Diamondback Energy, Inc.
Form 4
March 12, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Dick Teresa L.
(Last) (First) (Middle)
500 WEST TEXAS, SUITE 1200
(Street)
MIDLAND, TX 79701
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Diamondback Energy, Inc. [FANG]

3. Date of Earliest Transaction (Month/Day/Year)
03/10/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CFO, Sr. VP

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/10/2014		M		2,360 (3)	A	$ 0	3,460	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Pr Deriv Secu (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units (1)	$ 0	03/10/2014		M			2,360	(2)	(2)	Common Stock	2,360	$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dick Teresa L. 500 WEST TEXAS, SUITE 1200 MIDLAND, TX 79701			CFO, Sr. VP	

Signatures

/s/ Randall J. Holder as attorney-in-fact for Teresa L. Dick	03/12/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each restricted stock unit represents a contingent right to receive one share of common stock, par value $0.01 per share (the "Common Stock"), of Diamondback Energy, Inc. (the "Issuer") and was granted under the Issuer's 2012 Equity Incentive Plan.

(2) Of the remaining 13,291 restricted stock units, 8,571 restricted stock units will vest in two approximately equal annual installments beginning on September 1, 2014, and 4,720 restricted stock units will vest in two equal annual installments beginning on January 2, 2015.

(3) As of March 10, 2014, 2,360 restricted stock units granted under the Issuer's 2012 Equity Incentive Plan were vested and settled.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. D colspan="3" nowrap align="center" valign="bottom"> **Equity**

Plan Awards:
Incentive
Market or
Plan Awards:
Payout
Number of
Value of
Number of

Number of
Unearned
Unearned
Securities
Securities
Shares,
Shares,
Underlying
Underlying
Units or
Units or
Unexercised
Unexercised
Option
Other Rights
Other Rights
Options
Options
Exercise
Option
that have
that have
(#)
(#)
Price
Expiration
Not Vested(2)
Not Vested(3)
Name
Exercisable Unexercisable(1) ($) Date (#) ($)

Christopher J. Munyan
2,625 23.83 4/24/2013 11,100 34.12 4/19/2009 8,625
2,875 33.20 4/21/2010 11,250 3,750 35.98 10/25/2010 5,000
5,000 30.73 4/19/2011 50,000 50,000 27.60 5/12/2011 6,250
18,750 35.23 5/25/2012 14,000 27.57 6/03/2015
2,475 42,075

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	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable[(1)]	Option Exercise Price ($)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have Not Vested[(2)] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have Not Vested[(3)] ($)
Clifford E. Pietrafitta	17,700		14.33	1/25/2010		
	21,000		14.33	1/22/2011		
	14,551		16.70	2/5/2012		
	8,700		23.83	4/24/2013		
	9,100		34.12	4/19/2009		
	7,200	2,400	33.20	4/21/2010		
	5,400	5,400	30.73	4/19/2011		
	3,500	10,500	35.23	5/25/2012		
		7,000	27.57	6/03/2015		
					1,237	21,029
William G. Kiesling	15,000	5,000	36.60	7/28/2010		
	3,450	3,450	30.73	4/19/2011		
	3,500	10,500	35.23	5/25/2012		
		7,000	27.57	6/03/2015		
					1,237	21,029
Scott M. Shea	12,900		16.70	2/5/2012		
	7,050		23.83	4/24/2013		
	7,600		34.12	4/19/2009		
	5,775	1,925	33.20	4/21/2010		
	6,000	2,000	35.98	10/25/2010		
	4,500	4,500	30.73	4/19/2011		
	3,750	11,250	35.23	5/25/2012		
		6,000	27.57	6/03/2015		
					990	16,830

(1) Options that were unexercisable as of March 31, 2009 with respect to the underlying shares included in this column vest and become exercisable as follows, assuming no termination of employment occurs prior to the vesting dates indicated:

Option Expiration Date	Balances Vest in Equal Installments On	Percentage of Underlying Shares in Each Installment
April 21, 2010	April 21, 2009	100%
July 28, 2010	July 28, 2009	100%
October 25, 2010	October 25, 2009	100%
April 19, 2011	April 19, 2009 and 2010	50%
May 12, 2011	May 12, 2009 and 2010	50%
May 25, 2012	May 25, 2009, 2010 and 2011	331/3%
June 3, 2015	June 3, 2009, 2010, 2011 and 2012	25%

(2) This column reflects the number of shares of CSS common stock that would be issued under the performance-vested RSUs granted on June 3, 2008 if the threshold-level performance goals are achieved and the service-based vesting condition is satisfied. For further information concerning these awards see the discussion under Long-Term Incentives Equity Compensation on page 19 and footnote (2) to the table under Grants of Plan-Based Awards-Fiscal 2009 .

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(3) The amounts in this column were determined by multiplying (a) the closing market price per share of CSS common stock on March 31, 2009 of $17.00 by (b) the number of unearned shares underlying performance-vested RSU grants that have not vested.

Option Exercises Fiscal 2009

The table below provides information regarding exercises of stock options during the fiscal year ended March 31, 2009 by each of the executive officers named in the Summary Compensation Table.

	Option Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise[1] ($)**
Christopher J. Munyan		
Clifford E. Pietrafitta	11,250	40,354
William G. Kiesling		
Scott M. Shea		
Jack Farber		

(1) The value realized on exercise is equal to the difference between the market price of the shares acquired on the date of exercise and the option exercise price for the acquired shares.

Nonqualified Deferred Compensation Fiscal 2009

We maintain a SERP that provides benefits for executives to the extent that their compensation cannot be taken into account under our qualified plans because it exceeds limitations on the amount of annual compensation ($245,000 in 2009 and $230,000 in 2008) that may be taken into account under the Code.

Under the SERP, if we make a profit sharing contribution to our qualified plans for a plan year, all eligible employees are entitled to have an amount credited for their benefit on our books equal to the product of (x) the percentage used by the relevant participating company s board to determine that company s profit sharing plan contribution for such calendar year and (y) the excess of the employee s total cash compensation for such calendar year over the dollar amount of the compensation limitation described above. In addition, under the SERP, irrespective of whether a profit sharing plan contribution is made to a qualified plan with respect to a calendar year, the Human Resources Committee may approve a discretionary amount that will be credited on our books based on a designated percentage of each eligible employee s compensation in excess of the applicable limitation (Discretionary Contributions).

Participant balances are adjusted by the investment performance of investment benchmarks selected by the participant. Participants may select from one of four notional investments. Listed below are the four available alternatives on which the notional investments are based and the rate of return for each investment alternative for the twelve months ended March 31, 2009:

Investment Benchmark	Rate of Return
Vanguard Prime Money Market Investor Shares	2.13%
Vanguard Total Stock Market Index Investor Shares	(37.90%)
Vanguard Life Strategy Growth Fund	(35.49%)
Vanguard Life Strategy Moderate Growth Fund	(27.55%)

Participants may change their selected investment option once per year, during March.

All amounts payable to any employee for whose benefit amounts have been credited represent an unsecured debt of CSS or the applicable subsidiary of CSS. Discretionary Contributions become fully vested upon the making of such contributions. All other SERP contributions for the account of a participant and the earnings thereon vest incrementally beginning upon a participant s completion of two years of service with us, and become fully vested upon completion of six years of service with us. Vesting is accelerated if a participant reaches age 65 or upon the

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participant s death or disability. Generally, vested balances under the SERP become payable in a lump sum within 60 days following termination of a participant s employment with CSS and its affiliates. If the participant is a specified employee under Section 409A of the Code, vested balances will be distributed within sixty days after the beginning of the seventh month following such participant s termination of employment.

The table that follows provides information with respect to each deferred contribution or other plan that provides for the deferral of compensation on a non-tax-qualified basis for the executive officers named in the Summary Compensation Table.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY(1) ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE(2) ($)
Christopher J. Munyan		32,010	(54,993)		96,462
Clifford E. Pietrafitta		11,103	(49,658)		90,242
William G. Kiesling		10,416	(3,948)		6,468
Scott M. Shea		11,543	(23,392)		61,488
Jack Farber		10,500	(128,259)		233,086

(1) The SERP operates on a calendar year basis. The amount in the Registrant Contributions in Last FY column reflects the amount contributed during fiscal 2009 with respect to the 2007 plan year. These amounts are included as compensation for fiscal 2008 in the Summary Compensation Table. No registrant contributions have been made with respect to the 2008 plan year.

(2) All amounts in this column were fully vested as of March 31, 2009, except that only 40% of the amount shown for Mr. Kiesling was vested as of such date. The amounts in this column include amounts that were disclosed as compensation in CSS Summary Compensation Table for previous years. However, due to negative investment performance, the amounts in this column are in some instances less than the sum of the amounts that were included as compensation in CSS Summary Compensation Table for previous years. Disregarding such negative investment performance, the amounts in this column are inclusive of the following amounts that were included as compensation in CSS Summary Compensation Table for previous years: Mr. Munyan $65,203; Mr. Pietrafitta $97,478; Mr. Kiesling $10,416; Mr. Shea $28,021 and Mr. Farber $300,407.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

In this section, we describe payments and benefits that would be provided to our named executive officers upon several events of termination or upon a change of control, assuming that the relevant event occurred on March 31, 2009 (except as otherwise noted). The information in this section does not include:

benefits generally provided to all salaried employees;

provisions under CSS 1994 Stock Plan and 2004 Stock Plan allowing an option holder to exercise within 90 or 180 days after his or her last day of employment those stock options that were exercisable as of his or her last day of employment, other than in the case of termination for cause or voluntary resignation;

benefits that would be provided upon death or disability under supplemental life and/or disability insurance policies paid for by CSS for the benefit of our named executive officers.

With respect to insurance policies purchased for the benefit of our named executive officers, premiums paid by CSS for such policies are included in the amounts shown in the All Other Compensation column of the Summary Compensation Table.

Severance Agreements

Christopher J. Munyan. As amended effective September 5, 2008, our employment agreement with Mr. Munyan provides that CSS will pay a severance benefit to Mr. Munyan if CSS terminates his employment other than for cause at any time prior to the end of the then-current employment term provided for in that agreement.

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Presently, Mr. Munyan s employment term under that agreement ends on July 1, 2011. However, the agreement provides for automatic renewal of such employment term for a three-year term effective July 1 of each year, unless either CSS or Mr. Munyan elects to prevent such renewal from occurring by providing written notice of non-renewal to the other party by at least 90 days prior to July 1 of each year. Neither party provided such written notice of non-renewal with respect to the July 1, 2009 automatic renewal date. Therefore, effective July 1, 2009, Mr. Munyan s employment term under his employment agreement with us will be extended automatically until July 1, 2012.

Our obligation to provide severance payments to Mr. Munyan is conditioned upon the execution and delivery of a release of claims by Mr. Munyan in favor of CSS and its affiliates. If applicable, the severance benefit under his employment agreement would be equal to the greater of (a) 18 months of Mr. Munyan s then-current annual base salary or (b) an amount equal to Mr. Munyan s then-current annual base salary for the period from the effective date of such termination to the end of his then-current employment term under his employment agreement. The severance benefits would be payable in equal installments coinciding with CSS normal payroll schedule (currently, semi-monthly) during the applicable severance period and would be reduced by any requisite tax withholdings and other applicable payroll deductions. Commencement of payment of such severance benefits will be delayed as necessary to avoid adverse consequences under Section 409A of the Code. Furthermore, the employment agreement provides that the severance payments will be reduced by any earnings and other compensation received by Mr. Munyan or accrued for his benefit for services rendered by him during the period commencing on the day following the one-year anniversary of his termination. The agreement also provides for a continuation of payment by CSS of a portion of the premiums for Mr. Munyan s participation in the CSS-sponsored medical insurance program (on the same basis that CSS then pays a portion of the premiums for its active employees participating in the program) for the period of time that he remains entitled to receive severance payments. The employment agreement also contains post-termination non-competition and non-solicitation obligations on the part of Mr. Munyan and in favor of CSS and its affiliates.

Severance Pay Plan for Senior Management (SPP)

Members of the senior management of CSS and its subsidiaries may be eligible to receive severance payments and medical benefits under the SPP. Under the SPP, an eligible executive may receive severance payments and medical benefits if his or her employment is terminated by CSS or a CSS subsidiary that participates in the SPP (CSS and such participating subsidiaries are each referred to in this discussion as an Employer) unless such termination is for cause or due to the death or disability of the executive.

Under the SPP, any of the following may be a basis for termination for cause : violation of the Employer s policies; insubordination; abuse of other employees; theft; dishonesty; criminal acts; willful neglect of job responsibilities; significantly deficient job performance that reflects a willful failure to follow the Employer s communications regarding a required performance improvement; committing acts detrimental to the Employer, its affiliates, its employees or its customers; or engaging in a business or activity which is the same as, similar to, or competitive with that engaged in or developed for later implementation by the Employer.

Additionally, the SPP provides that unless otherwise determined by the Human Resources Committee, an executive would not be eligible to receive severance payments or medical benefits if: the executive voluntarily resigns or retires; the Employer discovers following the executive s last date of employment that the executive engaged in conduct during or after the executive s last date of employment that would support termination for cause; the executive s employment is terminated after the executive was offered and refused to accept a comparable job (as defined in the SPP); or the executive qualifies for severance pay under an individual employment contract that exceeds the severance pay available to the executive under the SPP.

Under the SPP, the Human Resources Committee, in its sole discretion, has the right: to determine whether an employee satisfies the eligibility requirements for severance pay and medical benefits under the SPP; to award severance pay and medical benefits to a terminated employee not otherwise eligible under the SPP; to deny severance payments and medical benefits to an employee otherwise eligible under the terms of the SPP; to award severance pay and medical benefits to any terminated employee in a greater or lesser amount than provided for in the SPP; and/or to pay out benefits in a manner or on a schedule other than as provided for in the SPP.

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Subject to the foregoing, if an eligible executive s employment is terminated other than for cause or due to his or her death or disability, in the absence of any contrary determination by the Human Resources Committee, the executive will be eligible to receive severance payments based on his or her years of continuous service with CSS or any other Employer, in accordance with the following formula:

Years of Continuous Service	Number of Weeks of Severance Pay
0 up to 2 years	26
Over 2 years up to 5 years	39
Over 5 years	52 (the maximum allowance)

All severance payments under the SPP are paid in installments over the period of time reflected in the table above and according to the Employer s normal payroll schedule. In order to receive severance payments under the SPP, an executive must execute and deliver a release of claims in favor of CSS and its affiliates. Severance payments will not commence until the release has been delivered and is no longer subject to any right of revocation by the executive. Severance payments under the SPP are determined based on the executive s weekly rate of salary in effect on his or her last date of employment, excluding all extra pay, such as, but not limited to, incentive bonuses, commissions, car allowances or other allowances, Employer contributions to the Employer s 401(k) plan and other deferred compensation arrangements and other Employer-paid benefits. Severance payments under the SPP are subject to all applicable federal, state and local tax withholding requirements.

Medical benefits under the SPP are available to an executive who both qualifies for severance payments under the SPP and elects health care continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Medical benefits under the SPP consist of payment by the Employer of a portion of the executive s monthly COBRA premium, on the same basis as the Employer pays for a portion of medical insurance premiums for active employees, for the period that severance pay is provided to the executive under the SPP.

The table below shows the amount of severance payments and medical benefits that would have been provided to each named executive officer if: that executive s employment had been terminated (other than for cause or due to death or disability) on March 31, 2009, the executive otherwise satisfied all conditions precedent to the receipt of severance payments and medical benefits and, in the case of benefits provided under the SPP, the Human Resources Committee did not make a determination to increase or reduce the benefits otherwise provided for in the SPP:

Name	Severance Payments ($)	Medical Benefits ($)
Christopher J. Munyan(1)	1,181,250	41,058
Clifford E. Pietrafitta(2)	298,800	18,248
William G. Kiesling(2)	225,375	14,827
Scott M. Shea(2)	310,800	12,581
Jack Farber(2)	400,000	34,074

(1) Reflects the aggregate amount of severance payments and medical benefits that would have been provided to Mr. Munyan in installments over the course of 27 months under his employment agreement, assuming that Mr. Munyan would not receive, or have accrued for his benefit, any earnings or compensation for his services as

an employee or independent contractor during the period beginning March 31, 2010 and ending June 30, 2011. The severance payments reflected in the table would be reduced by and to the extent of any such earnings or compensation. The conditions applicable to such severance payments and the timing for such payments are described above under Severance Agreements . Because his employment agreement provides for severance pay in excess of the severance pay that would otherwise be provided under the SPP, Mr. Munyan would not have received severance payments or medical benefits under the SPP.

(2) Reflects the aggregate amount of severance payments and medical benefits that would have been provided under the SPP.

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Change of Control

All outstanding options to purchase CSS common stock that were held by executives of CSS as of March 31, 2009 were issued under either the 1994 Stock Plan or the 2004 Stock Plan. All stock options outstanding under the 1994 Stock Plan and the 2004 Stock Plan become exercisable upon the occurrence of certain change of control events specified in the respective plan documents, unless the Human Resources Committee determines otherwise. The events that would constitute a change of control under the 1994 Stock Plan and the 2004 Stock Plan are generally as follows:

> *Under the 1994 Stock Plan:* the sale or exchange of all or substantially all of the assets of CSS; the dissolution or liquidation of CSS; or a merger or consolidation involving CSS and another corporation; and
>
> *Under the 2004 Stock Plan:* the sale or other disposition of all or substantially all of the assets of CSS; the dissolution or liquidation of CSS; a merger or consolidation of CSS with another corporation where the stockholders of CSS, immediately prior to such transaction, will not beneficially own, immediately after such transaction, shares having more than 50% of the voting power for the election of directors; or the possession by any person that was not a CSS stockholder on August 4, 2004, the effective date of the 2004 Stock Plan, of more than 50% of the voting power of CSS outstanding securities, other than as a result of: (i) the death of a stockholder, or (ii) a transaction in which CSS becomes a subsidiary of another corporation in which the stockholders of CSS immediately prior to the transaction, hold, immediately after the transaction, more than 50% of the voting power to elect the directors of such other corporation.

If an event constituting a change of control under both the 1994 Stock Plan and the 2004 Stock Plan had occurred as of March 31, 2009, otherwise unexercisble stock options held as of such date by our named executive officers would have become exercisable on such date, and the aggregate value of all such options becoming exercisable solely as a result of that event (and excluding the value of any options that were otherwise exercisable as of that date) would have been zero because the closing market price of $17.00 per share of CSS common stock on the last trading day of March 2009 was less than the respective exercise prices of all such stock options.

In addition to the stock options described above, Messrs. Munyan, Pietrafitta, Shea and Kiesling each held as of March 31, 2009 stock bonus awards consisting of performance-vested RSUs granted under the 2004 Stock Plan on June 3, 2008. Under the provisions of the 2004 Stock Plan, all restrictions and conditions on outstanding stock bonus awards immediately lapse upon the occurrence of a change of control (as defined in the 2004 Stock Plan), unless the Human Resources Committee determines otherwise. See footnote (2) to the table under Grants of Plan Based Awards Fiscal 2009 for further information on these RSUs. If an event constituting a change of control under the 2004 Stock Plan had occurred as of March 31, 2009, in the absence of a contrary determination by the Human Resources Committee, all restrictions and conditions on all outstanding stock bonus awards held by Messrs. Munyan, Pietrafitta, Shea and Kiesling would have immediately lapsed on such date, and the value of the shares of CSS common stock underlying those stock bonus awards, based on the closing market price of $17.00 per share of CSS common stock on March 31, 2009, would have been as follows: Mr. Munyan $127,500; Mr. Pietrafitta $63,750; Mr. Kiesling - $63,750 and Mr. Shea $51,000.

Except as described above with respect to the 1994 Stock Plan and the 2004 Stock Plan, CSS did not have any agreements, plans or arrangements in place that would have provided for payments or benefits to CSS named executive officers upon the occurrence of a change of control occurring on or before March 31, 2009. The COC Plan described under Change of Control Severance Pay Plan for Executive Management Effective May 27, 2009 beginning on page 24 was not in effect on March 31, 2009. Therefore, no payments would have been provided under the COC Plan if a change of control had taken place on that date.

Nonqualified Supplemental Executive Retirement Plan

Vested balances in the SERP sponsored by CSS become payable as soon as administratively practicable following a participant s last date of employment with CSS and its affiliates. The vested balances as of March 31, 2009 of the named executive officers in the SERP are set forth in the table and accompanying footnotes under Nonqualified Deferred Compensation Fiscal 2009 . If any such executive s employment with CSS and subsidiaries had terminated on March 31, 2009 for any reason, that executive s vested balance, as reflected in

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that table and the accompanying footnotes, would become payable to him as soon as administratively practicable following his last day of employment.

DIRECTOR COMPENSATION   FISCAL 2009

Currently, each of our directors who is not a full time employee of CSS or its subsidiaries receives an annual fee of $30,000, as well as $1,000 for attendance at each Board and Board Committee meeting and for each consultation with management or another member of the Board or with a Board or Board Committee advisor or consultant pertaining to the activities of the Board or any Board Committee of which such director is a member, except that the fee for attendance at Board or Board Committee meetings or consultations held telephonically and of not more than one hour in duration is $500.00. In addition, the chairperson of the Human Resources Committee and the Nominating and Governance Committee each receive an additional annual fee of $7,000, and the chairperson of the Audit Committee receives an additional annual fee of $12,000.

Furthermore, each non-employee director is eligible to participate in the 2006 Stock Plan. The 2006 Stock Plan provides for the automatic grant to each non-employee director, on the last day on which our common stock is traded in each November through 2010, of nonqualified stock options to purchase 4,000 shares of CSS common stock at an exercise price per share equal to the closing price per share of CSS common stock on the date the stock options are granted. Accordingly, each non-employee director received an automatic grant of stock options to purchase 4,000 shares of CSS common stock on November 30, 2008 at an exercise price of $22.80 per share. Each option granted under the 2006 Stock Plan expires five years after the date the option was granted. Twenty-five percent of the shares underlying each stock option grant become exercisable on each of the first four anniversaries of the date of grant. These installments are cumulative and exercisable during the remainder of the term of the option.

The table below provides information regarding the compensation paid to each member of our Board, other than members who are also executive officers of CSS, for the fiscal year ended March 31, 2009.

Name	Fees Earned or Paid in Cash ($)	Option Awards[(1)] ($)	All Other Compensation ($)	Total ($)
Scott A. Beaumont	37,833	44,816		82,649
James H. Bromley	51,667	52,221		103,888
John J. Gavin	42,333	13,968		56,301
Leonard E. Grossman	55,167	52,221		107,388
James E. Ksansnak	45,833	52,221		98,054
Rebecca C. Matthias	45,000	52,221		97,221

(1) The amount in the Option Awards column is equal to the dollar amount of stock option compensation cost recognized for financial statement purposes under FAS No. 123R, after adjusting, in accordance with SEC regulations, to disregard the estimate of forfeitures related to service-based vesting conditions. Accordingly, the amount in this column reflects stock option expense associated with stock options granted during fiscal 2009 and stock options granted in prior fiscal years. Assumptions used to determine the amount of stock option expense recognized under FAS No. 123R are set forth in Note 6 to CSS consolidated financial statements included in CSS Annual Report on Form 10-K for the fiscal year ended March 31, 2009. The grant date fair value of stock options granted in fiscal 2009 to the directors listed above was $25,640 per director, computed in accordance with

FAS 123R using the assumptions described in Note 6 to CSS consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended March 31, 2009.

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As of March 31, 2009, the aggregate number of shares underlying outstanding stock options held by the directors listed in the table above were as follows:

Director	Shares Underlying Outstanding Options
Scott A. Beaumont	16,500
James H. Bromley	54,000
John J. Gavin	8,000
Leonard E. Grossman	54,000
James E. Ksansnak	30,000
Rebecca C. Matthias	30,000

OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, THEIR FEES AND THEIR ATTENDANCE AT THE ANNUAL MEETING

The Audit Committee of the Board engaged KPMG LLP (KPMG) as CSS independent registered public accountants to audit our financial statements for our fiscal year ended March 31, 2009. A representative of KPMG is expected to attend the Meeting. This representative will have an opportunity to make a statement, if he or she desires, and will be available to respond to stockholders questions.

The audit fees billed by KPMG for each of our fiscal years ended March 31, 2009 and March 31, 2008, and fees billed by KPMG for other services in each of those fiscal years, were as follows:

Type of Fee	2009	2008
Audit Fees	$ 1,025,000	$ 1,072,500
Audit-Related Fees	$ 12,000	
Tax Fees	$ 75,840	$ 130,867
All Other Fees		
	$ 1,112,840	$ 1,203,367

Audit Fees

Audit fees were paid for the audit of CSS annual consolidated financial statements, the audit of CSS internal control over financial reporting, and the reviews of CSS consolidated financial statements included in CSS Quarterly Reports on Form 10-Q.

Audit-Related Fees

Audit-related fees of $12,000 were paid in fiscal 2009 for services performed in connection with KPMG providing a consent allowing incorporation by reference of its opinions on CSS fiscal 2008 financial statements into an S-3 registration statement filed by CSS during fiscal 2009.

Tax Fees

Tax fees of $75,840 and $130,867 were paid for tax compliance and tax consulting in fiscal 2009 and 2008, respectively. Such compliance services included assistance with tax return preparation.

All Other Fees

There were no fees paid in 2009 or 2008 for products and services provided by KPMG other than the services referred to above.

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AUDIT COMMITTEE REPORT

The Audit Committee is composed of three directors who are independent as determined in accordance with applicable SEC rules and NYSE rules relating to governance and operates under a written charter adopted by the Board.

Management is responsible for preparation of CSS consolidated financial statements, maintaining effective internal control over financial reporting, compliance with laws and regulations and ethical business conduct. The independent registered public accounting firm is responsible for performing an independent audit of CSS consolidated financial statements in accordance with applicable auditing standards and for expressing an opinion on whether those financial statements present fairly in all material respects the financial position, results of operations and cash flows of CSS, in conformity with United States generally accepted accounting principles. The independent registered public accounting firm is also responsible for performing an audit (in accordance with applicable auditing standards) of, and expressing an opinion on the effectiveness of, CSS internal control over financial reporting. The Audit Committee s responsibility is to monitor and oversee these processes. In this context, the Audit Committee has met and held discussions with management and the independent registered public accounting firm.

Management has represented to the Audit Committee that CSS consolidated financial statements were prepared in accordance with United States generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The Audit Committee has considered the results of management s assessment of, and the results of the independent registered public accounting firm s audit of, the effectiveness of CSS internal control over financial reporting, and the Audit Committee has held discussions with management and the independent registered public accounting firm concerning such results. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The independent registered public accounting firm has provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee, and the Audit Committee has discussed with the independent registered public accounting firm that firm s independence.

The Audit Committee has met with CSS internal audit staff and its independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of CSS internal controls, and the quality of CSS financial reporting.

Based upon the Audit Committee s review of the consolidated financial statements and the results of its discussions with management, internal audit staff and the independent registered public accounting firm described above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in CSS Annual Report on Form 10-K for the fiscal year ended March 31, 2009 filed with the SEC.

AUDIT COMMITTEE
Leonard E. Grossman, Chairman
John J. Gavin
James E. Ksansnak

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors and beneficial owners of more than ten percent of our common stock to file reports of ownership of our securities and changes in ownership with the SEC. Based on our review of Section 16(a) filings, we believe that all filings required to be made during the fiscal year ended March 31, 2009 were made on a timely basis.

STOCKHOLDER PROPOSALS

Any stockholder proposal to be presented at the 2010 Annual Meeting of Stockholders must be received by us on or before February 17, 2010 in order to be considered for inclusion in the proxy statement relating to such meeting. If a stockholder does not seek to have a proposal included in the proxy statement, but nevertheless wishes to present a proper proposal at the 2010 Annual Meeting of Stockholders, and the proposal is received by us on or before May 3, 2010, we may in our discretion provide information in the proxy statement relating to that meeting as to the nature of the proposal and how persons named in the proxy solicited by the Board intend to exercise their discretion to vote on the matter.

BY ORDER OF THE BOARD OF DIRECTORS

CSS INDUSTRIES, INC.

By: Michael A. Santivasci,
Secretary

Philadelphia, Pennsylvania
June 17, 2009

CSS will provide to each person solicited, without charge except for exhibits, upon written request, a copy of its Annual Report on Form 10-K, including the consolidated financial statements and financial statement schedule, as filed with the SEC for the fiscal year ended March 31, 2009. Requests should be directed to CSS Industries, Inc., Attention: Corporate Secretary, 1845 Walnut Street, Suite 800, Philadelphia, Pennsylvania, 19103.

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ANNUAL MEETING OF STOCKHOLDERS OF
CSS INDUSTRIES, INC.
July 28, 2009

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 28, 2009:

The notice, proxy statement and annual report are available at https://materials.proxyvote.com/125906

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

â Please detach along perforated line and mail in the envelope provided. â

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PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ý

Election of Directors:

		NOMINEES:
o	**FOR ALL NOMINEES**	¡ Scott A. Beaumont ¡ James H. Bromley
o	**WITHHOLD AUTHORITY FOR ALL NOMINEES**	¡ Jack Farber ¡ John J. Gavin
		¡ Leonard E. Grossman
o	**FOR ALL EXCEPT**	¡ James E. Ksansnak
	(See instructions below)	¡ Rebecca C. Matthias
		¡ Christopher J. Munyan

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: l

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. o

Signature of Stockholder	Date:	Signature of Stockholder	Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized gperson. g

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DIRECTIONS TO THE RITTENHOUSE HOTEL

From Philadelphia International Airport:

Exit airport following signs for 76 West. Follow signs for 76 West and follow to the 30th Street exit. At top of ramp turn right onto Chestnut and follow to 19th St. Turn right onto 19th St. to Walnut Street. Turn right onto Walnut and take an immediate left onto West Rittenhouse Sq. The Rittenhouse is on the right.

From Baltimore, Washington and Points South:

Take 1-95 North past the Philadelphia International Airport. Follow the signs for 76 West. Take 76 West to the 30th Street Exit. Make a right at first traffic signal (Chestnut Street) and follow Chestnut Street to 19th Street. Make a right onto 19th Street and follow 19th Street to Walnut Street (Rittenhouse Park will be directly ahead of you). Make a right onto Walnut Street, then an immediate left onto W. Rittenhouse Square. The Rittenhouse Hotel will be on your right, immediately adjacent to Holy Trinity Church.

From Southern New Jersey and Atlantic City (via The Walt Whitman Bridge):

Take the Atlantic City Expressway to Route 42 North, then to 76 West. Follow the signs for the Walt Whitman Bridge. Cross over the bridge and follow signs for 76 West to the 30th Street Station Exit. Upon exiting make a right onto Chestnut Street and follow Chestnut Street to 19th Street. Make a right onto 19th Street and follow 19th Street to Walnut Street (Rittenhouse Park will be directly ahead of you). Make a right onto Walnut Street then an immediate left onto W. Rittenhouse Square. The Rittenhouse Hotel will be on your right side immediately adjacent to Holy Trinity Church.

From Harrisburg, Hershey, Lancaster PA/Expressway:

Take the PA Turnpike East, to exit 24, Valley Forge. Take 76 East to the 30th Street Station exit. Go around the station. Turn left onto Market Street. Turn right onto 19th Street. Turn right onto Walnut Street, making an immediate left onto West Rittenhouse. The Rittenhouse Hotel driveway is on the right.

From New York, New Jersey and Points North Via New Jersey Turnpike:

Take the New Jersey Turnpike South to Exit 4, following signs for Philadelphia and the Ben Franklin Bridge. Take 73 North, Exactly 1.4 miles, exit for Route 38 West. Take 38 West for 5.2 Miles. Follow 38 West right onto Route 30 West. Follow signs for Ben Franklin Bridge. Follow onto Vine Street/Local traffic lane. Turn left onto 19th Street. Turn right onto Walnut Street, making an immediate left onto West Rittenhouse. The Rittenhouse Hotel driveway is on the right.

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THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF CSS INDUSTRIES, INC.

The undersigned hereby appoints James H. Bromley, Rebecca C. Matthias and Leonard E. Grossman, and each of them acting singly, proxies of the undersigned stockholder with full power of substitution to each of them, to vote all shares of Common Stock of CSS Industries, Inc. (the Company) which the undersigned would be entitled to vote if personally present at the Annual Meeting of Stockholders of the Company to be held at The Rittenhouse Hotel, 210 West Rittenhouse Square, Philadelphia, PA 19103, on Tuesday, July 28, 2009, at 9:30 a.m. (local time) and any adjournments thereof.

This Proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder with respect to the Election of Directors and in the discretion of the holders of this Proxy upon such other matters as may properly come before the annual meeting or any adjournments thereof. If directions are not provided by the undersigned stockholder, this Proxy will be voted FOR ALL NOMINEES for election to the Board of Directors.

THIS PROXY IS CONTINUED ON THE REVERSE SIDE. PLEASE SIGN AND DATE THIS PROXY ON THE REVERSE SIDE AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

(Continued and to be signed on the reverse side)

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