

ACCESS INTEGRATED TECHNOLOGIES INC  
Form DEF 14A  
July 28, 2008

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

SCHEDULE 14A  
(Rule 14a-101)

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

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

ACCESS INTEGRATED TECHNOLOGIES, INC.  
(Name of Registrant As Specified In Its Charter)

N/A  
(Name of Person(s) Filing Proxy statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth in the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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ACCESS INTEGRATED TECHNOLOGIES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held On September 4, 2008

Dear Fellow Stockholders:

We invite you to attend the 2008 Annual Meeting of Stockholders of Access Integrated Technologies, Inc., a Delaware corporation (the “Company”), which will be held on September 4, 2008, at 2:00 p.m., local time (the “Annual Meeting”), at the offices of Kelley Drye & Warren LLP, 101 Park Avenue, 29th Floor, New York, New York 10178. At the Annual Meeting, you will be asked to vote on the following proposals (as more fully described in the Proxy Statement accompanying this Notice):

1. To elect eight (8) members of the Company’s Board of Directors to serve until the 2009 Annual Meeting of Stockholders (or until successors are elected or directors resign or are removed).
2. To amend the Company’s Fourth Amended and Restated Certificate of Incorporation to designate as Class A all authorized common stock that is not currently designated as either Class A or Class B.
3. To increase the number of shares of Class A Common Stock authorized to be issued in payment of interest under the Company’s 2007 Senior Notes.
4. To amend the Company’s Second Amended and Restated 2000 Equity Incentive Plan to increase the total number of shares of Class A Common Stock available for issuance thereunder.
5. To ratify the appointment of Eisner LLP as our independent auditors for the fiscal year ending March 31, 2009.
6. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only stockholders of record at the close of business on July 18, 2008 are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

YOUR VOTE IS VERY IMPORTANT. WE HOPE YOU WILL ATTEND THIS ANNUAL MEETING IN PERSON, BUT IF YOU CANNOT, PLEASE SIGN AND DATE THE ENCLOSED PROXY. RETURN THE PROXY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE RETURNED A PROXY. IF YOU RECEIVED MORE THAN ONE PROXY CARD, IT IS AN INDICATION THAT YOUR SHARES ARE REGISTERED IN MORE THAN ONE ACCOUNT. PLEASE COMPLETE, DATE, SIGN AND RETURN EACH PROXY CARD YOU RECEIVE.

BY ORDER OF THE BOARD OF  
DIRECTORS

A. Dale Mayo  
President, Chief Executive Officer and  
Chairman of the Board of Directors

Morristown, New Jersey

Date: July 28, 2008

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ACCESS INTEGRATED TECHNOLOGIES, INC.  
55 Madison Avenue, Suite 300  
Morristown, New Jersey 07960

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PROXY STATEMENT

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2008 ANNUAL MEETING OF STOCKHOLDERS  
SEPTEMBER 4, 2008

GENERAL

This Proxy Statement is being furnished to the stockholders of ACCESS INTEGRATED TECHNOLOGIES, INC. (the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company (the "Board"). The proxies are for use at the 2008 Annual Meeting of Stockholders of the Company to be held on Thursday, September 4, 2008, at 2:00 p.m., local time, or at any adjournment thereof (the "Annual Meeting"). The Annual Meeting will be held at the offices of Kelley Drye & Warren LLP, 101 Park Avenue, 29th Floor, New York, New York 10178. The Company's telephone number is (973) 290-0080.

The shares represented by your proxy will be voted at the Annual Meeting as therein specified (if the proxy is properly executed and returned, and not revoked). You may revoke your proxy at any time before the proxy is exercised by delivering to the Company's Secretary, Mr. Gary Loffredo, a written revocation or a duly executed proxy bearing a later date. You may also revoke your proxy by attending the Annual Meeting and voting in person.

The shares represented by your proxy will be voted as indicated on your properly executed proxy. If no directions are given on the proxy, the shares represented by your proxy will be voted:

- FOR the election of the director nominees named herein (Proposal No. 1), unless you specifically withhold authority to vote for one or more of the director nominees.
- FOR amending the Company's Fourth Amended and Restated Certificate of Incorporation to designate as Class A all authorized common stock that is not currently designated as either Class A or Class B, (Proposal No. 2), unless you designate otherwise.
- FOR increasing the number of shares of Class A Common Stock authorized to be issued in payment of interest under the Company's 2007 Senior Notes, (Proposal No. 3), unless you designate otherwise.
- FOR amending the Company's Second Amended and Restated 2000 Equity Incentive Plan to increase the total number of shares of Class A Common Stock available for issuance thereunder, (Proposal No. 4), unless you designate otherwise.
- FOR ratifying the appointment of Eisner LLP as our independent auditors for the fiscal year ending March 31, 2009 (Proposal No. 5), unless you designate otherwise.

The Company knows of no other matters to be submitted to the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares they represent as the Board may recommend.

These proxy solicitation materials are first being mailed to the stockholders on or about July 28, 2008.

## VOTING SECURITIES

Stockholders of record at the close of business on July 18, 2008 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. As of the Record Date, (a) 26,797,817 shares of the Company's Class A Common Stock, \$0.001 par value ("Class A Common Stock"), were issued and outstanding and (b) 733,811 shares of the Company's Class B Common Stock, \$0.001 par value ("Class B Common Stock," and together with the Class A Common Stock, the "Common Stock"), were issued and outstanding.

Each holder of Class A Common Stock is entitled to one vote for each share of Class A Common Stock held as of the Record Date. Each holder of Class B Common Stock is entitled to ten (10) votes for each share of Class B Common Stock held as of the Record Date. Each share of Class B Common Stock is convertible at any time at the holder's option into one (1) share of Class A Common Stock. Stockholders do not have cumulative voting rights in the election of directors.

## QUORUM; ABSTENTIONS; BROKER NON-VOTES

A majority of the aggregate combined voting power of the outstanding shares of Class A Common Stock and Class B Common Stock as of the Record Date must be present, in person or by proxy, at the Annual Meeting in order to have the required quorum for the transaction of business. If the aggregate voting power of the shares of Common Stock present, in person and by proxy, at the Annual Meeting does not constitute the required quorum, the Annual Meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum.

Shares of Common Stock that are voted "FOR," "AGAINST" or "ABSTAIN" are treated as being present at the Annual Meeting for purposes of establishing a quorum. Shares that are voted "FOR," "AGAINST" or "ABSTAIN" with respect to a matter will also be treated as shares entitled to vote at the Annual Meeting (the "Votes Cast") with respect to such matter. Abstentions will be counted for purposes of quorum and will have the same effect as a vote "AGAINST" a proposal.

Broker non-votes (i.e., votes from shares of Common Stock held as of the Record Date by brokers or other custodians as to which the beneficial owners have given no voting instructions) will be counted for purposes of determining the presence or absence of a quorum for the transaction of business, but will not be counted for purposes of determining the number of Votes Cast with respect to a particular proposal on which the broker has expressly not voted. Accordingly, broker non-votes will not affect the outcome of the voting on a proposal.

## DEADLINE FOR RECEIPT OF STOCKHOLDER PROPOSALS TO BE PRESENTED AT NEXT ANNUAL MEETING

The Company currently intends to hold its 2009 Annual Meeting of Stockholders on or about September 4, 2009. In order for any stockholder proposal submitted pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to be included in the Company's Proxy Statement to be issued in connection with the 2009 Annual Meeting of Stockholders, such stockholder proposal must be received by the Company no later than March 30, 2009. Any such stockholder proposal submitted, including any accompanying supporting statement, may not exceed 500 words, as per Rule 14a-8(d) of the Exchange Act. Any such stockholder proposals submitted outside the processes of Rule 14a-8 promulgated under the Exchange Act, which a stockholder intends to bring forth at the Company's 2009 Annual Meeting of Stockholders, will be untimely for purposes of Rule 14a-4 of the Exchange Act if received by the Company after June 13, 2009. All stockholder proposals must be made in writing addressed to the Company's Secretary, Mr. Loffredo, Access Integrated Technologies, Inc., 55 Madison Avenue, Suite 300, Morristown, New Jersey 07960.

REVOCABILITY OF PROXY

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Company's Secretary, Mr. Loffredo, a written notice of revocation, a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. Attending the Annual Meeting in and of itself will not constitute a revocation of a proxy.



## DISSENTERS' RIGHT OF APPRAISAL

Under Delaware General Corporation Law and the Company's Certificate of Incorporation, stockholders are not entitled to any appraisal or similar rights of dissenters with respect to any of the proposals to be acted upon at the Annual Meeting.

## SOLICITATION

Proxies may be solicited by certain of the Company's directors, executive officers and regular employees, without additional compensation, in person, or by telephone, e-mail or facsimile. The cost of soliciting proxies will be borne by the Company. The Company expects to reimburse brokerage firms, banks, custodians and other persons representing beneficial owners of shares of Common Stock for their reasonable out-of-pocket expenses in forwarding solicitation material to such beneficial owners.

Some banks, brokers and other record holders have begun the practice of "householding" proxy statements and annual reports. "Householding" is the term used to describe the practice of delivering a single set of proxy statements and annual reports to any household at which two or more stockholders reside if a company reasonably believes the stockholders are members of the same family. This procedure would reduce the volume of duplicate information stockholders receive and would also reduce a company's printing and mailing costs. The Company will promptly deliver an additional copy of either document to any stockholder who writes or calls the Company at the following address or phone number: Investor Relations, Access Integrated Technologies, Inc., 55 Madison Avenue, Suite 300, Morristown, New Jersey 07960, (973) 290-0080.

## PROPOSAL ONE

### ELECTION OF DIRECTORS

The Board currently consists of eight (8) directors. All eight of the current members of the Board have been nominated for re-election. Each nominee has consented to being named as a nominee for election as a director and has agreed to serve if elected. At the Annual Meeting directors will be elected to serve one-year terms expiring at the next annual meeting of stockholders or until successors are elected or until earlier resignation or removal.

The directors shall be elected by a plurality of the Votes Cast at the Annual Meeting. A "plurality" means that the individuals who receive the largest number of Votes Cast are elected as directors up to the maximum number of directors to be elected at the Annual Meeting. If any nominee is not available for election at the time of the Annual Meeting (which is not anticipated), the proxy holders named in the proxy, unless specifically instructed otherwise in the proxy, will vote for the election of such other person as the existing Board may recommend, unless the Board decides to reduce the number of directors of the Company.

Certain information about the nominees to the Company's Board is set forth below.

A. Dale Mayo, 67, is a co-founder of the Company and has been President, Chief Executive Officer ("CEO") and Chairman of the Board of Directors ("Chairman") since the Company's inception in March 2000. From December 1998 to January 2000, he had been the President and CEO of Cablevision Cinemas, LLC ("Cablevision Cinemas"). In December 1994, Mr. Mayo co-founded Clearview Cinema Group, Inc. ("Clearview Cinema"), which was sold to Cablevision Cinemas in 1998. Mr. Mayo was also the founder, Chairman and CEO of Clearview Leasing Corporation, a lessor of computer peripherals and telecommunications equipment founded in 1976. Mr. Mayo began

his career as a computer salesman with IBM in 1965.

Kevin J. Farrell, 47, is a co-founder of the Company and a member of the Board since the Company's inception in March 2000 and the Company's Senior Vice President ("SVP") – Facilities since March 2006. From March 2000 to February 2006, he had been the Company's SVP - Data Center Operations. From December 1998 to March 2000, he had served as Director of Operations of Gateway Colocation, LLC, of which he was also a co-founder, where he was responsible for the completion of 80,000 square feet of carrier neutral colocation space and supervised infrastructure build-out, tenant installations and daily operations. Prior to joining Gateway, Mr. Farrell had served, from 1993 to 1998, as Building Superintendent and Director of Facility Maintenance at the Newport Financial Center in Jersey City, NJ. He is a former officer of the International Union of Operating Engineers.

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Gary S. Loffredo, 43, has been the Company's SVP -- Business Affairs, General Counsel and Secretary, and a member of the Board since September 2000. From March 1999 to August 2000, he had been Vice President, General Counsel and Secretary of Cablevision Cinemas. At Cablevision Cinemas, Mr. Loffredo was responsible for all aspects of the legal function, including negotiating and drafting commercial agreements, with emphases on real estate, construction and lease contracts. He was also significantly involved in the business evaluation of Cablevision Cinemas' transactional work, including site selection and analysis, negotiation and new theater construction oversight. Mr. Loffredo was an attorney at the law firm of Kelley Drye & Warren LLP from September 1992 to February 1999.

Wayne L. Clevenger, 65, has been a member of the Board since October 2001. He has more than 20 years of private equity investment experience. He has been a Managing Director of MidMark Equity Partners II, L.P. ("MidMark"), a private equity fund, since 1989. Mr. Clevenger was President of Lexington Investment Company from 1985 to 1989, and, previously, had been employed by DLJ Capital Corporation (Donaldson, Lufkin & Jenrette) and INCO Securities Corporation, the venture capital arm of INCO Limited. Mr. Clevenger served as a director of Clearview Cinema from May 1996 to December 1998.

Gerald C. Crotty, 56, has been a member of the Board since August 2002. Mr. Crotty has served as President of Weichert Enterprise LLC, a private equity investment firm since 2001. He previously served as Chairman of Excelsior Ventures Management LLC from 1999 to 2001. From 1991 to 1998, he held various executive positions with ITT Corporation and its affiliates, including President and Chief Operating Officer of ITT Consumer Financial Corporation and Chairman, President and Chief Executive Officer of ITT Information Services. Mr. Crotty also serves as a director of AXA Premier VIP Trust and Jones Apparel Group, Inc.

Robert Davidoff, 81, has been a member of the Board since July 2000. Since 1990, Mr. Davidoff has been a Managing Director of Carl Marks & Co., Inc. ("Carl Marks") and, since 1989, the General Partner of CMNY Capital II, L.P. ("CMNY"), a venture capital affiliate of Carl Marks. Mr. Davidoff is a director of Rex Stores Corporation. Mr. Davidoff served as a director of Clearview Cinema from December 1994 to December 1998.

Matthew W. Finlay, 41, has been a member of the Board since October 2001. Since 1997, Mr. Finlay has been a director of MidMark. Previously, he had been a Vice President with the New York merchant banking firm Juno Partners and its investment banking affiliate, Mille Capital, from 1995 to 1997. Mr. Finlay began his career in 1990 as an analyst with the investment banking firm Southport Partners.

Robert E. Mulholland, 56, has been a member of the Board since January 2006. Mr. Mulholland is currently the Chairman of Sound Securities LLC, an institutional broker dealer. Mr. Mulholland retired in 2005 after a 25-year career at Merrill Lynch & Co. where he most recently served as Senior Vice President and Executive Committee member and also co-headed Merrill Lynch's America's Region, covering North and South America.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEES NAMED ABOVE.

## PROPOSAL TWO

### AMENDMENT TO THE COMPANY'S FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

The Company's Fourth Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") authorizes the issuance of a total of 80,000,000 shares of common stock. Of such shares, 40,000,000 are designated as Class A Common Stock; 15,000,000 are designated as Class B Common Stock; and 25,000,000 are undesignated. As of July 18, 2008, there were 26,849,257 shares of Class A Common Stock issued and 26,797,817 shares of Class A Common

Stock outstanding and 51,440 shares of Class A Common Stock issued but not outstanding. Such shares are held in treasury and are available for re-issuance by the Company. As of July 18, 2008, there are 733,881 shares of Class B Common Stock issued and outstanding. In addition, the Certificate of Incorporation authorizes the issuance of 15,000,000 shares of preferred stock, none of which are issued and outstanding.

In addition to the 26,797,817 shares of Class A Common Stock currently outstanding, the Company has 7,764,536 shares of Class A Common Stock reserved for issuance pursuant to (a) the exercise of outstanding warrants, (b) the Company's Second Amended and Restated Equity Incentive Plan, (c) the senior notes issued by the Company to investors in August 2007, both for payment of additional interest shares required and for payment of interest through

the original maturity in August 2010 under the 2007 Senior Notes (as defined in Proposal 3 below), and (d) the conversion of the Class B Common Stock.

The aggregate number of outstanding and reserved shares of Class A Common Stock is 34,562,353, leaving only 5,437,647 shares of Class A Common Stock for future issuances. Such future issuances could include the sale of securities in order to raise capital, the payment of the purchase price in acquisitions, payment of interest and additional interest under the 2007 Senior Notes (as described in Proposal 3 below), additional shares issued in connection with grants made to employees under new or expanded existing compensation plans or arrangements, and other uses not currently anticipated. Accordingly, the Company is proposing that the 25,000,000 shares of undesignated common stock be designated as Class A Common Stock. The Company believes that such designation is in the best interests of the Company, as it would provide the Company with flexibility and alternatives in structuring future transactions, and that it would be detrimental to the Company if it were unable to issue shares of Class A Common Stock at such times and upon terms as the Board deems necessary or appropriate.

This proposal requires approval by a majority of the Votes Cast at the Annual Meeting. The amendment designating as Class A Common Stock the 25,000,000 shares of undesignated common stock is attached hereto as Appendix A.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION.

### PROPOSAL THREE

#### APPROVAL OF THE ISSUANCE OF UP TO 1,800,000 ADDITIONAL SHARES OF THE COMPANY'S CLASS A COMMON STOCK IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE 2007 SENIOR NOTES

In August 2007, the Company issued in a private placement to certain purchasers 10% senior notes due 2010 (the "2007 Senior Notes") in the aggregate amount of \$55,000,000. The 2007 Senior Notes require that, on a quarterly basis, (a) interest be paid either in cash or, at the Company's option and subject to certain conditions, in shares of Class A Common Stock ("Interest Shares") and (b) the Company issue shares of Class A Common Stock to the purchasers as payment of additional interest owed under the 2007 Senior Notes based on a formula ("Additional Interest Shares"). The number of Additional Interest Shares required at any particular payment date is calculated pursuant to a formula based on the then-current market price of the Class A Common Stock, which price may be lower than the market price of the Class A Common Stock at the time the private placement of the 2007 Senior Notes was consummated (the "Closing"). The Company reserved sufficient shares of Class A Common Stock for issuance such number of shares of Class A Common Stock as it deemed appropriate for the issuance of Additional Interest Shares and Interest Shares and has available 5,437,647 unreserved shares of Class A Common Stock, as discussed in Proposal Two above. However, because the number of shares required to satisfy any additional interest or interest payment fluctuates with the price per share of Class A Common Stock on the NASDAQ Global Market ("NASDAQ") at the time such interest payment becomes due, the exact number of shares that will be needed for Additional Interest Shares and, in order to permit the Company flexibility in interest payment choices in accordance with the terms of the 2007 Senior Notes, Interest Shares, is unknown. At the time the 2007 Senior Notes were issued, the price per share of the Class A Common Stock on NASDAQ was \$6.56. As of July 18, 2008, such price was \$2.11. Accordingly, more Additional Interest Shares and Interest Shares will be required to discharge an interest payment than previously estimated.

The Company's Class A Common Stock is listed for trading on NASDAQ and, therefore, is subject to the rules and regulations of NASDAQ. Pursuant to the NASDAQ Qualitative Listing Requirements, including Rule 4350(i), approval of the Company's stockholders would be required for the issuance, in connection with a private placement of securities, of Class A Common Stock equal to 20% or more of the Class A Common Stock outstanding prior to such issuance if the issuance is made at less than market value of the stock. Because the number of shares comprising an

issuance of Additional Interest Shares and/or Interest Shares is calculated based on then-current stock price, NASDAQ considers such issuance(s) to be at less than market value if the stock price at time of issuance is lower than at the Closing.

Immediately prior to the Closing, there were 24,236,579 shares of Class A Common Stock outstanding. Accordingly, 4,847,316 shares constituted 20% of the outstanding shares of Class A Common Stock. Therefore, we can issue 4,847,315 shares without triggering Rule 4350(i). The Company has already issued 2,245,363 shares of Class A Common Stock in payment of Additional Interest Shares and Interest Shares and can only issue another

2,601,952 shares prior to obtaining stockholder approval for such issuance(s). Depending upon the variations in stock price and based upon the current stock price, the Company estimates that it could need up to a total of approximately 7,900,000 shares (that is, approximately 5,300,000 additional shares beyond the 2,601,952 shares available to it without stockholder approval) to satisfy the requirement for Additional Interest Shares and the option for Interest Shares. In any event, the Company believes that it has sufficient shares available for the issuance of Additional Interest Shares as required by the 2007 Senior Notes through their original maturity in August 2010. Accordingly, the Company is seeking the approval of stockholders to issue up to an additional 1,800,000 shares of Common Stock in connection with the 2007 Senior Notes, which number of shares the Company believes will be sufficient through September 2009.

In the event that stockholder approval is not obtained, the Company will lose its ability to issue Interest Shares in lieu of cash for interest payments. However, the Board believes that the flexibility of having the option to pay interest in cash or by issuing Interest Shares would be in the best interests of the Company.

This proposal requires approval by a majority of the Votes Cast at the Annual Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE ISSUANCE OF UP TO 1,800,000 ADDITIONAL SHARES OF THE COMPANY'S CLASS A COMMON STOCK IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE 2007 SENIOR NOTES.

#### PROPOSAL FOUR

##### AMENDMENT TO SECOND AMENDED AND RESTATED 2000 EQUITY INCENTIVE PLAN TO INCREASE NUMBER OF SHARES ISSUABLE THEREUNDER

Our Board adopted the Company's 2000 Equity Incentive Plan (as subsequently amended, "the Plan"), on June 1, 2000 and, in July 2000, our stockholders approved the Plan by written consent. The Plan was amended and restated in January 2003 as the First Amended and Restated 2000 Stock Option Plan; it was further amended in September 2003, October 2004, September 2005 and September 2006; and it was further amended and restated in September 2007 as the Second Amended and Restated 2000 Equity Incentive Plan. Under the Plan, we may grant incentive and nonqualified stock options, stock, restricted stock, stock appreciation rights ("SARs"), performance awards and other equity-based awards. On May 9, 2008, the Board approved an amendment (the "Amendment") to the Plan allowing for the grant of restricted stock units ("RSUs") in addition to stock options, Class A Common Stock, restricted Class A Common Stock, stock appreciation rights, performance awards and other equity-based awards. The Amendment did not require shareholder approval. The Plan is administered by the Compensation Committee.

The Plan currently authorizes up to 2,200,000 shares of the Company's Class A Common Stock for issuance pursuant to awards made under the Plan. The Company believes that the availability of an additional 1,500,000 shares of the Company's Class A Common Stock under the Plan is in the best interests of the Company and its stockholders because the availability of an adequate equity incentive program is an important factor in attracting and retaining qualified officers and employees essential to the success of the Company (whether through acquisitions or otherwise) and in aligning their long-term interests with those of the stockholders. The increase in the number of shares of Class A Common Stock available for issuance under the Plan will permit the Company to continue the operation of the Plan for the benefit of new participants (either new hires to current operations or employees of acquired companies), as well as to allow additional awards to current participants.

Pursuant to this proposal, in the form of the amendment attached hereto as Appendix B, the Board proposes to amend the Plan to increase the number of shares of Class A Common Stock authorized for issuance upon the exercise of options from 2,200,000 to 3,700,000. This amendment is conditioned upon the approval by stockholders of the

amendment to our Certificate of Incorporation, discussed in Proposal Two above. If Proposal Two is not approved by stockholders, the amendment to the Plan will not take effect even if stockholders approve it in this Proposal Four.

This proposal requires approval by a majority of the Votes Cast at the Annual Meeting. As of July 18, 2008, stock options outstanding covering 2,378,322 shares of the Company's Class A Common Stock, 99,280 shares of restricted Class A Common Stock and restricted stock units covering 723,700 shares of Class A Common Stock that may be settled in cash or shares of Class A Common Stock or a combination thereof, at the Company's discretion,



had been granted under the Plan; however 320,003 of such stock options and all of the restricted stock units remain subject to the approval of this Proposal Four.

Under the Plan, no participant may be granted incentive stock options with an aggregate fair market value, as of the date on which such options were granted, of more than \$100,000 becoming exercisable for the first time in any given calendar year. Options granted under the Second Amended and Restated Plan expire ten years following the date of grant (or such shorter period of time as may be provided in a stock option agreement or five years in the case of incentive stock options granted to stockholders who own greater than 10% of the total combined voting power of the Company) and are subject to restrictions on transfer. Options granted under the Plan generally vest over periods up to three years. The Plan is administered by the Compensation Committee, and may be amended or terminated by the Board, although no amendment or termination may adversely affect the right of any individual with respect to any outstanding option without the consent of such individual.

The Plan provides for the granting of incentive stock options with exercise prices of not less than 100% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive stock options granted to stockholders of more than 10% of the total combined voting power of the Company must have exercise prices of not less than 110% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive and non-statutory stock options granted under the Second Amended and Restated Plan are subject to vesting provisions, and exercise is subject to the continuous service of the optionee, except for consultants. The exercise prices and vesting periods (if any) for non-statutory options may be set at the discretion of the Board or the Compensation Committee. Upon a change of control of the Company, all options (incentive and non-statutory) that have not previously vested will vest immediately and become fully exercisable. In connection with the grants of options under the Plan, the Company and the participants have executed stock option agreements setting forth the terms of the grants. Options covering no more than 500,000 shares may be granted to one participant during any calendar year unless pursuant to a multi-year award, in which case no more than options covering 500,000 shares per year of the award, during which period no additional options may be granted to such participant, may be granted.

The Plan also provides for the granting of Class A Common Stock, restricted Class A Common Stock, stock appreciation rights, restricted stock units and performance awards. Grants of restricted stock and restricted stock units are subject to vesting requirements, generally vesting over periods up to three years, determined by the Compensation Committee and set forth in notices to the participants. Grants of stock, restricted stock and restricted stock units shall not exceed 40% of the total number of shares available to be issued under the Plan.

Stock appreciation rights ("SARs") consist of the right to the monetary equivalent of the increase in value of a specified number of shares over a specified period of time. Upon exercise, SARs may be paid in cash or shares of Class A Common Stock or a combination thereof. Grants of SARs are subject to vesting requirements, similar to those of stock options, determined by the Compensation Committee and set forth in agreements between the Company and the participants. Restricted stock units ("RSUs") shall be similar to restricted stock except that no Class A Common Stock is actually awarded to the Participant on the grant date of the RSUs and the Compensation Committee shall have the discretion to pay such RSUs upon vesting in cash or shares of Class A Common Stock or a combination thereof.

Performance awards consists of awards of stock and other equity-based awards that are valued in whole or in part by reference to, or are otherwise based on, the market value of the Class A Common Stock, or other securities of the Company, and may be paid in shares of Class A Common Stock, cash or another form of property as the Compensation Committee may determine. Grants of performance awards shall entitle participants to receive an award if the measures of performance established by the Committee are met. Such measures shall be established by the Compensation Committee but the relevant measurement period for any performance award must be at least 12 months. Grants of performance awards shall not cover the issuance of shares that would exceed 20% of the total number of shares available to be issued under the Plan, and no more than 500,000 shares pursuant to any performance awards shall be granted to one participant in a calendar year unless pursuant to a multi-year award. The terms of grants of performance awards would be set forth in agreements between the Company and the participants.

Our Class A Common Stock is listed for trading on NASDAQ under the symbol "AIXD". The last reported closing price per share of our Class A Common Stock as reported by NASDAQ on July 18, 2008 was \$2.11 per share.

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## Federal Income Tax Consequences

The federal income tax consequences of the issuance and/or exercise of awards under the Plan are as described below. The following information is not a definitive explanation of the tax consequences of the awards, and recipients should consult with their own tax advisors with respect to the tax consequences inherent in the ownership and/or exercise of the awards, and the ownership and disposition of any underlying securities. Tax consequences will also vary depending upon the jurisdiction where the recipient of the award may reside.

### Incentive Stock Options

No taxable income is recognized by the optionee at the time of the option grant, and no taxable income is generally recognized at the time the option is exercised, provided that the optionee may incur alternative minimum tax liability upon exercise. The optionee will, however, recognize taxable income in the year in which the purchased shares of Class A Common Stock are sold or otherwise made the subject of a taxable disposition.

For federal tax purposes, dispositions are divided into two categories: (i) qualifying and (ii) disqualifying. A qualifying disposition occurs if the sale or other disposition is made after the optionee has held the shares of Class A Common Stock for more than two (2) years after the option grant date and more than one (1) year after the exercise date. If either of these two holding periods is not satisfied, then a disqualifying disposition will result.

Upon a qualifying disposition, the optionee will recognize long-term capital gain in an amount equal to the excess of (i) the amount realized upon the sale or other disposition of the purchased shares over (ii) the exercise price paid for the shares. If there is a disqualifying disposition of the shares of Class A Common Stock, then the excess of (i) the fair market value of those shares on the exercise date over (ii) the exercise price paid for the shares will be taxable as ordinary income to the optionee.

If the optionee makes a disqualifying disposition of the purchased shares of Class A Common Stock, then the Company will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal to the excess of (i) the fair market value of such shares on the option exercise date over (ii) the exercise price paid for the shares. In no other instance will the Company be allowed a deduction with respect to the optionee's disposition of the purchased shares of Class A Common Stock.

### Nonqualified Stock Options

No taxable income is recognized by an optionee upon the grant of a non-statutory option. The optionee will in general recognize ordinary income in the year in which the option is exercised, equal to the excess of the fair market value of the purchased shares of Class A Common Stock on the exercise date over the exercise price paid for the shares, and tax withholding requirements will apply to such income.

The Company will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the optionee with respect to the exercised non-statutory option. The deduction will in general be allowed for the taxable year of the Company in which such ordinary income is recognized by the optionee.

### Restricted Shares

A recipient will not be taxed at the date of an award of restricted shares, provided that the restricted shares are subject to substantial risk of forfeiture, but will be taxed at ordinary income rates on the fair market value of any restricted shares as of the date that the restrictions lapse. However, the recipient of restricted shares may elect, within 30 days after transfer of such shares to the recipient, under Section 83(b) of the Internal Revenue Code to include in income the fair market value of the restricted shares as of the date of such transfer. At the time the shares are included in income, the Company will be entitled to a corresponding deduction. Any disposition of shares after restrictions lapse

will be subject to the regular rules governing long-term and short-term capital gains and losses, with the basis for this purpose equal to the fair market value of the shares at the end of the restricted period (or on the date of the transfer of the restricted shares, if the employee elects to be taxed on the fair market value upon such transfer.

#### Stock Appreciation Rights

A recipient who is granted a SAR will not recognize any taxable income on the receipt of the SAR. Upon the exercise of an SAR, (a) the recipient will recognize ordinary income equal to the excess of the fair market value of

the shares on the exercise date over the exercise price for the SAR and (b) the Company will be entitled to a deduction on the date of exercise in an amount equal to the ordinary income recognized by the recipient.

#### Restricted Stock Unit

A recipient who is granted a RSU will not recognize any taxable income on the receipt of the RSU. Upon the vesting of an RSU, (a) the recipient will recognize ordinary income equal to the fair market value of the shares issued at the time the RSUs are paid out and (b) the Company will be entitled to a deduction on the date of vesting in an amount equal to the ordinary income recognized by the recipient.

#### Performance Awards and Stock Awards

A recipient will recognize ordinary income equal to any cash that is paid and the fair market value of the Class A Common Stock (on the date that the shares are first transferable and not subject to a substantial risk of forfeiture) that is received in settlement of an award of performance units or as a stock award.

#### Effects on the Company

The Company generally will be entitled to claim a federal income tax deduction on account of the exercise of a nonqualified stock option or SAR or upon the taxability to the recipient of restricted stock, or the settlement of a performance award (subject to tax limitations on the Company's deductions in any year that certain remuneration paid to certain executives exceeds \$1 million). The amount of the deduction is equal to the ordinary income recognized by the recipient. The Company will not be entitled to a federal income tax deduction on account of the grant or the exercise of an incentive stock option unless the recipient has made a "disqualifying disposition" of the shares acquired on exercise of the incentive stock option, in which case the Company will be entitled to a deduction at the same time and in the same amount as the recipient's recognition of ordinary income.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ADOPTION OF THE AMENDMENT TO THE PLAN TO INCREASE THE NUMBER OF SHARES ISSUABLE UNDER THE PLAN.

### PROPOSAL FIVE

#### RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT AUDITORS

The Board has selected the firm of Eisner LLP as our independent auditors for the fiscal year ending March 31, 2009, subject to ratification by our stockholders at the Annual Meeting. Eisner LLP has been our independent auditors since the fiscal year ended March 31, 2005. No representative of Eisner LLP is expected to be present at the Annual Meeting.

More information about our independent auditors is available under the heading "Independent Auditors" on page 26 below.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF EISNER LLP AS OUR INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING MARCH 31, 2009.

#### OTHER MATTERS

The Board does not know of any other matters that may be brought before the Annual Meeting. However, if any such other matters are properly brought before the Annual Meeting, the proxies may use their own judgment to determine how to vote your shares.

## MATTERS RELATING TO OUR GOVERNANCE

### Board of Directors

The Board intends to meet at least quarterly and the independent directors serving on the Board intend to meet in executive session (i.e., without the presence of any non-independent directors and management) at least once a year. During the fiscal year ended March 31, 2008 (the "Last Fiscal Year"), the Board held five meetings and the Board members acted five times by unanimous written consent in lieu of holding a meeting. Each current member of the Board, who was then serving, attended at least 75% of the total number of meetings of the Board and of the committees of the Board on which they served in the Last Fiscal Year. Messrs. Clevenger, Crotty, Davidoff, Finlay and Mulholland are considered "independent" under the rules of the NASDAQ.

One director resigned for personal reasons, and no director declined to stand for reelection to the Board for any reason, during the Last Fiscal Year. After such resignation and in accordance with the Company's By-laws, the number of directors was reduced from nine to eight. The Board currently does not provide a process for stockholders to send communications to the Board. In the opinion of the Board, it is appropriate for the Company not to have such a process in place because the Board believes there is currently not a need for a formal policy due to, among other things, the limited number of stockholders of the Company. While the Board will, from time to time, review the need for a formal policy, at the present time, stockholders who wish to contact the Board may do so by submitting any communications to the Company's Secretary, Mr. Loffredo, Access Integrated Technologies, Inc., 55 Madison Avenue, Suite 300, Morristown, New Jersey 07960, with an instruction to forward the communication to a particular director or the Board as a whole. Mr. Loffredo will receive the correspondence and forward it to any individual director or directors to whom the communication is directed.

The Company does not currently have a policy in place regarding attendance by Board members at the Company's annual meetings. However, each of the current directors, who was then serving, attended the 2007 Annual Meeting of Stockholders, and currently intends to attend this Annual Meeting.

The Board has three standing committees, consisting of an Audit Committee, a Compensation Committee and a Nominating Committee.

### Audit Committee

The Audit Committee consists of Messrs. Clevenger, Davidoff and Finlay. Mr. Finlay is the Chairman of the Audit Committee. The Audit Committee held four meetings in the Last Fiscal Year. The Audit Committee has met with the Company's management and the Company's independent registered public accounting firm to review and help ensure the adequacy of its internal controls and to review the results and scope of the auditors' engagement and other financial reporting and control matters. Both Messrs. Clevenger and Davidoff are financially literate, and Mr. Davidoff is financially sophisticated, as those terms are defined under the rules of the NASDAQ. Mr. Davidoff is also a financial expert, as such term is defined under the Sarbanes-Oxley Act of 2002. Messrs. Clevenger, Davidoff and Finlay are considered "independent" under the rules of the NASDAQ.

The Audit Committee has adopted a formal written charter which was attached as Appendix B to the Company's proxy statement for its annual meeting of stockholders held on September 18, 2007. The Audit Committee is responsible for ensuring that the Company has adequate internal controls and is required to meet with the Company's auditors to review these internal controls and to discuss other financial reporting matters. The Audit Committee is also responsible for the appointment, compensation and oversight of the auditors. Additionally, the Audit Committee is responsible for the review and oversight of all related party transactions and other potential conflict of interest

situations between the Company and its officers, directors, employees and principal stockholders.

#### Compensation Committee

The Compensation Committee consists of Messrs. Davidoff, Clevenger, Crotty and Mulholland. Mr. Davidoff is the Chairman of the Compensation Committee. The Compensation Committee met nine times during the Last Fiscal Year. The Compensation Committee, based on recommendation by the Company's CEO, approves the compensation package of the Company's CEO and the levels of compensation and benefits payable to the Company's other executive officers, reviews general policy matters relating to employee compensation and benefits and recommends to the entire Board, for its approval, stock option and other equity-based award grants to its executive officers, employees and consultants and discretionary bonuses to its executive officers and employees. The Compensation Committee approves the compensation package of the Company's directors. The Compensation