannot solicit our customers.

(3) Covenant runs from the date the executive's employment is terminated.

Termination Payments (without a change in control)

The table below includes a description and the amount of estimated payments and benefits that would be provided by us (or our successor) to each of the named executive officers under each employment agreement, assuming that a termination circumstance occurred as of December 31, 2010 and a "change in control" had not occurred:

| Type of Payment | Termination Event | Estimated Amount of Termination Payment to: | | | | |
|---|--|---|---------------|----------------|-----------------|----------------|
| | | Neil Cole(1) | Warren Clamen | Andrew Tarshis | Yehuda Shmidman | David Blumberg |
| Payment of earned but unpaid salary, unreimbursed expense, and accrued but unused vacation time (2) | Termination for Cause or by executive without Good Reason | none | none | none | none | none |
| Earned but unpaid bonuses (2) | Termination without Cause or by executive for Good Reason, death or disability | none | none | none | none | none |
| Lump Sum Severance Payment | Termination without Cause or by executive for Good Reason | \$ 6,350,000(3) | \$ 344,110(4) | \$ 344,110(4) | \$ 730,822(4) | 400,000(4) |

| | | | | | | | |
|--|---|-----------|----------|-----------|----------|----------|-----|
| Pro rata portion of current year bonuses | Death, termination without Cause, or termination by executive for Good Reason | \$ none | (6) none | (5) none | (5) none | (5) none | (6) |
| Continued coverage under medical, dental, hospitalization and life insurance plans | Death, termination without Cause, or termination by executive for Good Reason | \$ 52,388 | \$ 1,247 | \$ 44,207 | 44,072 | 44,207 | |

1 Upon Mr. Cole's termination without cause by us or for good reason by Mr. Cole, 75% of the then remaining unvested restricted stock units shall immediately vest, and the portion of performance based units shall become vested on the achievement of the performance goals through the date of termination.

2 At December 31, 2010, each named executive officer is assumed to have received all such payments.

3 Payable one half in monthly installments, and half on December 31, 2010.

4 These amounts are payable in lump sum within 30 days of termination.

5 All such bonuses are discretionary.

6 All such bonuses are performance based.

Change in Control Payments

In lieu of the lump sum severance payment upon termination without a change of control, Mr. Cole is entitled to a lump sum payment equal to three times his base salary plus three times his average annual bonus for the last three years upon termination following a change in control.

In addition to the payments made upon termination by the Company without cause or termination by the executive for good reason, the employment agreements with Messrs Tarshis, Clamen, Shmidman and Blumberg provide that, if, within twelve months of a “change in control,” their employment is terminated by us without “cause” or they terminate their employment with us for “good reason,” as all such terms are defined in each employment agreement, we are obligated to make a lump-sum severance payment to each such named executive officer equal to \$100 less than three times the named executive officer’s “annualized includable compensation for the base period” (as defined in Section 280G of the Internal Revenue Code).

Under the circumstances described above, all of the named executive officers were entitled to an accelerated vesting and payment of stock options and restricted stock awards granted to that named executive officer. However, the sum of any lump sum payments, the value of any accelerated vesting of stock options and restricted stock awards, and the value of any other benefits payable to the named executive officer, with the exception of Mr. Cole, may not equal or exceed an amount that would constitute an “excess parachute payment” (as defined in Section 280G of the Internal Revenue Code). With respect to Mr. Cole, such payment is due within 60 days of December 31, 2010.

The following table quantifies the estimated maximum amount of payments and benefits under our employment agreements and agreements relating to awards granted under our equity incentive and stock option plans to which the named executive officers would have been entitled upon termination of employment if we had terminated their employment without cause within twelve (12) months following a “change in control” of our Company that (by assumption) occurred on December 31, 2010 and prior to the expiration of any employment agreements.

| Name | Cash Severance Payment (\$)(1) | Continuation of Medical/Welfare Benefits (Present Value) (\$) | Present Value of Accelerated Vesting of Equity Awards (\$)(1) | Present Value of Accelerated Payment of Bonus (\$) | Total Termination Benefits (\$) |
|-----------------|--------------------------------|---|---|--|---------------------------------|
| Neil Cole | \$9,525,000 (2) | \$ 39,741 | \$4,370,389 | \$- | \$13,935,130 |
| Warren Clamen | 2,558,196 (3) | 1,085 | 54,197 | - | 2,613,477 |
| Andrew Tarshis | 2,153,156 (4) | 33,705 | 51,025 | - | 2,237,886 |
| Yehuda Shmidman | 2,029,233 (5) | 33,705 | 294,693 | - | 2,357,631 |
| David Blumberg | 4,496,695 (6) | 33,705 | 1,037,661 | - | 5,568,062 |

(1) This amount represents the unrealized value of the unvested portion of the respective named executive officer’s restricted stock based upon the closing price of our common stock on December 31, 2010.

(2) Payable within 60 days of termination.

(3) \$345,556 is payable within 30 days of termination. The difference is due within 15 days of termination

(4) \$345,556 is payable within 30 days of termination. The difference is due within 15 days of termination.

- (5) \$1,082,431 is payable within 30 days of termination. The difference is due within 15 days of termination.
- (6) \$ 400,000 is payable within 30 days of termination. The difference is due within 15 days of termination.

Director Compensation

The compensation committee determined that for each full year of service as a director of our company during 2010, each non-employee member of the Board would receive a cash payment of \$50,000, payable 50% on or about each January 1 and 50% on or about each July 1, and a number of restricted shares of common stock with a fair market value of \$100,000 on January 1, vesting 100% on July 1 of each year. In addition, the compensation committee determined that the audit committee chair would receive an annual stipend of \$15,000, and the chairs of the compensation committee and nominating and governance committee would receive an annual stipend of \$10,000, each payable each July 1.

The following table sets forth compensation information for 2010 for each person who served as a member of our Board of Directors at any time during 2010 who is not also an executive officer. An executive officer who serves on our Board does not receive additional compensation for serving on the Board. See Summary Compensation Table and Grants of Plan-Based Awards Table for disclosures related to our Chairman of the Board, President and Chief Executive Officer, Neil Cole.

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$)(1)(2) | Change in Pension Value | | | | Total (\$) |
|--------------------|--|-------------------------------|-----------------------------|---|--|-----------------------------------|---------------|
| | | | Option Awards (\$)(2) | Non-Equity Incentive Plan Compensation (\$) | and Nonqualified Deferred Compensation Earnings | All Other Compensation (\$) | |
| Barry Emanuel | \$ 50,000 | \$ 100,000 | — | — | — | — | —\$ 150,000 |
| Steven Mendelow(3) | 65,000 | 100,000 | — | — | — | — | 165,000 |
| Drew Cohen | 60,000 | 100,000 | — | — | — | — | 160,000 |
| F. Peter Cuneo | 50,000 | 100,000 | — | — | — | — | 150,000 |
| Mark Friedman | 60,000 | 100,000 | — | — | — | — | 160,000 |
| James A. Marcum | 50,000 | 100,000 | — | — | — | — | 150,000 |

(1) Represents the aggregate grant date fair value. See Note 6 to Notes to the Consolidated Financial Statements included in this Report for a discussion for the relevant assumptions used in calculating grant date fair value.

(2) At December 31, 2010 our non-employee directors owned the following unexercised options - Drew Cohen 50,000; Barry Emanuel - 191,173; and Steven Mendelow - 100,250.

(3) Mr. Mendelow resigned from the Board of Directors on December 7, 2010.

Director Compensation for 2011. For 2011, each non-employee member of the Board will receive an annual cash payment of \$50,000, payable 50% on or about January 1 and 50% on or about July 1, and an award on January 1, 2011 of a certain number of restricted shares of our common stock with a fair market value of \$100,000 on January 1, 2011, all of which vests on July 1, 2011.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table presents information regarding beneficial ownership of our common stock as April 14, 2011 by each of our directors and our named executive officers, all of our executive officers and directors, as a group, and each person known by us to beneficially hold more than five percent of our common stock, based on information obtained from such persons.

Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all securities beneficially owned, subject to community property laws where applicable. The shares “beneficially owned” by a person are determined in accordance with the definition of “beneficial ownership” set forth in the regulations of the SEC and, accordingly, shares of our common stock underlying options, warrants, restricted stock units and other convertible securities that are exercisable or convertible within 60 days of April 14, 2011 and shares of our common stock underlying restricted stock awards that vest within 60 days of April 14, 2011 are deemed to be beneficially owned by the person holding such securities and to be outstanding for purposes of determining such holder’s percentage ownership. The same securities may be beneficially owned by more than one person.

Percentage ownership is based on 72,889,583 shares of our common stock outstanding as of April 14, 2011. The address for each beneficial owner, unless otherwise noted, is c/o Iconix Brand Group, Inc. at 1450 Broadway, New York, New York 10018.

| Name and Address of Beneficial Owner | Number of Shares of Common Stock Beneficially Owned | | Percentage of Company's Outstanding Common stock Beneficially Owned | |
|--|---|------|---|---|
| Neil Cole | 3,005,388 | (1) | 4.0 | % |
| Warren Clamen | 39,146 | | * | |
| Andrew Tarshis | 16,940 | | * | |
| Yehuda Shmidman | 15,033 | | * | |
| David Blumberg | 263,920 | (2) | * | |
| Barry Emanuel | 159,529 | (3) | * | |
| Drew Cohen | 64,000 | (4) | * | |
| F. Peter Cuneo | 119,776 | | * | |
| Mark Friedman | 34,140 | | * | |
| James A. Marcum | 26,320 | | * | |
| Laurence N. Charney | - | (5) | * | |
| Baron Capital Group, Inc. 767 Fifth Avenue New York, NY 10153 | 3,900,000 | (6) | 5.4 | % |
| Black Rock Inc. 40 East 52nd Street New York, NY 10022 | 5,637,025 | (7) | 7.7 | % |
| Luxor Capital Group 1114 Avenue of the Americas, 29th Floor New York, NY 10036 | 6,089,298 | (8) | 8.4 | % |
| Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746 | 3,894,296 | (9) | 5.3 | % |
| All directors and executive officers as a group (11 persons) | 3,764,092 | (10) | 5.0 | % |

* Less than 1%

(1) Includes (i) 1,965,000 shares of common stock issuable upon exercise of options (ii) 709,011 shares of common stock underlying restricted common stock units that have vested but the delivery of which Mr. Cole has agreed to defer and (iii) 20,000 shares of common stock owned by Mr. Cole's children. Does not include (i) shares held in Mr. Cole's account under the Company's 401(k) savings plan over which Mr. Cole has no current voting or investment power or (ii) 472,673 shares of common stock underlying restricted common stock units that have not vested, the delivery of which Mr. Cole has agreed to defer.

- (2) Includes (i) 45,000 shares of common stock issuable upon exercise of options owned by Mr. Blumberg, (ii) 190,000 shares of common stock issuable upon exercise of options owned by Blumberg Associates, LLC, and (iii) 16,000 shares owned by Blumberg Associates, LLC. Mr. Blumberg has voting and investment control over securities of the Company owned by Blumberg Associates, LLC.
- (3) Includes 141,073 shares of common stock issuable upon exercise of options.
- (4) Includes 50,000 shares of common stock issuable upon exercise of options.
- (5) On February 16, 2011, Mr. Charney was granted 4,114 shares of common stock which vest fully on July 1, 2011, which represents his equity compensation as a director for 2011, pro-rated for a partial year based on his start date. Mr. Charney was also granted 11,754 shares of common stock on February 16, 2011, which vests evenly on the one, two and three year anniversary of the grant.
- (6) Baron Capital Group, Inc. (“BCG”) is deemed to have beneficial ownership of these shares, which are held by BCG or entities that it controls. BCG and Ronald Baron disclaim beneficial ownership of the shares held by their controlled entities (or the investment advisory clients thereof) to the extent that persons other than BCG and Ronald Baron hold such shares. BAMCO, Inc. disclaims beneficial ownership of shares held by its investment advisory clients to the extent such shares are held by persons other than BAMCO, Inc. and its affiliates. The information provided is based upon Schedule 13G filed by BCG and its affiliates: Bamco, Inc.; Baron Small Cap Fund; and Ronald Baron, as amended on February 14, 2011.
- (7) On December 1, 2009, Black Rock, Inc. completed its acquisition of Barclays Global Investors, NA, herein referred to as Barclays Capital. The reported amounts include shares of our common stock beneficially owned by Barclays Capital and certain of its affiliates. The information is based upon a Schedule 13G filed February 4, 2011 by Black Rock, Inc.
- (8) Based on a Schedule 13-G filed on February 14, 2011, Luxor Capital Group, LP acts as the investment manager of Luxor Capital Partners, LP, a Delaware limited partnership (the “Onshore Fund”), Luxor Spectrum, LLC, a Delaware limited liability company (the “Spectrum Onshore Fund”), Luxor Wavefront, LP, a Delaware limited partnership (the “Wavefront Fund”), Luxor Capital Partners Offshore Master Fund, LP, a Cayman Islands limited partnership (the “Offshore Master Fund”), Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the “Offshore Feeder Fund”), Luxor Spectrum Offshore Master Fund, LP, a Cayman Islands limited Partnership (the “Spectrum Offshore Master Fund”) and Luxor Spectrum Offshore, Ltd., a Cayman Islands exempted company (the “Spectrum Offshore Feeder Fund”) (the Onshore Fund, the Spectrum Onshore Fund, the Wavefront Fund, the Offshore Master Fund, the Offshore Feeder Fund, the Spectrum Offshore Master Fund and the Spectrum Offshore Feeder Funds are collectively referred to as the “Funds”) and to accounts it separately manages (the “Separately Managed Accounts”). The Offshore Master Fund is a subsidiary of Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the “Offshore Feeder Fund”), and the Spectrum Offshore Master Fund is a subsidiary of Luxor Spectrum Offshore Master Fund, LP, a Cayman Islands limited Partnership (the “Spectrum Offshore Feeder Fund”). Luxor Management, LLC, a Delaware limited liability company (“Luxor Management”) is the general partner of Luxor Capital Group, LP, a Delaware limited partnership (“Luxor Capital Group”). Mr. Christian Leone, United States citizen, is the managing member of Luxor Management. LCG Holdings, LLC, a Delaware limited liability company (“LCG Holdings”) is the general partner of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund, the Spectrum Offshore Master Fund and the managing member of the Spectrum Onshore Fund. Mr. Leone is the managing member of LCG Holdings. Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Funds and the Separately Managed Accounts. LCG Holdings may be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund, the Spectrum Onshore

Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Offshore Master Fund.

(9)Based on a Schedule 13G filed on February 11, 2011, Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the “Funds”). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional Fund Advisors LP or its subsidiaries (collectively, “Dimensional”) possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in the referenced Schedule 13-G are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.

(10) Includes (i) 2,391,073 shares of common stock issuable upon exercise of options and (ii) 709,011 shares underlying restricted stock and restricted stock unit awards.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information with respect to all of the Company's equity compensation plans in effect as of December 31, 2010.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans, (excluding securities reflected in column (a)) (c) |
|---|---|---|--|
| Equity compensation plans approved by security holders: | 1,945,935 | \$ 6.17 | 1,909,669 |
| Equity compensation plans not approved by security holders: : (1) | 900,500 | \$ 4.73 | — |
| Total | 2,846,435 | \$ 5.72 | 1,909,669 |

(1) Represents the aggregate number of shares of common stock issuable upon exercise of individual arrangements with option and warrant holders, including 300,500 options issued under the terms of our 2001 Stock Option Plan. These options and warrants are up to three years in duration, expire at various dates through December 28, 2015, contain anti-dilution provisions providing for adjustments of the exercise price under certain circumstances and have termination provisions similar to options granted under stockholder approved plans. See Note 6 of Notes to the Consolidated Financial Statements included in this Report for a description of our stock option and stock incentive plans.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Pursuant to its charter, our audit committee must review and approve, where appropriate, all related party transactions.

The Candie's Foundation

The Candie's Foundation, a charitable foundation founded by Neil Cole for the purpose of raising national awareness about the consequences of teenage pregnancy, owed the Company \$0.9 million and \$0.8 million at December 31, 2010 and 2009, respectively. In February 2011, the Candie's Foundation received a contribution of approximately \$0.3 million from a licensee of ours. The Candie's Foundation intends to pay-off the entire borrowing from us during 2011, although additional advances will be made as and when necessary.

Travel

We recorded expenses of approximately \$116,000, \$326,000 and \$354,000 for 2010, 2009 and 2008, respectively, for the hire and use of aircraft solely for business purposes owned by a company in which our chairman, chief executive officer and president is the sole owner. We believe that all transactions were made on terms and conditions no less favorable than those available in the marketplace from unrelated parties.

Board Independence

Our Board has determined that Messrs. Cohen, Cuneo, Emanuel, Friedman, Marcum and Charney are each an “independent director” under the applicable Listing Rules of NASDAQ.

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Item 14. Principal Accounting Fees and Services.

Audit Fees. The aggregate fees billed by BDO USA, LLP for professional services rendered for the audit of the Company's annual financial statements for 2010 and 2009, internal controls over financial reporting and the reviews of the financial statements included in the Company's Forms 10-Q, comfort letter and consents related to SEC registration statements and other capital raising activities for 2010 and 2009 totaled approximately \$600,000 and \$473,000, respectively.

Audit-Related Fees. There were approximately \$264,000 and \$265,650 aggregate fees billed by BDO USA, LLP for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements for 2010 and 2009, respectively, and that are not disclosed in the paragraph captions "Audit Fees" above. The majority of the audit-related fees in 2010 and 2009 were related to acquisitions.

Tax Fees. The aggregate fees billed by BDO USA, LLP for professional services rendered for tax compliance, for 2010 and 2009, were approximately \$55,000 and \$55,000, respectively. There were no fees billed by BDO USA, LLP for professional services rendered for tax advice and tax planning for 2010 and 2009.

All Other Fees. There were no fees billed by BDO USA, LLP for products and services, other than the services described in the paragraphs captions "Audit Fees", "Audit-Related Fees", and "Tax Fees" above for 2010 and 2009.

The Audit Committee has established its pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit services provided by BDO USA, LLP in 2010. Consistent with the Audit Committee's responsibility for engaging the Company's independent auditors, all audit and permitted non-audit services require pre-approval by the Audit Committee. The full Audit Committee approves proposed services and fee estimates for these services. The Audit Committee chairperson or their designee has been designated by the Audit Committee to approve any services arising during the year that were not pre-approved by the Audit Committee. Services approved by the Audit Committee chairperson are communicated to the full Audit Committee at its next regular meeting and the Audit Committee reviews services and fees for the fiscal year at each such meeting. Pursuant to these procedures, the Audit Committee approved all the foregoing audit services and permissible non-audit services provided by BDO USA, LLP.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents included as part of this Annual Report

1. The following consolidated financial statements are included in this Annual Report:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets - December 31, 2010 and 2009

Consolidated Income Statements for the years ended December 31, 2010, 2009 and 2008

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2010, 2009 and 2008

Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008

Notes to Consolidated Financial Statements

The following consolidated financial statement schedule of Iconix Brand Group, Inc. and subsidiaries is included in Item 15(d):

Report of Independent Registered Public Accounting Firm on Financial Statement Schedule

Schedule II Valuation and qualifying accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. See the Index to Exhibits for a list of exhibits filed as part of this Annual Report.

(b) See Item (a) 3 above.

(c) See Item (a) 2 above.

SIGNATURES

Pursuant to the requirements of Section 13 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.

ICONIX BRAND GROUP, INC.

Date: April 29, 2011

By: /s/ Neil Cole
Neil Cole
President and Chief Executive Officer

/s/ Warren Clamen
Warren Clamen
Executive Vice President and
Chief Financial Officer

Index to Exhibits

| Exhibit Numbers | Description |
|-----------------|---|
| 2.1 | Asset Purchase dated October 29, 2004 by and among B.E.M. Enterprise, Ltd., Escada (USA) Inc., the Company and Badgley Mischka Licensing LLC (1) |
| 2.2 | Asset Purchase Agreement dated July 22, 2005 by and among the Company, Joe Boxer Company, LLC, Joe Boxer Licensing, LLC, JBC Canada Holdings, LLC, Joe Boxer Canada, LP, and William Sweedler, David Sweedler, Alan Rummelsburg, Joseph Sweedler and Arnold Suresky (2) |
| 2.3 | Asset Purchase Agreement dated September 16, 2005 by and among the Company, Rampage Licensing, LLC, Rampage.com, LLC, Rampage Clothing Company, Larry Hansel, Bridgette Hansel Andrews, Michelle Hansel, Paul Buxbaum and David Ellis (3) |
| 2.4 | Merger Agreement dated as of March 31, 2006 by and among the Company, Moss Acquisition Corp., Mossimo, Inc., and Mossimo Giannulli (4) |
| 2.5 | Asset Purchase Agreement dated as of March 31, 2006, between the Company and Mudd (USA) LLC (5) |
| 2.6 | Amendment dated April 11, 2006 to Asset Purchase Agreement dated as of March 31, 2006 between the Company and Mudd (USA), LLC. (6) |
| 2.7 | Asset Purchase Agreement, dated as of August 21, 2006, between the Company and London Fog Group, Inc. (7) |
| 2.8 | Asset Purchase Agreement, dated as of October 31, 2006, between the Company, The Warnaco Group, Inc., and Ocean Pacific Apparel Corp. (including the forms of the Note and the Registration Rights Agreement) (27)+ |

2.9 Assets Purchase Agreement dated as of February 21, 2007 by and among the Company, Danskin, Inc. and Danskin Now, Inc. (28)+**

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| Exhibit Numbers | Description |
|-----------------|--|
| 2.10 | Asset Purchase Agreement dated March 6, 2007 by and among the Company, Rocawear Licensing LLC, Arnold Bize, Shawn Carter and Naum Chernyavsky (29)+ |
| 2.11 | Purchase and Sale Agreement, dated September 6, 2007, by and among the Company, Official Pillowtex LLC and the Sellers of interests in Official Pillowtex, LLC (“the Sellers”) (32)+ |
| 2.12 | Asset Purchase Agreement dated November 15, 2007 by and among the Company, Exeter Brands Group LLC and NIKE, Inc. (34)+ |
| 2.13 | Asset Purchase Agreement by and among NexCen Brands, Inc., NexCen Fixed Asset Company, LLC, NexCen Brand Management, Inc., WV IP Holdings, LLC and the Company dated September 29, 2008 (39)+ |
| 2.14 | Contribution and Sale Agreement dated October 26, 2009 by and among the Registrant, IP Holder LLC, now known as IP Holdings Unltd LLC, Seth Gerszberg, Suchman LLC, Yakira, L.L.C., Ecko.Complex, LLC, Zoo York LLC and Zoo York THC LLC. + (46) |
| 2.15 | Membership Interest Purchase Agreement dated as of March 9, 2010 by and between the Registrant and Purim LLC (50)+ |
| 2.16 | Purchase Agreement dated as of April 26, 2010 by and among Iconix Brand Group, Inc., United Features Syndicate, Inc. and The E.W. Scripps Company (51)+ |
| 3.1 | Certificate of Incorporation, as amended (8) |
| 3.2 | Restated and Amended By-Laws (9) |
| 4.1 | Rights Agreement dated January 26, 2000 between the Company and Continental Stock Transfer and Trust Company (10) |
| 4.2 | Fifth Amended and Restated Indenture dated of August 28, 2006 by and between IP Holdings LLC, as issuer, and Wilmington Trust Company as Trustee (7) |
| 4.3 | Indenture, dated June 20, 2007 between the Company and The Bank of New York (31) |
| 4.4 | Registration Rights Agreement, dated June 20, 2007, by and among the Company, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Lehman Brothers Inc. (31) |
| 10.1 | 1997 Stock Option Plan of the Company (12)* |
| 10.2 | 2000 Stock Option Plan of the Company (13)* |
| 10.3 | 2001 Stock Option Plan of the Company (14)* |
| 10.4 | 2002 Stock Option Plan of the Company (15)* |

- 10.5 Non -Employee Director Stock Incentive Plan (16)*
- 10.6 401(K) Savings Plan of the Company (17)
- 10.7 Employment Agreement between Neil Cole and the Company dated January 28, 2008 (9)*

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| Exhibit Numbers | Description |
|-----------------|---|
| 10.8 | Membership Interest Purchase Agreement dated as of May 4, 2009 by and among the Registrant, Donald Edward Hardy and Francesca Passalacqua, trustees of the Hardy/Passalacqua Family Revocable Trust and Donald Edward Hardy. + (47) |
| 10.9 | 2009 Equity Incentive Plan*(49) |
| 10.15 | Option Agreement of Neil Cole dated November 29, 1999 (17)* |
| 10.16 | Iconix Brand Group, Inc. 2006 Equity Incentive Plan and forms of options granted thereunder (37)* |
| 10.17 | Restricted Stock Agreement dated September 22, 2006 between the Company and Andrew Tarshis (24)* |
| 10.18 | Restricted Stock Agreement dated September 22, 2006 between the Company and Deborah Sorell Stehr (24)* |
| 10.19 | Form of Restricted Stock Agreement for officers under the Iconix Brand Group, Inc. 2006 Equity Incentive Plan (25)* |
| 10.20 | Form of Restricted Stock Agreement for Directors under the Iconix Brand Group, Inc. 2006 Equity Incentive Plan (25)* |
| 10.21 | 8% Senior Subordinated Note due 2012 of the Company payable to Sweet Sportswear, LLC (20) |
| 10.22 | Letter Agreement dated October 29, 2004 among UCC Funding Corporation, Content Holdings, Inc., the Company and Badgley Mischka Licensing LLC (1) |
| 10.23 | Form of Option Agreement under the Company's 1997 Stock Option Plan (18)* |
| 10.24 | Form of Option Agreement under the Company's 2000 Stock Option Plan (18)* |
| 10.25 | Form of Option Agreement under the Company's 2001 Stock Option Plan (18)* |
| 10.26 | Form of Option Agreement under the Company's 2002 Stock Option Plan (18)* |
| 10.27 | Agreement dated June 2, 2006 among the Company, UCC Consulting, Content Holdings, James Haran and Robert D'Loren (44) |
| 10.28 | Common Stock Purchase Warrant issued to UCC Consulting Corporation (45) |
| 10.29 | Purchase and Sale Agreement dated June 2, 2006 by and among the Company, Content Holdings, Robert D'Loren, Seth Burroughs and Catherine Twist (44) |
| 10.30 | |

Loan and Security Agreement dated as of October 31, 2006 among Mossimo Holdings LLC, Mossimo Management LLC, and Merrill Lynch Mortgage Capital Inc., as agent and lender (11)+

- 10.31 Guaranty dated as of October 31, 2006 by the Company in favor of Merrill Lynch Mortgage Capital Inc., as agent (11)
- 10.32 Registration Rights Agreement dated as of March 9, 2007 by and between the Company and Dansk, Inc. (28)
- 10.33 Registration Rights Agreement dated March 30, 2007 by and between the Company and Rocawear Licensing LLC (29)

| Exhibit Numbers | Description |
|--------------------|---|
| 10.34 | Amended and Restated Credit Agreement dated as of May 2, 2007 by and among the Company, Lehman Brothers Inc. as Arranger, and Lehman Commercial Paper Inc., as Lender, as Syndication Agent and as Administrative Agent (30)+ |
| 10.35 | Guarantee and Collateral Agreement made by the Company and certain of its subsidiaries in favor of Lehman Commercial Paper Inc., as Administrative Agent (30)+ |
| 10.36 | Purchase Agreement, dated June 14, 2007, by and among the Company, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Lehman Brothers Inc. (31) |
| 10.37 | Letter Agreement Confirming OTC Convertible Note Hedge, dated June 19, 2007 among the Company, Merrill Lynch International and, solely in its capacity as agent thereunder, Merrill Lynch, Pierce, Fenner & Smith Incorporated (31) |
| 10.38 | Letter Agreement, Confirming OTC Convertible Note Hedge, dated June 19, 2007, among the Company, Lehman Brothers - OTC Derivatives Inc. and, solely in its capacity as agent thereunder, Lehman Brothers (31) |
| 10.39 | Letter Agreement, Confirming OTC Warrant transaction, dated June 19, 2007, among the Company, Merrill Lynch International and, solely in its capacity as agent thereunder, Merrill Lynch, Pierce, Fenner & Smith Incorporated (31) |
| 10.40 | Letter Agreement, Confirming OTC Warrant Transaction, dated June 19, 2007, among the Company, Lehman Brothers OTC Derivatives Inc. and, solely in its capacity as agent thereunder, Lehman Brothers (31) |
| 10.41 | Escrow Agreement dated September 6, 2007 by and between the Company, Ben Kraner, on behalf of the Sellers, as each Seller's authorized attorney-in-fact, and U.S. Bank National Association, as escrow agent (32) |
| 10.42 | Note and Security Agreement dated November 7, 2007 made by Artful Holdings, LLC in favor of the Company (33) |
| 10.43 | Restricted Stock Grant Agreement dated February 19, 2008 between the Company and Neil Cole (42)* |
| 10.44 | Restricted Stock Performance Unit Agreement dated February 19, 2008 between the Company and Neil Cole (42)* |
| 10.45 | Lease dated as of November 12, 2007 with respect to the Company's Executive Offices (42) |
| 10.46 | Iconix Brand Group, Inc. Executive Incentive Bonus Plan (35) |
| 10.47 | Transition Services Agreement between the Company and David Conn (38) |
| 10.48 | |

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Employment Agreement dated November 11, 2008 between the Company and Andrew Tarshis (40)*

- 10.49 Employment Agreement dated November 11, 2008 between the Company and Warren Clamen (40)*
- 10.50 Agreement dated May 2008 between the Company and Neil Cole.(36)*
- 10.51 Agreement dated December 24, 2008 between the Company and Neil Cole (41)*
- 10.52 Form of restricted stock agreement under the 2009 Equity Incentive Plan* (48)
- 10.53 Form of stock option agreement under the 2009 Equity Incentive Plan* (48)
- 10.54 Restricted Stock Performance Unit Agreement with Neil Cole dated September 23, 2009* (48)
- 10.55 Restricted Stock Agreement with Warren Clamen dated September 22, 2009* (48)

| Exhibit Numbers | Description |
|-----------------|---|
| 10.56 | Restricted Stock Agreement with Andrew Tarshis dated September 22, 2009* (48) |
| 10.57 | Employment Agreement dated November 17, 2009 between the Company and Yehuda Shmidman * (52) |
| 10.58 | Employment Agreement dated February 26, 2009 between the Company and David Blumberg* (52) |
| 10.59 | Restricted Stock Agreement with David Blumberg dated September 22, 2009* (52) |
| 10.60 | Lease dated as of December 30, 1994, including amendments dated November 30, 1996, September 26, 2003, and December 23, 2004, with respect to the Company's office at 200 Madison Avenue ++ |
| 21 | Subsidiaries of the Company ++ |
| 23 | Consent of BDO USA, LLP ++ |
| 31.1 | Certification of Chief Executive Officer Pursuant To Rule 13a-14 Or 15d-14 Of The Securities Exchange Act Of 1934, As Adopted Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002 +++ |
| 31.2 | Certification of Principal Financial Officer Pursuant To Rule 13a-14 Or 15d-14 Of The Securities Exchange Act Of 1934, As Adopted Pursuant To Section 302 Of The Sarbanes-Oxley Act of 2002 +++ |
| 32.1 | Certification of Chief Executive Officer Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 ++ |
| 32.2 | Certification of Principal Financial Officer Pursuant To 18 U.S.C. Section 1350, As Adopted pursuant To Section 906 Of The Sarbanes-Oxley Act Of 2002 ++ |
| 99.1 | Note Purchase Agreement by and among IP Holdings LLC, the Company and Mica Funding, LLC, dated April 11, 2006 (26)+ |
| 99.2 | Note Purchase Agreement by and among IP Holdings LLC, the Company and Mica Funding, LLC, dated August 28, 2006 (7)+ |
| 99.3 | Agreement for Creative Director Services dated as of October 31, 2006 by and among the Company, Mossimo, Inc. and Mossimo Giannulli (11) |
| (1) | Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2004 and incorporated by reference herein. |
| (2) | |

Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated July 22, 2005 and incorporated by reference herein.

- (3) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated September 16, 2005 and incorporated by reference herein.

- (4) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 31, 2006 (SEC accession No. 0000950117-06-001668) and incorporated by reference herein.
- (5) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 31, 2006 (SEC accession No. 0000950117-06-001669) and incorporated by reference herein.
- (6) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and incorporated by reference herein.
- (7) Filed as an exhibit filed to the Company's Current Report on Form 8-K for the event dated August 28, 2006 and incorporated by reference herein.
- (8) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 and incorporated by reference herein.
- (9) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated January 28, 2008 and incorporated by reference herein.
- (10) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated January 26, 2000 and incorporated by reference herein.
- (11) Filed as an exhibit to the Company's Current Report on form 8-K for the event dated October 31, 2006 (SEC accession no. 0001144204-06-045497) and incorporated by reference herein.
- (12) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997 and incorporated by reference herein.
- (13) Filed as Exhibit A to the Company's definitive Proxy Statement dated July 18, 2000 as filed on Schedule 14A and incorporated by reference herein.
- (14) Filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended January 31, 2002 and incorporated by reference herein.
- (15) Filed as Exhibit B to the Company's definitive proxy statement dated May 28, 2002 as filed on Schedule 14A and incorporated by reference herein.
- (16) Filed as Appendix B to the Company's definitive Proxy Statement dated July 2, 2001 as filed on Schedule 14A and incorporated by reference herein.
- (17) Filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended January 31, 2003 and incorporated by reference herein.

- (18) Filed as an exhibit to the Company's Transition Report on Form 10-K for the transition period from February 1, 2004 to December 31, 2004 and incorporated by reference herein.
- (19) Intentionally omitted.
- (20) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2002 and incorporated by reference herein.
- (21) Intentionally omitted.
- (22) Intentionally omitted.
- (23) Intentionally omitted.
- (24) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated September 22, 2006 and incorporated by reference herein.
- (25) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and incorporated by reference herein.
- (26) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated April 11, 2006 and incorporated by reference herein.
- (27) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated October 31, 2006 (SEC accession no. 0001144204-06-0455507) and incorporated by reference herein.
- (28) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 9, 2007 and incorporated by reference herein.
- (29) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 30, 2007 and incorporated by reference herein.
- (30) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated May 1, 2007 and incorporated by reference herein.
- (31) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated June 14, 2007 and incorporated by reference herein.
- (32) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated October 3, 2007 and incorporated by reference herein.
- (33) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 7, 2007 and incorporated by reference herein.

- (34) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated December 17, 2007 and incorporated by reference herein.
- (35) Filed as Annex B to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on April 7, 2008 and incorporated by reference herein.
- (36) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated by reference herein.
- (37) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated July 31, 2008 and incorporated by reference herein.
- (38) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated August 13, 2008 and incorporated by reference herein.
- (39) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated September 29, 2008 and incorporated by reference herein.
- (40) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated November 11, 2008 and incorporated by reference herein.
- (41) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated December 24, 2008 and incorporated by reference herein.
- (42) Filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2007 and incorporated by reference herein.
- (43) Intentionally omitted.
- (44) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated June 2, 2006 and incorporated by reference herein.
- (45) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 and incorporated by reference herein.
- (46) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated October 30, 2009 and incorporated herein by reference.
- (47) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated May 4, 2009 and incorporated herein by reference.

- (48) Filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 and incorporated herein by reference.
- (49) Filed as Annex A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on June 29, 2009 and incorporated by reference herein.
- (50) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated March 9, 2010 and incorporated by reference herein.
- (51) Filed as an exhibit to the Company's Current Report on Form 8-K for the event dated April 26, 2010 and incorporated by reference herein.
- (52) Filed as an exhibit to the Company's Report on Form 10-K for the year ended December 31, 2009 and incorporated by reference herein.

* Denotes management compensation plan or arrangement

+ Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Iconix Brand Group, Inc. hereby undertakes to furnish supplementally to the Securities and Exchange Commission copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

** Portions of this document have been omitted and were filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment, which was granted under Rule 24b-2 of the Securities Exchange Act of 1934.

++ Filed with the Original Filing.

+++ Filed herewith.