FORM 10-K/A

LYRIS, INC. - LYRI

Filed: October 29, 2007 (period: June 30, 2007)

Amendment to a previously filed 10-K

PART III

PART IV

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

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

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

For the fiscal year ended June 30, 2007

Commission file number 1-10875

J. L. HALSEY CORPORATION
(exact name of registrant as specified in its charter)

DELAWARE (State of incorporation)	**01-0579490** (I.R.S. Employer Identification No.)
103 Foulk Rd, Suite 205Q **Wilmington, DE** (Address of principal executive office)	**19803** (Zip Code)

Registrant's telephone number, including area code: **(302) 691-6189**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, Par Value $.01 Per Share
(Title of class)

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

Indicated by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by checkmark whether the Registrant is a larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and larger accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Indicated by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of December 29, 2006, the aggregate market value of the shares of common stock held by non-affiliates was approximately $39,377,801 (Determination of stock ownership by non-affiliates was made solely for the purpose of responding to this requirement and the Registrant is not bound by this determination for any other purpose.)

There were 96,330,675 shares of the Registrant's common stock outstanding as of September 5, 2007.

DOCUMENTS INCORPORATED BY REFERENCE

None.

This amendment No. 1 to the Annual Report on Form 10-K of J. L. Halsey Corporation amends and restates in its entirety Part III of the Annual Report on our Form 10-K filed with the Securities and Exchange Commission on September 26, 2007 (the "Original Form 10-K"). In addition, Part IV, Item 15 is being amended to include employment agreements for two individuals recently appointed as executive officers by our Board of Directors and to update the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Original Form 10-K. Unless the context requires otherwise in this amendment No. 1, the terms "we," "us" and "our" refer to J.L. Halsey Corporation and its subsidiaries.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.

DIRECTORS

Our directors are as follows:

Name of Director	Age	Title	Annual Meeting at which Term Ends
Andrew Richard Blair	74	Class I Director	2008
William T. Comfort, III	41	Class III Director, Chairman of the Board of Directors	2007
Nicolas De Santis Cuadra	41	Class I Director	2008
Luis A. Rivera	36	Class II Director	2009
James A. Urry	53	Class II Director	2009

Andrew Richard Blair has been a member of our Board since November 12, 2002. He is a founder of Freimark Blair & Company, Inc., a broker-dealer research boutique located at One Rice Bluff Road, Pawley's Island, South Carolina. Mr. Blair has served as President, Chief Executive Officer, Chief Financial Officer and as a director of Freimark Blair since January 1983. Mr. Blair received his B.S. in Science and Business Administration from Wake Forest University.

William T. Comfort, *III* has served as a member of our Board since June 2002, and as Chairman of the Board since November 12, 2002. He was a private equity investor with CVC Capital Partners, a leading private equity firm based in London, England, from February 1995 until December 2000. From February 2001 to February 2003 he served as a consultant to Citicorp Venture Capital ("CVC"). He is now principal of Conversion Capital Partners Limited, an investment fund headquartered at 4th Floor, Liscartan House, 127 Sloane Street, London, England. Mr. Comfort also has served as a director of numerous public and private companies as a representative of CVC Capital Partners and CVC, from all of which he has resigned. Mr. Comfort received his J.D. and L.L.M. in tax law from New York University School of Law.

*Nicolas De Santis Cuadra*has been a member of our Board since January 16, 2003. Mr. De Santis Cuadra has served since January 2003 as the Chief Executive Officer of London-based Twelve Stars Communications, an international brand business consulting firm, located at 13 Chesterfield Street, Mayfair, London, which Mr. De Santis Cuadra founded in 1994. He previously served as the Chief Executive Officer of Twelve Stars from 1994 until December 1998. From December 2000 until January 2003, Mr. De Santis Cuadra served as the marketing director of OPODO Ltd., an online travel portal owned by several European-based airlines. From January 1999 until December 2000 Mr. De Santis Cuadra served as Senior Vice President and Chief Marketing Officer of Beenz.com, the internet currency.

Luis A. Rivera was appointed our Chief Executive Officer on May 11, 2007. He has been a director since June 25, 2007. He previously served as our Interim Chief Executive Officer and President beginning on January 29,

2007. From May 2005 until his appointment as Interim Chief Executive Officer, Mr. Rivera had served as our Chief Operating Officer. Mr. Rivera continues to serve as President and Chief Executive Officer of Lyris Technologies, Inc. and Uptilt, Inc., positions he has held since May 2005 and October 2005, respectively. From May 2003 through May 2005, Mr. Rivera was the General Manager of Lyris. From May 2001 through April 2003, Mr. Rivera was the Director of Sales of Lyris. From November 1999 through May 2001, Mr. Rivera served as Director of International Sales of Turbolinx, an open source technology company. Mr. Rivera is a graduate of Claremont McKenna College.

James A. Urry has been a member of our Board since June 25, 2007. Mr. Urry is a partner at Court Square Capital Management L.P., a private equity firm located at Park Avenue Plaza, 55 East 52 nd Street, 34th Floor, New York, New York. Prior to joining Court Square, he was a partner at Citigroup Venture Capital Equity Partners from 1989 to 2006. Mr. Urry also serves as a member of the board of directors of AMIS Holdings, Inc. and Intersil Corporation, both of which are semiconductor companies. Mr. Urry is the brother-in-law of William T. Comfort, III, one of our directors.

Our Certificate of Incorporation provides that the Board of Directors shall be divided into three classes, designated Class I, Class II and Class III. Directors serve for staggered terms of three years each. Messrs. Blair and De Santis Cuadra currently serve as Class I directors, whose terms expire at the Annual Meeting of Stockholders following the 2008 fiscal year. Mr. Comfort currently serves as a Class III director whose term expires at the Annual Meeting of Stockholders following the 2007 fiscal year. Messrs. Rivera and Urry currently serve as Class II directors whose terms expire at the Annual Meeting of Stockholders following the 2009 fiscal year.

EXECUTIVE OFFICERS

Our executive officers are as follows:

Name	Age	Title
David R. Burt	44	President, Chief Executive Officer, Treasurer and Secretary
Luis A. Rivera	36	President and Chief Executive Officer and President and Chief Executive Officer of Lyris Technologies, Inc and Uptilt, Inc.
Joseph Lambert	46	Chief Financial Officer, Treasurer and Secretary
Peter Biro	37	Chief Operating Officer
Robb Wilson	38	Vice President of Technology
Loren McDonald	50	Vice President and Chief Marketing Officer
Jason Han	37	Vice President, Sales
Sean Ryan	42	Vice President, Engineering

The Executive Officers named above were appointed by the Board of Directors to serve in such capacities until their respective successors have been duly appointed and qualified, or until their earlier death, resignation or removal from office.

David R. Burt served as our Chief Executive Officer, President and Secretary since May 4, 2000, and Treasurer since January 14, 2002, and as a director since June 7, 2000. Mr. Burt previously served as a Class III director until January 31, 2004, when he resigned that position and was reappointed as a Class II director to fill the vacancy on the Board of Directors created by the resignation of Charles E. Finelli. Mr. Burt was also President, Chief Executive Officer, Secretary, and a director of Ergo Science Corporation, a biopharmaceutical company, until his resignation in December 2003. Mr. Burt had served in various capacities with Ergo since joining that company in March 1993. Mr. Burt resigned all of his positions with us as an officer in January of 2007, and as a member of our board in March of 2007.

Biographical information on Mr. Rivera is set forth above. See "Directors."

Joseph Lambert was appointed our Chief Financial Officer on January 29, 2007, and Secretary and Treasurer on February 5, 2007. He joined us on August 29, 2005 as Vice President and Controller. He was appointed as Chief Accounting Officer in November 2005. Prior to joining us, Mr. Lambert served as Director of Operational Accounting for Dreyer's Grand Ice Cream, Inc. from December 2001 to August 2005. From March 2001 through June 2001, Mr. Lambert was a consultant and served as Interim Controller of Equilibrium Technologies. From June 2001 through October 2001, Mr. Lambert was employed by New Boston Select Group, Inc., in which capacity he continued to serve as Interim Controller of Equilibrium Technologies. Prior to his work with Equilibrium Technologies, Mr. Lambert served as Controller of 1stUp.com Corporation from 1999 to 2001. Mr. Lambert holds a B.A. in Economics from the University of California Los Angeles.

*Peter Biro*was appointed our Chief Operating Officer on February 14, 2007. He served as our Vice President of Corporate Development and Planning since August 17, 2006. From July 2001 until joining us, Mr. Biro was founder and managing partner of The Cowper Group, a Boston-based corporate development consulting firm focused on buy-side mergers and acquisitions for small to mid-market technology companies. Working with both venture-backed and public companies, including us, Mr. Biro consulted on the use of mergers and acquisitions as a core part of business strategy and actively assisted clients with transaction sourcing and execution. Mr. Biro received an M.B.A. from Stanford University and both a B.S. in electrical engineering and B.A. in computer science and history from Duke University.

Robb Wilson was appointed our Vice President of Technology on January 19, 2006. Since December 15, 2004, Mr. Wilson has served as Vice President of Development and Deliverability for Lyris. Prior to joining Lyris, Mr. Wilson served as President and founder of Piper Software, a pioneer in the development of e-mail deliverability solutions, from October 1, 2004 to December 15, 2004. Lyris acquired Piper Software in November 2004. Prior to his tenure at Piper Software, Mr. Wilson served as Vice President of Software Development for Quiris, Inc., the online marketing firm, from March 1, 2001 to October 1, 2001.

*Loren McDonald*was appointed our Vice President and Chief Marketing Officer on June 26, 2006. Prior to joining us Mr. McDonald was vice president of marketing for EmailLabs beginning in March 2003. EmailLabs is a leading email service provider, which was acquired by us in October of 2005. From January 2002 through March 2003, Mr. McDonald was founder and president of Intevation, an e-marketing services consulting firm specializing in email and search engine marketing services. From December 2000 through January 2002 Mr. McDonald was Chief Marketing Officer of NetStruxr.

*Jason Han*was appointed our Vice President of Sales on July 1, 2007. From April of 2002 to June of 2007, Mr. Han has served as Director of ASP Operations for Lyris. Prior to joining Lyris, Mr. Han served various sales management positions with enterprise software companies Turbolinux, Siebel Systems and Netscape Communications. Mr. Han holds a bachelor degree from University of California, Berkeley.

*Sean Ryan*was appointed our Vice President of Engineering on May 21, 2007. Since January of 2005, Mr. Ryan has been providing SaaS consulting services and assisted early stage companies in raising investment capital. Notably he assisted eSchoolware, a provider of hosted assessment services to the educational market acting as their interim CTO and helping them raise capital. From January 2004 to December 2004 he acted as the CTO/COO of Booksurge, LLC an online provider of print-on-demand services. In December of 2004 BookSurge was acquired by Amazon.com. From January 2000 to December 2003 Mr. Ryan was a founder and the CTO of ExactTarget, a hosted email solutions provider.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our shares of Common Stock to file with the SEC initial reports of ownership of shares of Common Stock and reports of changes in such ownership. The SEC's rules require such persons to furnish us with copies of all Section 16(a) reports that they file. Based on a review of these reports and on written representations from the reporting persons that no other reports were required, we believe that the applicable Section 16(a) reporting requirements were complied with for all transactions which occurred in the fiscal year ended June 30, 2007.

CODE OF ETHICS

We adopted our Code of Business Conduct and Ethics on September 25, 2003, and it was filed with the SEC as an exhibit to our Annual Report on Form 10-K for the year ended June 30, 2003.

STOCKHOLDER NOMINATION

There have been no material changes to the procedures by which stockholders may recommend nominees to the board of directors, since the disclosure in our last proxy statement.

AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors to assist the Board of Directors with carrying out its duties. The primary functions of the Audit Committee are to oversee:

- our accounting and financial reporting process;
- the quality and integrity of the financial statements and other financial information that we provide to any governmental body or the public;
- our compliance with legal and regulatory requirements;
- the independent auditors' qualifications and independence; and
- the performance of our internal audit function and independent auditors.

The role and other responsibilities of the Audit Committee are set forth in the Audit Committee Charter. The Audit Committee Charter is not available on our website. A copy of the Audit Committee Charter was last provided to stockholders as an exhibit to the proxy statement for our annual meeting for fiscal year 2005, which was originally filed with the SEC on June 20, 2006.

The members of the Audit Committee are Messrs. Blair and De Santis Cuadra, with Mr. Blair serving as chairman. The Board of Directors has affirmatively determined that all members of the Audit Committee meet the current independence requirements of the NASDAQ Stock Market listing standards and applicable rules and regulations of the SEC. Those standards require that, in addition to meeting the independence standards set forth under "Certain Relationship and Related Transactions — Director Independence," each member of the Audit Committee must not be an affiliate of ours and must not receive from us, directly or indirectly, any consulting, advisory or other compensatory fees except for fees for services as a director. The Board of Directors also has determined that Mr. Blair satisfies the requirements for an "audit committee financial expert" and has designated Mr. Blair as our audit committee financial expert.

ITEM 11. EXECUTIVE COMPENSATION.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Program

The Compensation Committee of the Board is responsible for our compensation programs. Prior to 2005, our operations consisted entirely of maximizing the assets we retained from our prior physical rehabilitation business and in pursuing another operating business to acquire. During that period we had only one executive officer, and as such our compensation program focused largely on retaining the ongoing services of that officer. Since May 12, 2005, we have purchased four operating businesses and in the process several new executive officers have been appointed. The individuals who served as our Chief Executive Officer and Chief Financial Officer during our fiscal year ended June 30, 2007, as well as the other individuals included in the Summary Compensation Table below, are

referred to as the "Named Executive Officers."

Compensation Philosophy and Objectives

Since the acquisition of our operating subsidiaries, our compensation programs and policies have focused mainly on the areas of retaining and attracting employees necessary to operate the acquired subsidiaries and grow our respective businesses. Historically, a formal compensation policy was not utilized by the Compensation Committee. Rather, compensation of executives, including the Named Executive Officers, was established on a more informal, ad-hoc basis. To date, no formal studies have been undertaken to determine whether compensation paid to our executives is competitive with that of our competitors. Instead, the Compensation Committee has focused on one-on-one negotiations with our executives at the time of hire for the purpose of recruiting the executive in order to assemble an executive team that will develop and implement our long-term strategic goals. In the fourth quarter of the fiscal year ended June 30, 2007, we began implementing formal procedures to ensure that short term incentive bonuses and annual salary increases are tied to individual performance. The Compensation Committee continues to evaluate those procedures and we intend to take steps to revise those procedures to establish more formal and objective compensation policies in the future that will strengthen the nexus between executive pay and the executives individual, and our, performance.

Setting Executive Compensation

For those executives who were previously employed at one of the operating subsidiaries, initial base salary largely has been based on their respective salaries prior to the subsidiary's acquisition. In certain instances upward adjustments have been made in order to compensate the executive for additional responsibilities or duties given to the executive following the integration of that executive's subsidiary with the operations of the public company parent. For instance, our VP of Technology, originally a Lyris Technologies, Inc. officer, received an increase in base salary of 13 percent and additional bonus potential of 24 percent when he assumed the technology leadership for us, including all of our subsidiaries. For other executives, base salary has been established largely through negotiations between the executive and our Chief Executive Officer, with input and final approval from the Compensation Committee.

Base salaries are typically evaluated annually prior to the anniversary date of initial employment of each executive with any changes in base salary effective as of the anniversary date. Like the initial analysis, the annual evaluation is also an informal process, with the Chief Executive Officer evaluating the salaries of our other executive officers, and the Compensation Committee evaluating the salary of the Chief Executive Officer. The focus of the evaluation is largely based on the Company's and the individual executive's performance during the previous year. The individual performance evaluation is largely subjective, as no formal criteria have been established. For the 2007 fiscal year, this evaluation resulted in an increase in base salary ranging from 0 to 28 percent for the Named Executive Officers, with the Chief Executive Officer receiving a 0 percent increase and the Chief Financial Officer receiving a 28 percent increase because his base salary and bonus were deemed to be inequitable with his responsibilities. In future years the quarterly performance bonuses described below will also be incorporated into the annual review process, with the attainment of (or the failure to attain) the quarterly performance targets established in the preceding year as a factor in determining the propriety of a salary increase.

In addition to base salary, we use a combination of cash incentives and equity-based awards as key components in the short- and long-term incentive compensation arrangements for executive officers, including the Named Executive Officers. Short-term incentives generally take the form of cash bonuses which range from 10 to 25 percent of the executives' base salaries. However, the Chief Executive Officer's bonus potential was set by the terms of his initial employment contract at 125 percent of his base salary and the Chief Operating Officer's bonus potential is set at 42 percent of his base salary. Generally, executives with greater responsibilities are eligible to receive higher bonuses as a percentage of base salary. In the fourth quarter of the fiscal year ended June 30, 2007, we implemented individual business objectives upon which quarterly bonuses are contingent. See "Summary Compensation Table" below for a list of those objectives for each Named Executive Officer and the percentage of total possible bonus paid to each Named Executive Officer. We estimate that at the time fourth quarter performance criteria were established there was approximately a 60 to 70 percent chance that the criteria would be fully satisfied.

Although our Amended and Restated 2005 Equity-Based Compensation Plan (the "2005 Plan") provides the

Compensation Committee with flexibility to design and grant a host of stock-based awards, currently the long-term incentive awards granted under the 2005 Plan have consisted entirely of non-qualified stock options. The Compensation Committee believes that the use of equity-based incentives promotes individual and Company performance by allowing employees to participate in long-term growth and profitability. It also believes that our exclusive use of stock options is appropriate because this type of equity-based award is the one with which employees in the industry in which we compete are most accustomed to receiving as long-term incentive compensation. The options granted under the 2005 Plan generally vest in equal annual installments over a four year period from the date of grant. The Compensation Committee is responsible for the granting of all equity-based compensation, including the award dates for each grant. Although award dates are determined exclusively at the Compensation Committee's discretion, typically grants are made to an employee on the date of hire, and then on special circumstances such as a promotion or when deemed necessary to retain a valued employee. See "Grants of Plan Based Award Table" for additional information regarding these incentive awards.

Role of Executive Officers in Compensation Decisions

The Compensation Committee makes all compensation decisions for all executive officers (which includes the Named Executive Officers). The Compensation Committee actively considers, and has the ultimate authority of approving, recommendations made by the Chief Executive Officer regarding all equity-based awards to employees. Our Chief Executive Officer determines, in consultation with the Compensation Committee, the non-equity compensation of our employees who are not executive officers.

Employment Agreements and Change-In-Control Provisions

All of the Named Executive Officers, other than Loren McDonald, have employment agreements. Certain of these agreements provide for severance payments upon termination of employment without "cause" (by us) or for "good reason" (by the executive), in each case as defined in the respective agreement. The 2005 Plan also provides discretion to the Compensation Committee for accelerated benefits upon termination for certain reasons or upon us having a change in control. The Compensation Committee intends that severance, if provided, provide protection for a limited time period sufficient to allow the executive to obtain new employment. The Compensation Committee believes that such severance benefits due to these termination events provides the Named Executive Officers a reasonable package based on the value the officers have created that is ultimately realized by our stockholders.

Retirement and Other Benefits

All executive officers are eligible to participate in our 401(k) plan and other benefit programs as described below. All executive officers are eligible to participate in the group health and 401(k) plans under the same terms and conditions as all other employees with the exception that, by the terms of his employment contract, the employee contribution of the Chief Executive Officer Luis Rivera, under our healthcare plan is paid by us. These amounts are disclosed in the Summary Compensation Table below.

Our 401(k) plan provides for employer matching funds of up to 50 percent of the first six percent of an employee's salary for all qualifying employees including executive officers. We do not provide any other retirement benefits or tax-qualified deferred compensation plans or programs for our executive officers, nor do we provide a nonqualified deferred compensation plan.

Tax and Accounting Implications

Deductibility of Executive Compensation

As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Code, which provides that we may not deduct compensation of more than $1 million that is paid to certain individuals, subject to certain exceptions. We believe that compensation paid is generally fully deductible for federal income tax purposes. However, the Compensation Committee may approve compensation that will not meet these requirements in order to ensure competitive levels of total compensation for our executive officers.

Accounting for Stock-Based Compensation

Effective January 1, 2005, we began accounting for stock-based payments, including awards under our 2005 Plan, in accordance with the requirements of FASB Statement 123R.

Monitoring the Effectiveness of our Compensation Practices

Despite the informal and relatively subjective nature of the compensation practices set forth above, we nonetheless believe that, at least todate, they have been relatively successful in attracting and retaining the employees necessary to operate, manage and grow our businesses. Indeed, no officer has left our employ during the past year as a result of inadequate compensation.

SUMMARY COMPENSATION TABLE

The following table summarizes, with respect to our Chief Executive Officer, our Chief Financial Officer, each of our other named executive officers, as well as our former Chief Executive Officer, information relating to the compensation earned for services rendered in all capacities during fiscal year 2007.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	All Other Compensation ($)	Total ($)
David R. Burt Former President and Chief Executive Officer	2007	153,846 (2)			359,000 (3)	512,846
Luis A. Rivera President and Chief Executive Officer	2007	200,000	250,000 (4)	137,156	—	600,515
Joseph Lambert Chief Financial Officer	2007	149,791	30,000 (5)	23,461	—	203,252
Robb Wilson Vice President of Technology	2007	175,000	7,525 (6)	31,851	—	214,376
Loren McDonald Vice President Corporation Communications	2007	173,765	7,075 (7)	52,068	—	232,908
Peter Biro Chief Operating Officer	2007	165,519	23,010 (8)	81,082	—	276,939

(1) We account for the cost of stock-based compensation awarded under the 2005 Plan in accordance with the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004) Share Based Payment ("SFAS 123R"), under which the cost of equity awards to employees is measured by the fair value of the awards on their grant date and is recognized over the vesting periods of the awards, whether or not the awards had any intrinsic value during the period. Amounts shown in the table above reflect the dollar amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance with SFAS 123R of awards granted under the 2005 Plan and thus may include amounts from awards granted in and prior to fiscal year 2007. No forfeitures occurred during fiscal year 2007, and all awards are based on the closing market price of our common stock on the date of grant. Assumptions used in calculation of these amounts are included in Note 17 to our consolidated audited financial statements for the fiscal year ended June 30, 2007, included in the Original Form 10-K.

(2) Represents salary paid through January 28, 2007, the date on which Mr. Burt resigned as an officer and employee.

(3) Mr. Burt was paid $120,000 by us in FY 2007 following his resignation as an employee, President and Chief Executive Officer. In connection with his

resignation, on March 8, 2007 we entered into an agreement with Mr. Burt to, among other things, pay to Mr. Burt a total of $359,000 representing bonuses earned by Mr. Burt at the time he was employed by us as an officer. The exact amount of the bonus earned by Mr. Burt was in dispute and the amount agreed upon represented a settlement between the parties. Such bonus amount is to be paid as follows: (i) $30,000 on the first business day of each month beginning in March 2007 and ending on the first business day of January 2008, and (ii) $29,000 on the first business day of February 2008. The $120,000 paid in fiscal year 2007 represents the first four installments of the settlement.

(4) Performance criteria were only established in the fourth quarter and, consequently, bonuses in the fiscal year ending June 30, 2007, have not be treated as payable pursuant to an incentive plan for purposes of these disclosures. The fourth quarter bonus objectives for Mr. Rivera are as follows: Successful integration of the acquired companies, achievement of specified EBITDA targets, achievement of key metrics for support response times, customer retention and application uptime, meeting targets for introduction of new on-demand software platform and successfully developing senior management team. Mr. Rivera received 100 percent of his bonus potential for each quarter of the fiscal year pursuant to his employment agreement

(5) Performance criteria were only established in the fourth quarter and, consequently, bonuses in the fiscal year ending June 30, 2007, have not be treated as payable pursuant to an incentive plan for purposes of these disclosures. The fourth quarter bonus objectives for Mr. Lambert are as follows: Successful integration of the acquired companies' financial systems and personnel and successful implementation of consolidated accounting system. Mr. Lambert received 100 percent of his bonus potential for the fourth quarter of the fiscal year.

(6) Performance criteria were only established in the fourth quarter and, consequently, bonuses in the fiscal year ending June 30, 2007, have not be treated as payable pursuant to an incentive plan for purposes of these disclosures. The fourth quarter bonus objectives for Mr. Wilson are as follows: Development of product roadmap, management of external facing and internal development for both point and integrated products and accomplishment certain other technical metrics. Mr. Wilson received 86 percent of his bonus potential for the fourth quarter of the fiscal year.

(7) Performance criteria were only established in the fourth quarter and, consequently, bonuses in the fiscal year ending June 30, 2007, have not be treated as payable pursuant to an incentive plan for purposes of these disclosures. The fourth quarter bonus objectives for Mr. McDonald are as follows: Improve our PR efforts, as measured by press mentions and caliber of publication, planning and development of industry analyst relations and investor relations work on messaging presentations and conferences. Mr. McDonald received 56.6 percent of his bonus potential for the fourth quarter of the fiscal year.

(8) Performance criteria were only established in the fourth quarter and, consequently, bonuses in the fiscal year ending June 30, 2007, have not be treated as payable pursuant to an incentive plan for purposes of these disclosures. The fourth quarter bonus objectives for Mr. Biro are as follows: Successful integration and consolidation of support function into a single unit and attaining key support metrics, successful development and rollout of new on demand software platform. Mr. Biro received 90 percent of his bonus potential for the fourth quarter of the fiscal year.

GRANTS OF PLAN BASED AWARDS

The following table reflects possible payouts under our equity and non-equity incentive plans to the Named Executive Officers from grants made to such Named Executive Officers during the fiscal year ending June 30, 2007.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards
David R. Burt Former President and Chief Executive Officer	—	0	0	$ 0
Luis A. Rivera President and Chief Executive Officer	—	0	0	$ 0
Joseph Lambert Chief Financial Officer	5/8/07	150,000 (1)	$ 0.83	$ 55,320

Robb Wilson Vice President of Technology	5/8/07	200,000(2)	$	0.83	$ 73,760
Loren McDonald Vice President Corporation Communication	—	0		0	$ 0
Peter Biro	8/17/06	400,000(3)	$	0.95	$ 177,720
Chief Operating Officer	5/8/07	300,000(4)	$	0.83	$ 110,640

(1) The option vests and becomes exercisable in four equal annual installments beginning on May 8, 2008

(2) The option vests and becomes exercisable in four equal annual installments beginning on May 8, 2008

(3) The Option vests and becomes exercisable in cumulative installments as follows: (i) the Option shall be exercisable with respect to 50 percent of the Option Shares on the first anniversary of the Grant Date; and (ii) the Option shall be exercisable with respect to the remaining 50 percent of the Option Shares in four (4) equal installments on the last day of each quarter of the year that begins on the day after the first anniversary of the Grant Date and ends on the second anniversary of the Grant Date.

(4) The option vests and becomes exercisable in four equal annual installments beginning on May 8, 2008

Employment Agreements/Arrangements

David R. Burt. Effective as of May 5, 2000, we entered into an employment agreement with David R. Burt, to serve as the Chief Executive Officer. The original term of the agreement continued through May 5, 2005, subject to certain extensions. Pursuant to the agreement, Mr. Burt received an annual base salary of $250,000 and an annual performance bonus of not less than $20,000. The agreement required Mr. Burt to devote at least 50 percent of his business time and attention to the performance of the duties and responsibilities of Chief Executive Officer, inasmuch as Mr. Burt also served, until December 2003, as president, chief executive officer and a director of another public Company. Mr. Burt's agreement provided for additional bonuses of 10 percent of the amount that we collected on certain of our delinquent receivables in excess of the amount booked for such receivables on our balance sheet, subject to a specified cap, and 10 percent of the difference between the amount at which certain of our liabilities were booked on our balance sheet and the actual amounts that we paid. As consideration for, among other things, his efforts in obtaining settlements on certain disputes in July 2000, we granted Mr. Burt a convertible promissory note in the principal amount of $60,000. Mr. Burt subsequently transferred the note to a family limited partnership controlled by him. On or about May 28, 2002, the holder of the note converted $52,125 of principal on the note into 20,850,000 shares of Common Stock. The remaining $7,875 in principal and $9,500 in accrued interest were redeemed by us. On September 19, 2002, the family limited partnership granted an option to purchase 4,170,000 shares of the Common Stock acquired upon conversion of the note to Mr. William T. Comfort III, currently the Chairman of our Board of Directors, at $0.04 per share which was later exercised. On January 8, 2003, the partnership sold an additional 4,170,000 shares of the Common Stock to LDN Stuyvie Partnership, of which Mr. Comfort is the sole general partner, for $0.02676 per share. Mr. Burt's employment agreement also provided him certain registration rights with respect to the shares of the Common Stock acquired upon conversion of the note. Because the exercise price of the options and the selling price of the shares were at or above market price in effect at the time of the transactions, there was no effect on our results of operations.

The employment agreement provided that we could terminate Mr. Burt's employment for "due cause" (as defined in the employment agreement) or without cause. If Mr. Burt's employment were terminated without cause, Mr. Burt would have been entitled to receive his base salary as accrued to the date of termination and not paid, as well as a severance payment equal to his base salary. Mr. Burt would also have been entitled to receive any bonuses he would have been entitled through the date of termination.

Upon, or within one year following, a "change in control" (as defined in the employment agreement), if Mr. Burt had resigned, the termination would have constituted a termination of employment without cause, entitling Mr. Burt to the same severance package as noted above.

Our Board of Directors accepted the resignation of Mr. Burt as an officer on January 28, 2007, and as a director on March 7, 2007. In connection with his resignation, on March 8, 2007 we entered into an agreement with Mr. Burt to, among other things, pay to Mr. Burt a total of $359,000 representing bonuses earned by Mr. Burt at the time he was employed by us. The exact amount of the bonus earned by Mr. Burt was in dispute and the amount agreed upon represented a settlement between the parties. Such bonus amount is to be paid as follows: (i) $30,000 on the first business day of each month beginning in March 2007 and ending on the first business day of January 2008, and (ii) $29,000 on the first business day of February 2008.

Luis A. Rivera. Effective May 12, 2005, Lyris Technologies, Inc., our wholly owned subsidiary, entered into an employment agreement with Luis A. Rivera, to serve as President and Chief Executive Officer. The term of the agreement is for five years and expires on May 12, 2010. The initial annual base salary under the agreement is $200,000, and Mr. Rivera is eligible to receive a quarterly performance bonus based on our profitability. In addition, Mr. Rivera received an award of options to purchase 3,600,000 shares of our Common Stock at an exercise price of $0.30 per share that vest ratably on a quarterly basis over four years from the date of grant. Mr. Rivera is also eligible to participate in any "Investment Plans" and "Welfare Plans" (as defined in the employment agreement) to the extent applicable generally to our other employees.

The employment agreement provides that we may terminate Mr. Rivera for "cause" (as defined in the employment agreement) or without cause. Mr. Rivera's employment agreement does not contain any provision for a change in control. If we terminate Mr. Rivera's employment without cause or if he resigns for "good reason" (as defined in the employment agreement), Mr. Rivera will be entitled to the following:

- A lump sum severance payment equal to 1.5 times his then current base salary
- Any annual bonus awarded to Mr. Rivera prior to the date of termination but not yet paid;
- Mr. Rivera's annual base salary through the date of termination to the extent not yet paid;
- Any compensation previously deferred by Mr. Rivera;
- Any unreimbursed business expenses;
- Any "accrued investments" (as defined in the employment agreement); and
- Any "accrued welfare benefits", including any amounts owed as a result of accrued vacation.

Additionally, following termination Mr. Rivera will be subject to non-competition and non-solicitation provisions for a twelve month period following his termination and ongoing confidentiality and non-disparagement obligations.

Robb Wilson. Effective May 12, 2005, Lyris Technologies, Inc. entered into an employment agreement with Robb Wilson, to serve as Vice President. The term of the agreement is for five years and expires on May 12, 2010. The initial base salary under the agreement was $155,000. In addition, Mr. Wilson received an award of options to purchase 400,000 shares of our Common Stock at an exercise price of $0.30 per share, which will vest ratably on an annual basis over four years from the date of grant. Mr. Wilson is also eligible to participate in any "Investment Plans" and "Welfare Plans" (as defined in the employment agreement) to the extent applicable generally to our other employees. Mr. Wilson is not entitled to severance upon termination of his employment.

The employment agreement provides that we may terminate Mr. Wilson for "cause" (as defined in the employment agreement) or without cause. Mr. Wilson's employment agreement does not contain any provision for a change in control. If we terminate Mr. Wilson's employment without cause or if he resigns for "good reason" (as defined in the employment agreement), Mr. Wilson will be entitled to the following:

- A lump sum severance payment equal to his then current base salary

- Any annual bonus awarded to Mr. Wilson prior to the date of termination but not yet paid;
- Mr. Wilson's annual base salary through the date of termination to the extent not yet paid;
- Any compensation previously deferred by Mr. Wilson;
- Any unreimbursed business expenses;
- Any "accrued investments" (as defined in the employment agreement); and
- Any "accrued welfare benefits", including any amounts owed as a result of accrued vacation.

Additionally, following termination Mr. Wilson will be subject to non-competition and non-solicitation provisions for a twelve month period following his termination and ongoing confidentiality. On January 19, 2006, Mr. Wilson was appointed our Vice President of Technology. On February 10, 2006 he was granted an award of options to purchase 200,000 shares of our Common Stock at an exercise price of $0.60 per share, which will vest in four equal annual installments beginning on February 10, 2007. On May 8, 2007, Mr. Wilson assumed technology leadership for all of our subsidiaries. At that time he was granted an award of options to purchase 200,000 shares of our Common Stock at an exercise price of $0.83 per share, which will vest in four equal annual installments beginning May 8, 2008.

Joseph Lambert. On August 29, 2005, Joseph Lambert joined us as Vice President and Controller and on November 14, 2005 he was appointed our Chief Accounting Officer. Mr. Lambert received an initial annual base salary of $125,000 and will be eligible to receive an annual merit bonus of up to 25 percent of his base salary. In addition, on the date Mr. Lambert was employed by us, he received an award of options to purchase 250,000 shares of our Common Stock, at an exercise price of $0.70 per share, that vest ratably on an annual basis over four years from the date of grant. The terms of Mr. Lambert's employment are contained in an offer letter, dated August 2, 2005 from Lyris, and an employment agreement between Lyris Technologies, Inc. and Mr. Lambert dated August 29, 2005. Mr. Lambert is also eligible to participate in any "Investment Plans" and "Welfare Plans" (as defined in the employment agreement) to the extent applicable generally to our other employees. Mr. Lambert is not entitled to severance upon termination of his employment. Upon termination, he will be subject to non-competition and non-solicitation provisions for a twelve month period following his termination and ongoing confidentiality. On May 8, 2007, Mr. Lambert was granted an award of options to purchase 150,000 shares of our Common Stock at an exercise price of $0.83 per share, which will vest in four equal annual installments beginning May 8, 2008.

Loren McDonald. On June 26, 2006, we hired Loren McDonald to serve as Vice President and Chief Marketing Officer. Mr. McDonald does not have an employment agreement with us. Mr. McDonald received an initial annual base salary of $175,000 and he is eligible to receive an annual merit bonus of up to $25,000. In addition, in connection with his employment, Mr. McDonald received an award of options to purchase 250,000 shares of our Common Stock, at $0.85 per share, that vest ratably each quarter over four years from the date of grant.

Peter Biro. On August 17, 2006, we entered into an employment agreement with Peter Biro to serve as Vice President of Corporate Development and Planning. The term of the agreement is for four years and expires on August 16, 2010. The initial annual base salary under the agreement is $190,000 (subject to adjustment by our board of directors), and Mr. Biro is eligible to receive an annual bonus as determined by our board of directors, provided that such annual bonus will not be less than $15,000. In addition, Mr. Biro received an award of options to purchase 400,000 shares of our Common Stock at an exercise price of $0.95, 50 percent of which shall vest on August 17, 2007 and the remaining 50 percent shall vest in four equal installments on the last day of each quarter of the period that begins on August 18, 2007, and ends on August 17, 2008. Mr. Biro is also eligible to participate in any "Investment Plans" and "Welfare Plans" (as defined in the employment agreement) to the extent applicable generally to our other employees. We also agreed to reimburse Mr. Biro for monthly premiums incurred by Mr. Biro for medical, prescription drug, dental and/or vision insurance for himself and his immediate family, not to exceed $1,200 per month.

The employment agreement provides that we may terminate Mr. Biro for "cause" (as defined in the employment agreement) or without cause. Mr. Biro's employment agreement does not contain any provision for a change in control. If we terminate Mr. Biro's employment without cause or if he resigns for "good reason" (as defined in the employment agreement), Mr. Biro will be entitled to the following:

- A lump sum severance payment equal to his then current base salary
- Any annual bonus awarded to Mr. Biro prior to the date of termination but not yet paid;
- Mr. Biro's annual base salary through the date of termination to the extent not yet paid;
- Any compensation previously deferred by Mr. Biro;
- Any unreimbursed business expenses;
- Any "accrued investments" (as defined in the employment agreement); and
- Any "accrued welfare benefits", including any amounts owed as a result of accrued vacation.

Additionally, following his termination Mr. Biro will be subject to non-competition and non-solicitation provisions for a twelve month period following his termination and ongoing confidentiality and non-disparagement obligations. On February 14, 2007, Mr. Biro was appointed our Chief Operating Officer and on May 8, 2007, Mr. Biro was granted an award of options to purchase 300,000 shares of our Common Stock at an exercise price of $0.83 per share, which will vest in four equal annual installments beginning May 8, 2008.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table reflects outstanding stock options held by the Named Executive Officers as of June 30, 2007.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
David R. Burt Former President and Chief Executive Officer	—	—	—	—
Luis A. Rivera President and Chief Executive Officer	1,935,612	1,664,388 (1)	$ 0.30	5/6/15
Joseph Lambert Chief Financial Officer	62,500	187,500 (2)	$ 0.70	8/29/15
	—	150,000 (3)	$ 0.83	5/8/17
Robb Wilson VicePresident of Technology	200,000	200,000 (4)	$ 0.30	5/6/15
	50,000	150,000 (5)	$ 0.60	2/10/16
	—	200,000 (6)	$ 0.83	5/8/17

Loren McDonald					
Vice President	87,500	262,500 (7)	$	0.62	10/11/15
and Chief Marketing Officer	63,375	186,625 (8)	$	0.85	6/26/16
Peter Biro					
Chief Operating Officer	—	400,000 (9)	$	0.95	8/17/16
	—	300,000 (10)	$	0.83	5/8/17

(1) The Compensation Committee granted this option to Mr. Rivera on May 6, 2005. The award vests in equal quarterly installments over a four year period beginning June 30, 2005.

(2) The Compensation Committee granted this option to Mr. Lambert on August 29, 2005. The award vests in equal annual installments over a four year period beginning August 29, 2006.

(3) The Compensation Committee granted this option to Mr. Lambert on May 8, 2007. The award vests in equal annual installments over a four year period beginning May 8, 2008.

(4) The Compensation Committee granted this option to Mr. Wilson on May 6, 2005. The award vests in equal annual installments over a four year period beginning May 6, 2006.

(5) The Compensation Committee granted this option to Mr. Wilson on February 10, 2006. The award in equal annual installments over a four year period beginning February 10, 2007.

(6) The Compensation Committee granted this option to Mr. Wilson on May 8, 2007. The award vests in equal annual installments over a four year period beginning May 8, 2008.

(7) The Compensation Committee granted this option to Mr. McDonald on October 11, 2005. The award vests in equal annual installments over a four year period beginning October 11, 2007.

(8) The Compensation Committee granted this option to Mr. McDonald on June 26, 2006. The award vests in equal quarterly installments over a four year period beginning June 30, 2006.

(9) The Compensation Committee granted this option to Mr. Biro on August 17, 2006. Fifty percent of the shares underlying this option vested on August 17, 2007 and the remaining 50 percent of the shares underlying this option vest in four equal quarterly installments beginning on November 17, 2007.

(10) The Compensation Committee granted this option to Mr. Biro on May 8, 2007. The award vests annually over a four year period beginning May 8, 2008.

OPTION EXERCISES AND STOCK VESTED TABLE

None of the Named Executive Officers exercised options during the fiscal year 2007, and none holds any other type of stock award.

PENSION BENEFITS AND NONQUALIFIED DEFERRED COMPENSATION

We do not sponsor ormaintain either a defined benefit plan or a nonqualified deferred compensation plan for the benefit of our employees.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

*Mr. Burt.*Our Board of Directors accepted the resignation of Mr. Burt as an officer on January 28, 2007, and as a director on March 7, 2007. In connection with his resignation, on March 8, 2007, we entered into an agreement with Mr. Burt to, among other things, pay to Mr. Burt a total of $359,000 representing bonuses earned by Mr. Burt at the time he was employed by us. The exact amount of the bonus earned by Mr. Burt was in dispute and the amount agreed upon represented a settlement between the parties. Such bonus amount is to be paid as follows: (i) $30,000 on the first business day of each month beginning in March 2007, and ending on the first business day of January 2008, and (ii) $29,000 on the first business day of February 2008.

Mr. Rivera. Pursuant to his employment agreement, in the event Mr. Rivera's employment is terminated for good reason or without cause, we shall pay to Mr. Rivera any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid, as well as an amount equal to 1.5 times his then current annual base salary. At the end of fiscal year 2007 this provision would have entitled Mr. Rivera to $300,000 plus any other amounts accrued but not yet paid. Mr. Rivera's agreement also provides that any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid will be made in the event of his death or disability or if his employment is terminated for cause. Mr. Rivera's agreement does not contain a provision for additional payment based on a change of control; however, we will require any successor to us to assume expressly and agree to perform this employment agreement in the same manner and to the same extent that we would be required to perform.

Under the terms of the agreement: (i) "cause" means (a) the failure of Mr. Rivera to materially perform his obligations and duties hereunder to our satisfaction, which failure is not remedied within 45 days after receipt of written notice from us, (b) commission by Mr. Rivera of an act of fraud upon, or willful gross misconduct toward, us or any of our affiliates, (c) a material breach by Employee of certain sections of the agreement, which in either case is not remedied within 15 business days after receipt of written notice from us or our Board of Directors , (d) the conviction of Mr. Rivera of any felony (or a plea of nolocontendere thereto) or any crime involving moral turpitude, or (e) the failure of Mr. Rivera to carry out, or comply with, in any material respect any directive of the Board of Directors consistent with the terms of the agreement, which is not remedied within 30 business days after receipt of written notice from us or our Board of Directors; and (ii) "good reason" shall mean any material breach by us of any provision of the agreement, and shall also include our (or our successors and assigns) substantially altering the position, geographic location, or responsibilities of Mr. Rivera during the term of his employment.

Mr. Biro. Mr. Biro's employment agreement provides that, in the event his employment is terminated for good reason or without cause, we shall pay to Mr. Biro his current annual base salary at the time of termination for one year following termination, subject to mitigation, as well as any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid. At the end of fiscal year 2007 this provision would have entitled Mr. Biro to $190,000 (subject to mitigation) plus any other amounts accrued but not yet paid. Mr. Biro's agreement also provides that any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid will be made in the event of his death or disability or if his employment is terminated for cause. Mr. Biro's agreement does not contain a provision for additional payment based on a change of control; however, we will require any successor to us to assume expressly and agree to perform this employment agreement in the same manner and to the same extent that we would be required to perform.

Under the terms of the agreement: (i) "cause" means (a) the failure of Mr. Biro to perform his obligations and duties hereunder to our satisfaction, which failure is not remedied within fifteen (15) days after receipt of written notice from us, (b) commission by Mr. Biro of an act of fraud upon, or willful misconduct toward, us or any of our affiliates, (c) a material breach by Mr. Biro of certain sections of the agreement, which in either case is not remedied within fifteen (15) days after receipt of written notice from us or our Board of Directors; (iv) the conviction of Mr. Biro of any felony (or a plea of nolo contendere thereto) or any crime involving moral turpitude; or (v) the failure of Mr. Biro to carry out, or comply with, in any material respect any directive of the Board consistent with the terms of this Agreement, which is not remedied within fifteen (15) days after receipt of written notice from us or our Board of Directors; and (ii) "good reason" means (w) a material reduction in the nature or scope of Mr. Biro's responsibilities or authorities that is not consented to or approved by him, (x) any failure by us to comply in any material respect with the compensation provisions of the agreement that is not consented to or approved by Mr. Biro, (y) failure by us to comply with any other material term or provision of the agreement, or (z) the relocation or transfer of Mr. Biro's principal office to a location more than 50 miles from the city of Boston, Massachusetts.

Mr. Wilson. Mr. Wilson's employment agreement provides that, in the event his employment is terminated for good reason or without cause, we shall pay to Mr. Wilson an amount equal to one year of his current annual base salary at the time of termination, as well as any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid. At the end of fiscal year 2007 this provision would have entitled

Mr. Wilson to $175,000 plus any other amounts accrued but not yet paid. Mr. Wilson's agreement also provides that any amounts, payments, entitlements and benefits earned, accrued or owing but not yet paid will be made in the event of his death or disability or if his employment is terminated for cause. Mr. Wilson's agreement does not contain a provision for additional payment based on a change of control; however, we will require any successor to us to assume expressly and agree to perform this employment agreement in the same manner and to the same extent that we would be required to perform.

Under the terms of the agreement: (i) "cause" means (a) the failure of Mr. Wilson to perform his obligations and duties hereunder to the satisfaction of us, which failure is not remedied within 15 days after receipt of written notice from us, (c) commission by Mr. Wilson of an act of fraud upon, or willful misconduct toward, us or any of our affiliates, (c) a material. breach by Mr. Wilson of certain sections of the agreement, which in either case is not remedied within 15 days after receipt of written notice from us or our Board of Directors, (d) the conviction of the executive of any felony (or a plea of nolocontendere thereto) or any crime involving moral turpitude, or (e) the failure of Mr. Wilson to carry out, or comply with, in any material respect any directive of the Board of Directors consistent with the terms of the agreement, which is not remedied within 15 days after receipt of written notice from us or our Board of Directors; and (ii) "good reason" shall mean any material breach by us of any provision of the agreement.

Mr. Lambert. Mr. Lambert's agreement does not provide for any severance payment to Mr. Lambert following the termination of his employment for any reason. Mr. Lambert's agreement does not contain a provision for additional payment based on a change of control.

Loren McDonald. Mr. McDonald does not have an employment agreement and he would not be entitled to any severance payment upon termination.

Additionally, the 2005 Plan gives the Compensation Committee the discretion (but does not require it) to vest options outstanding under the 2005 Plan upon us having a change in control. The option agreements for each of the Named Executive Officers provide that within one year following us having a change in control, if the executive's employment is terminated without cause by us, or with good reason by the executive (in each case as defined in the option agreement), any options that would have become exercisable on or prior to the one year anniversary following the termination shall become immediately exercisable and shall remain exercisable until the earlier of the first anniversary of the termination of employment or the earlier expiration of the option in accordance with its terms. In addition, Mr. Biro's option agreement provides that all of his options shall become exercisable immediately prior to us having a change in control.

COMPENSATION OF DIRECTORS

We provide each non-employee director with an annual retainer of $25,000. Each director receives a fee of $1,000 per meeting attended, plus out-of-pocket expenses. In addition, members of board committees receive a fee of $1,000, plus out-of-pocket expenses, for each non-telephonic committee meeting attended that is not scheduled in conjunction with a meeting of the full Board of Directors, and a fee of $500, plus out-of-pocket expenses, for each non-telephonic committee meeting attended in conjunction with a meeting of the full Board of Directors and for each telephonic meeting of any committee of the Board of Directors. Our executive officers do not receive additional compensation for serving on the Board of Directors. Mr. Comfort, our Chairman of the Board, and Mr. Urry have waived all retainers and fees for their services. On October 11, 2005, Mr. DeSantis Cuadra was granted 120,968 restricted shares of Common Stock under the J. L. Halsey Corporation 2005 Equity-Based Compensation Plan, which began vesting ratably on a quarterly basis on January 11, 2006 and continues through October 11, 2008. Mr. DeSantis Cuadra's shares were granted in lieu of $75,000 to be received in future annual director retainer fees over the three-year period following the date of grant.

Director Compensation Table

The table below summarizes the compensation paid to our independent directors for the fiscal year ended June 30, 2007.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Total ($)
Andrew Richard Blair	27,000 (1)	—	27,000
William T. Comfort III (2)	—	—	—
Nicolas De Santis Cuadra	2,000 (3)	26,397 (4)	28,397
James A. Urry (2)	—	—	—

(1) Fees are for $25,000 annual retainer and four telephonic Audit Committee meetings.

(2) Messrs. Comfort and Urry have waived all retainers and fees.

(3) Fees are for four telephonic Audit Committee meetings.

(4) On October 11, 2005, Mr. DeSantis Cuadra was granted 120,968 restricted shares of Common Stock under the J. L. Halsey Corporation 2005 Equity-Based Compensation Plan, which began vesting ratably on a quarterly basis on January 11, 2006, and continues through October 11, 2008. Mr. DeSantis Cuadra's shares were granted in lieu of $75,000 to be received in future annual director retainer fees over the three-year period following the date of grant. As of the end of fiscal year 2007, 60,484 of these shares remain unvested. We account for the cost of stock-based compensation in accordance with FAS 123(R), under which the cost of equity awards to employees and directors is measured by the fair value of the awards on their grant date and is recognized over the vesting periods of the awards, whether or not the awards had any intrinsic value during the period. The grant date fair value of the restricted stock granted to Mr. DeSantis Cuadra was $78,629. Amounts shown in the table above reflect the dollar amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance with SFAS 123R and thus may include amounts from awards granted in and prior to fiscal year 2007. No forfeitures occurred during fiscal year 2007, and all awards are based on the closing market price of our common stock on the date of grant. Assumptions used in calculation of these amounts are included in Note 17 to our consolidated audited financial statements for the fiscal year ended June 30, 2007, included in the Original Form 10-K. Mr. DeSantis Cuadra is entitled to receive dividends on the restricted stock underlying this grant along with our other stockholders, although we do not expect to declare dividends on our common stock in the foreseeable future.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Our Compensation Committee during fiscal 2007 consisted of William T. Comfort, III, who also serves as our non-executive Chairman of the Board. See "Certain Relationships and Related Transactions" for a description of transactions involving us and an entity controlled by Mr. Comfort.

No executive officer of the Company serves as a member of the compensation committee or board of directors of another company of which an executive officer serves on the Compensation Committee of the Company, nor does any executive officer of the Company serve as a member of the compensation committee of another company of which an executive officer serves as a director of the Company.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the disclosures set forth above under the heading "Compensation Discussion and Analysis" and, based on such review and discussions, the Compensation Committee recommended to the Board that such disclosure be included in our proxy statement and in the Annual Report on Form 10-K for the fiscal year ended June 30, 2007.

William T. Comfort, III, Chairman
James A. Urry

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

The following table sets forth information with respect to the beneficial ownership of the Common Stock as of October 15, 2007 by:

- each stockholderknown by us to beneficially own more than five percent of the Common Stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Unless otherwise indicated, the persons included in this table have sole voting and investment power with respect to all the shares of Common Stock beneficially owned by them, subject to applicable community property laws.

Name of Beneficial Owner (a)	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Shares
LDN Stuyvie Partnership	31,662,752(b)	32.8%
William T. Comfort III	35,832,752(c)	37.2%
David R. Burt	8,010,000(d)	8.3%
Luis A. Rivera	2,330,612(e)	2.4%
Andrew Richard Blair	985,000(f)	1.0%
Joseph Lambert	125,000(g)	*
Robb Wilson	251,500(h)	*
Peter Biro	360,000(i)	*
Loren McDonald	254,000(j)	*
Sean Ryan	0	*
Jason Han	300,000(k)	*
Nicolas De Santis Cuadra	120,968(l)	*
James A. Urry	0(m)	*
Directors and Officers as a group (11 persons)	48,569,832	48.7%

* Represents beneficial ownership of less than 1%.

(a) Information as to the interests of the directors and officers has been furnished in part by them. The inclusion of information concerning shares held by or for their spouses or children or by corporations or other entities in which they have an interest does not constitute an admission by such persons of beneficial ownership thereof. Unless otherwise indicated, the address of each director and officer listed is 103 Foulk Rd., Suite 205Q, Wilmington, Delaware 19803.

(b) LDN Stuyvie Partnership is a limited partnership, the sole general partner of which is William T. Comfort III, our Chairman of the Board. The address of LDN Stuyvie Partnership is 127-131 Sloane St., 4th Floor, Liscartan House, SWIX 9AS, London, UK.

(c) Includes the shares held by LDN Stuyvie Partnership, of which Mr. Comfort is the sole general partner.

(d) Consists entirely of shares held by a family limited partnership, the general partner of which is controlled by Mr. Burt.

(e) Includes 2,160,612 shares of common stock subject to stock options held by Mr. Rivera on October 15, 2007, and exercisable within 60 days thereafter.

(f) The shares reported by Mr. Blair consist of 825,000 shares owned by Mr. Blair and his wife, 60,000 owned by Freimark, Blair & Co. pension fund and 100,000 owned by the Blair Family Trust.

(g) Consists of 125,000 shares of common stock subject to stock options held by Mr. Lambert on October 15, 2007, and exercisable within 60 days thereafter.

(h) Includes 250,000 shares of common stock subject to stock options held by Mr. Wilson on October 15, 2007, and exercisable within 60 days thereafter.

(i) Includes 250,000 shares of common stock subject to stock options held by Mr. Biro on October 15, 2007, and exercisable within 60 days thereafter.

(j) Consists of 254,000 shares of common stock subject to stock options held by Mr. McDonald on October 15, 2007, and exercisable within 60 days thereafter.

(k) Includes 200,000 shares of common stock subject to stock options held by Mr. Han on October 15, 2007, and exercisable within 60 days thereafter.

(l) Includes 40,319 shares held by Mr. DeSantis Cuadra on October 15, 2007, but subject to certain restrictions pertaining to his continued service on the Board of Directors.

(m) Does not include the 31,662,752 shares beneficially owned by LDN Stuyvie Partnership, of which Mr. Urry's spouse is a partner. Mr. Urry's spouse has no dispositive or voting authority with respect to the shares beneficially owned by LDN Stuyvie Partnership, and Mr. Urry disclaims beneficial ownership of such shares.

Equity Compensation Plan Information

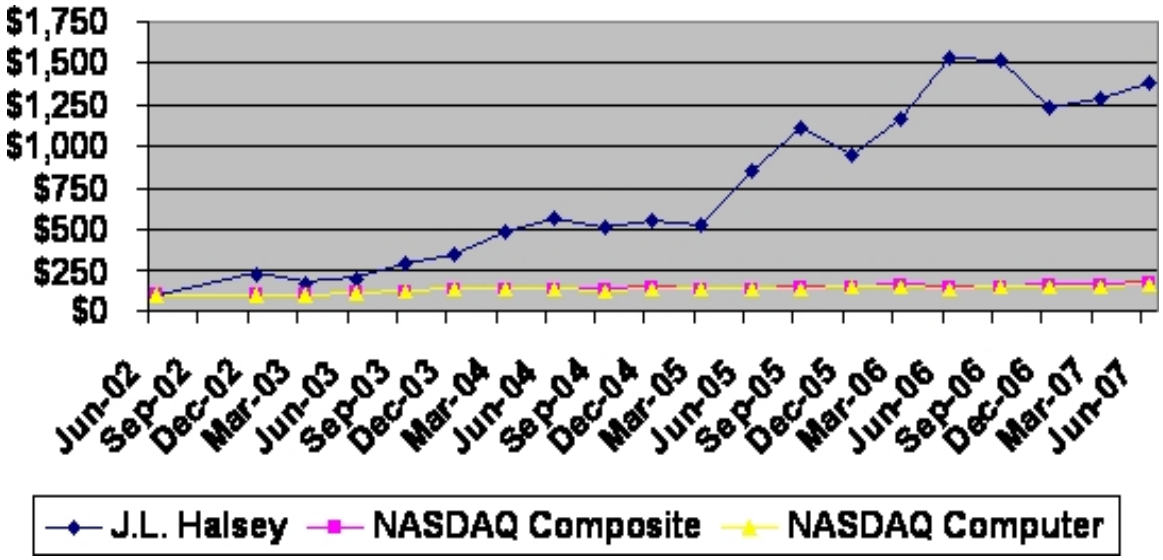
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under compensation plans (excluding securities related in (a)) (c)
Equity compensation plans approved by security holders	10,935,482	$0.53	1,879,082
Equity compensation plans not approved by security holders	—	—	—
Total	10,935,482	$0.53	1,879,082

We established the Equity Based Compensation Plan on May 6, 2005. The Equity Based Compensation Plan provides for grants of stock options and stock-based awards to our employees, directors, and consultants. Stock options issued in connection with the Equity Based Compensation Plan are granted with an exercise price per share equal to the fair market value of a share of our common stock at the date of grant. All stock options have ten-year maximum terms and vest, either quarterly or annually and all within four years of grant date. The total number of shares of common stock issuable under the Equity Based Compensation Plan is 13,200,000. At June 30, 2007, there were 1,879,082 shares available for grant under the Equity Based Compensation Plan.

Performance Graph

The following performance graph compares the cumulative total return on our Common Stock during the last five fiscal years to the NASDAQ Composite and NASDAQ Computer indices for the period from June 30, 2002 through June 30, 2007. The graph assumes that $100 was invested in each of our Common Stock, the NASDAQ Composite Index and the companies listed on the NASDAQ Computer Index on June 30, 2002 and that any dividends were reinvested.

	J. L. Halsey	NASDAQ Composite	NASDAQ Computer
6/30/02	$ 100	$ 100	$ 100
6/30/03	$ 200	$ 111	$ 109
6/30/04	$ 567	$ 140	$ 136
6/30/05	$ 850	$ 141	$ 135
6/30/06	$ 1,533	$ 148	$ 135
6/30/07	$ 1,383	$ 178	$ 169



The information supplied under heading "performance graph" is deemed furnished, not filed, and is therefore not subject to the liabilities of Section 18 of the Exchange Act, and shall not be deemed incorporated by reference into any of the filings previously made or made in the future by us under the Exchange Act or the Securities Act (except to the extent we specifically incorporate this information into a document that is filed).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

TRANSACTIONS AND AGREEMENTS

LDN Stuyvie Loan and Backstop Agreement

On August 18, 2006, we completed the acquisition of ClickTracks Analytics, Inc. and Hot Banana Software, Inc. Funding for the acquisitions was provided by LDN Stuyvie Partnership ("LDN Stuyvie"). LDN Stuyvie beneficially owns more than 5% of our outstanding Common Stock, and William T. Comfort, III, the chairman of our Board of Directors, is its sole general partner. On August 16, 2006, we issued a promissory note to LDN Stuyvie in the amount of $10 million (the "Note"). The Note accrued interest at the rate of 9.5% per annum, or 11.5% per annum in the event of default, and was to become due upon the earlier to occur of (i) the closing under the Backstop Agreement (discussed below), (ii) the date on which the Board of Directors resolved to abandon the rights offering, (iii) the date on which any order issued by a governmental entity of competent jurisdiction or any other legal restraint prohibited the consummation of the rights offering, (iv) the date on which any law or order by any governmental entity of competent jurisdiction made the rights offering illegal, (v) February 1, 2007, if the registration statement filed in connection with rights offering had not been declared effective by the SEC by 5:30 p.m. ET on January 31, 2007, or (vi) April 1, 2007, if the registration statement filed in connection with rights offering had been declared effective by the SEC by 5:30 p.m. ET on January 31, 2007, but the rights offered in the rights offering had not expired by 11:59 p.m. ET on March 31, 2007.

In connection with the Note, we and LDN Stuyvie entered into a Backstop Agreement, dated August 16, 2006 (the "Backstop Agreement"), pursuant to which LDN Stuyvie agreed to purchase Common Stock in connection with a proposed rights offering by us. Pursuant to the Backstop Agreement, LDN Stuyvie agreed to backstop $10 million of rights offered in the rights offering. Under the terms of the Backstop Agreement, LDN Stuyvie was to purchase that number of shares of Common Stock so that, together with all rights subscribed for and exercised in the rights offering (including any rights subscribed for by LDN Stuyvie), we would have received gross proceeds (including offsets against the Note) in the rights offering of at least $10 million. In partial consideration for making the $10 million loan to us and agreeing to backstop the rights offering up to $10 million, we granted to LDN Stuyvie the exclusive right to purchase up to an additional $10 million of Common Stock at the subscription price in respect of each right granted to other stockholders but which they decline to exercise.

We did not file a registration statement for the rights offering with the SEC by January 31, 2007, and terminated the rights offering. The Backstop Agreement therefore terminated as of January 31, 2007. On February 1, 2007, in accordance with the terms of the LDN Stuyvie Note, we issued to LDN Stuyvie a total of 12,279,130 shares of common stock as payment in full of the principal and accrued interest on the LDN Stuyvie Note. In accordance with the terms of the LDN Stuyvie Note, the common stock was valued at $0.85 per share for an aggregate price of $10,437,260.27, representing $10,000,000 for the principal and $437,260.27 for the accrued interest under the LDN Stuyvie Note. The shares of common stock were issued in a private placement.

Resignation of Former Director

On March 7, 2007, the Board of Directors accepted the resignation of David R. Burt, our director and former Chief Executive Officer. In connection with the resignation, we, Mr. Burt, Texas Addison Limited Partnership ("Addison"), LDN Stuyvie and Andrew Richard Blair, entered into an Agreement and Mutual Release, dated March 8, 2007 (the "Release"). Mr. Blair is a member of our Board of Directors and LDN Stuyvie is controlled by Mr. Comfort, the chairman of our Board of Directors.

Pursuant to the Release, Addison, which is controlled by Mr. Burt, agreed to sell (A) to LDN, and LDN agreed to purchase from Addison, 4,166,667 shares (the "LDN Sale Shares") of Common Stock and (B) to Blair, and Blair agreed to purchase from Addison, 333,333 shares (the "Blair Sale Shares" and together with the LDN Sale Shares, the "Sale Shares") of Common Stock. The purchase price paid by LDN and Blair for the Sale Shares was $0.75 per share, or an aggregate of $3,375,000. The closing of the purchase of the Sale Shares by LDN and Blair occurred on March 16, 2007. In addition, we waived the transfer restrictions on the remaining Common Stock owned by Burt and Addison in order to permit them to sell such Common Stock on the open market; provided, that (A) the amount of Common Stock sold in any 90-day period shall not exceed 300,000 shares (or such greater or lesser number to appropriately reflect adjustments for stock splits, stock dividends, or similar actions by us with respect to the Common Stock), (B) all sales of Common Stock sold by Addison or Burt pursuant to this provision are to be effected through the Designated Brokerage Firm (defined below) and (C) neither Burt nor Addison will undertake a sale of Common Stock to any Person whereby, to the knowledge of Burt or Addison, such sale would (1) cause the Transferee to have a Prohibited Ownership Percentage or (2) increase the ownership percentage of any Person already having a Prohibited Ownership Percentage. For purposes of the Release, the "Designated Brokerage Firm" means (a) Freimark Blair & Company, Inc. ("Freimark Blair"), an entity controlled by Blair, or (b) any office of Smith Barney; provided, however, that Smith Barney may only be used in the event (1) Blair retires or terminates his relationship with Freimark Blair; (2) Freimark Blair is unable for any reason whatsoever to provide the brokerage services necessary for Burt and/or Addison to sell the shares permitted under this provision of the Agreement; or (3) Blair or Freimark Blair engage or propose to engage in conduct that is outside the reasonable norms of the brokerage industry. For purposes of the Release, the terms "Transferee", "Prohibited Ownership Percentage" and "Person" have the meanings given such terms in Article Fifth of our Certificate of Incorporation. Once the number of shares of Common Stock owned by Burt falls below a Prohibited Ownership Percentage, Burt and Addison shall be free to sell shares of Common Stock without restriction, other than restrictions imposed by law.

Also in connection with Burt's resignation and pursuant to the terms of the Release, we and Burt provided general releases of claims (other than certain types of claims specified in the Agreement) to each other and their respective affiliates. In addition, we agreed to pay to Burt a total of $359,000 representing bonuses earned by Burt at the time he was employed by us as an officer. The exact amount of bonuses earned by Burt was in dispute and the amount agreed upon represented a settlement between the parties. Such bonus amount is to be paid as follows: (i) $30,000 on the first business day of each month beginning in March 2007 (provided that the payment due in March 2007 shall be made concurrently with the closing of the sale of the Sale Shares to LDN and Blair) and ending on the first business day of January 2008, and (ii) $29,000 on the first business day of February 2008.

Indemnification Agreements

We have entered into indemnification agreements with our directors other than Mr. Urry and Mr. Rivera. Under these agreements, we are obligated to indemnify the directors to the fullest extent permitted under the Delaware General Corporation Law for expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by them in any action or proceeding arising out of their services as a director. We believe that

these indemnification agreements are helpful in attracting and retaining qualified directors, and intend to enter into such agreements with Messrs. Urry and Rivera in the near future.

Policies and Procedures

Under SEC rules, public issuers such as us must disclose certain transactions with related persons. These are transactions in which we are a participant where the amount involved exceeds $120,000, and a member of our Board of Directors, an executive officer or a holder of more than 5% of our common stock has a direct or indirect material interest.

To date we have not adopted a formal written policy with respect to such related-party transactions. However, an informal, unwritten policy has been in place whereby all such related-party transactions are reported to, and approved by, the full Board of Directors (other than any interested director). Factors considered by the Board of Directors when deliberating such transactions include:

- whether the terms of such transaction are fair to us;
- whether the transaction are consistent with, and contribute to, our growth strategy; and
- what impact, if any, such transaction will have on the transfer restrictions currently in place with respect to our Common Stock.

The agreements and transactions listed above (other than the indemnification agreements) were all approved by the full Board of Directors (other than those directors with interests in the transactions).

Given the SEC's reporting requirements, the Board of Directors is considering whether to adopt a formal written policy with respect to related-party transactions.

DIRECTOR INDEPENDENCE

We have adopted the NASDAQ Stock Market's standards for determining the independence of directors. Under these standards, an independent director means a person other than an executive officer or one of our employees or any other individual having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, the following persons shall not be considered independent:

- A director who is, or at any time during the past three years was, employed by us;
- a director who accepted or who has a family member who accepted any compensation from us in excess of $100,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
    - compensation for service on the Board of Directors or any committee thereof;
    - compensation paid to a family member who is one of our employees (other than an executive officer); or
    - under a tax-qualified retirement plan, or non-discretionary compensation;
- a director who is a family member of an individual who is, or at any time during the past three years was, employed by us as an executive officer;
- a director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which we made, or from which we received, payments for property or

services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

- payments arising solely from investments in our securities; or
- payments under non-discretionary charitable contribution matching programs;

- a director who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of our executive officers serve on the compensation committee of such other entity; or
- a director who is, or has a family member who is, a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

For purposes of the NASDAQ independence standards, the term "family member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

The Board of Directors has assessed the independence of each non-employee director under the independence standards of the NASDAQ Stock Market set forth above, and has affirmatively determined that all four non-employee directors (Messrs. Blair, Comfort, De Santis Cuadra and Urry) are independent.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

AUDIT FEES

The following table sets forth the fees paid to Burr, Pilger & Mayer LLP and PricewaterhouseCoopers LLP for services provided during fiscal 2007 and 2006:

	2007	2006
Audit Fees (1)	$ 348,265	$ 233,270
Audit-Related Fees	$ 149,850	$ 137,475
Tax Fees (2)	—	—
All Other Fees (3)	—	—
Total	$ 498,115	$ 370,745

(1) Represents fees for professional services rendered in connection with the audit of our annual financial statements and review of our quarterly financial statements.

(2) Represents fees for professional services rendered related to income tax matters.

(3) Represents fees for professional services rendered in connection with the acquisitions of Lyris Technologies, Inc., Uptilt, Inc., ClickTracks Analytics, Inc. and Hot Banana Software, Inc.

The Audit Committee has adopted a policy to pre-approve all audit, audit-related, tax and other services proposed to be provided by our independent auditor prior to engaging the auditor for that purpose. Consideration and approval of such services generally will occur at the Audit Committee's regularly scheduled quarterly meetings. In situations where it is impractical to wait until the regularly scheduled quarterly meeting, the Audit Committee may delegate authority to approve the audit, audit-related, tax and other services to a member of the committee up to a certain pre-determined level as approved by the Audit Committee. During fiscal years 2006 and 2007, 46 percent and 14 percent, respectively, of the Audit-Related fees described above were not pre-approved by the Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The financial statements filed as part of this Annual Report at Item 8 are listed in the Financial Statements and Supplementary Data on page 39 of the Original Form 10-K. All other consolidated financial schedules are omitted because they are inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.

(b) The following documents are filed or incorporated by reference as exhibits to this Report:

EXHIBIT INDEX

Exhibit No.	Description
2(a)(i)	Stock Purchase Agreement dated as of April 2, 1999, by and among NovaCare, Inc., NC Resources, Inc., Hanger Orthopedic Group, Inc. and HPO Acquisition Corp. (incorporated by reference to Exhibit 2(a) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on July 1, 1999.)
2(a)(ii)	Amendment No. 1 to Stock Purchase Agreement made as of May 19, 1999, by and among NovaCare, Inc., NC Resources, Inc., Hanger Orthopedic Group, Inc. and HPO Acquisition Corp. (incorporated by reference to the Exhibit 2 (b) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on July 1, 1999.)
2(a)(iii)	Amendment No. 2 to Stock Purchase Agreement made as of June 30, 1999, by and among NovaCare, Inc., NC Resources, Inc., Hanger Orthopedic Group, Inc. and HPO Acquisition Corp. (incorporated by reference to Exhibit 2(c) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on July 1, 1999.)
2(b)(i)	Stock Purchase Agreement dated as of June 1, 1999, by and among NovaCare, Inc., NC Resources, Inc. and Chance Murphy, Inc. (incorporated by reference to Exhibit 2(a) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 1, 1999.)
2(b)(ii)	Amendment No. 1 to Stock Purchase Agreement made as of June 1, 1999, by and among NovaCare, Inc., NC Resources, Inc. and Chance Murphy, Inc. (incorporated by reference to Exhibit 2(b) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 1, 1999.)
2(c)	Stockholder Agreement dated as of September 8, 1999, among Plato Holdings, Inc., New Plato Acquisition, Inc., NC Resources, Inc. and NovaCare, Inc. (incorporated by reference to Exhibit 2(a) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 14, 1999.)
2(d)(i)	Stock Purchase Agreement dated as of October 1, 1999, by and among NovaCare, Inc. NC Resources, Inc. and Select Medical Corporation (incorporated by reference to Exhibit 2(b) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 14, 1999.)
2(d)(ii)	First Amendment dated November 19, 1999, to the Stock Purchase Agreement dated October 1, 1999, among NovaCare, Inc., NC Resources, Inc. and Select Medical Corporation (incorporated by reference to Exhibit 2(a) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 6, 1999.)

2(d)(iii)	Opinion of Warburg Dillon Read LLC dated as of October 1, 1999 (incorporated by reference to Exhibit 99(a) to NAHC, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 14, 1999.)
2(e)	Stock Purchase Agreement by and among Commodore Resources, Inc., Lyris Technologies, Inc., John Buckman, Jan Hanford, The John Buckman and Jan Hanford Trust and the Company, for certain limited purposes contained therein, dated May 6, 2005 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 12, 2005.)
2(f)	Agreement and Plan of Merger by and among Commodore Resources (Nevada, Inc., Halsey Acquisition Delaware, Inc, Uptilt Inc., David Sousa, in his capacity as Representative, and the Company, dated October 3, 2005 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 14, 2005.)
2(g)	Agreement and Plan of Merger, dated as of August 16, 2006, by and among the Company, Commodore Resources (Nevada, Inc., Halsey Acquisition California, Inc., ClickTracks Analytics, Inc., the Shareholders listed therein and John Marshall (as representative (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 22, 2006.)
2(h)	Share Purchase Agreement, dated August 18, 2006, by and among 1254412 Alberta ULC, an unlimited liability company formed under the laws of the Province of Alberta, the Company, Krista Lariviere, Chris Adams, 1706379 Ontario Inc., a corporation formed under the laws of the Province of Ontario and 1706380 Ontario Inc., a corporation formed under the laws of the Province of Ontario (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 22, 2006.)
3(a)(i)	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3(a)(i) to the Original Form 10-K.)
3(a)(ii)	Certificate of Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3(a)(ii) to the Original Form 10-K.)
3(a)(iii)	Certificate of Ownership and Merger, merging NAHC, Inc. with and into J. L. Halsey Corporation (incorporated by reference to Exhibit 3(a)(iii) to the Original Form 10-K.)
3(b)	First Amended and Restated Bylaws of the Company, as amended as of February 14, 2007 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 21, 2007.)
4(a)(i)†	J. L. Halsey Corporation 2005 Equity-Based Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the Securities and Exchange Commission on May 12, 2005.)
4(a)(ii)	First Amendment to the J. L. Halsey Corporation 2005 Equity-Based Compensation Plan(incorporated by reference to Exhibit 4(a)(ii) to the Original Form 10-K.)

10(a)†	Amended and Restated Employment Agreement dated as of September 27, 2000, between NAHC Inc. and David R. Burt (incorporated by reference to Exhibit 10(k)(i) to NAHC, Inc.'s Annual Report on Form 10-K for the year ended June 30, 2000.)
10(b)†	Convertible Subordinated Note dated as of September 27, 2000, issued by NAHC Inc. to David R. Burt (incorporated by reference to Exhibit 10(k)(ii) to NAHC, Inc.'s Annual Report on Form 10-K for the year ended June 30, 2000.)
10(c)(i)†	Indemnification Agreement, dated May 4, 2000, by and between NAHC, Inc. and David R. Burt (the "Burt Indemnification Agreement" (incorporated by reference to Exhibit 10(f)(i) to the Company's Annual Report on Form 10-K for the year ended June 30, 2002.)
10(c)(ii)†	Assignment and Assumption Agreement, dated as of June 1, 2002, by and between NAHC, Inc. and J. L. Halsey Corporation, assigning the obligations of NAHC under the Burt Indemnification Agreement to Halsey (incorporated by reference to Exhibit 10(f)(ii) to the Company's Annual Report on Form 10-K for the year ended June 30, 2002.)
10(d)†	Form of Indemnification Agreement entered into by and between the Company and each of Charles E. Finelli, William T. Comfort, III, Andrew Richard Blair and Nicolas DeSantis Cuadra (incorporated by reference to Exhibit 10(g) to the Company's Annual Report on Form 10-K for the year ended June 30, 2002.)
10(e)	Stock Purchase Agreement, dated as of December 13, 2002, by and between the Company and The University of Chicago Law School (incorporated by reference to Exhibit 10(h) to the Company's Annual Report on Form 10-K for the year ended June 30, 2004.)
10(f)†	Form of Nonstatutory Stock Option Agreement under the J. L. Halsey Corporation 2005 Equity-Based Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K filed with the Securities and Exchange Commission on May 12, 2005.)
10(g)(i)	Promissory Note from Commodore Resources, Inc., a subsidiary of the Company, in favor of The John Buckman and Jan Hanford Trust, dated May 12, 2005 (incorporated by reference to Exhibit 10(j) to the Company's Annual Report on Form 10-K for the year ended June 30, 2005.)
10(g)(ii)	Amended and Restated Promissory Note dated March 31, 2007, by Commodore Resources, Inc. in favor of The John Buckman and Jan Hanford Trust (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 5, 2007.)
10(g)(iii)	Subordination Agreement dated March 31, 2007, by and between The John Buckman and Jan Hanford Trust and Comerica Bank (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 5, 2007.)
10(h)	Guaranty, entered into by the Company on May 12, 2005, guaranteeing payment by Commodore Resources, Inc. to The John Buckman and Jan Hanford Trust of the amount specified in the Promissory Note dated May 12, 2005 (incorporated by reference to Exhibit 10(k) to the Company's Annual Report on Form 10-K for the year ended June 30, 2005.)

10(i)†	Employment Agreement effective May 12, 2005, between Lyris and Luis A. Rivera (incorporated by reference to Exhibit 10(l) to the Company's Annual Report on Form 10-K for the year ended June 30, 2005.)
10(j)†	Employment Agreement effective May 12, 2005, between Lyris and Robb Wilson (incorporated by reference to Exhibit 10(k) to the Original Form 10-K.)
10(k)†	Employment Agreement dated as of August 29, 2005, between Lyris and Joseph Lambert (incorporated by reference to Exhibit 10(m) to the Company's Annual Report on Form 10-K for the year ended June 30, 2005.)
10(l)†	Employment Agreement effective August 17, 2006, between the Company and Peter Biro (incorporated by reference to Exhibit 10(l) to the Original Form 10-K.)
10(m)(i)	Loan and Security Agreement, dated October 4, 2005, by and among Comerica Bank, Commodore Resources (Nevada, Inc., Lyris Technologies, Inc. and Uptilt, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.)
10(m)(ii)	First Amendment to Loan and Security Agreement, effective as of April 25, 2006, by and among Comerica Bank and Commodore Resources (Nevada, Inc., Lyris Technologies, Inc. and Uptilt Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.)
10(m)(iii)	Second Amendment to Loan and Security Agreement, effective as of August 18, 2006, by and among Comerica Bank and Commodore Resources (Nevada, Inc., Lyris Technologies, Inc. and Uptilt Inc. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.)
10(m)(iv)	Third Amendment to Loan and Security Agreement, effective as of November 30, 2006, by and among Comerica Bank, Commodore Resources (Nevada, Inc., Lyris Technologies, Uptilt Inc., MCC Nevada, Inc. and ClickTracks Analytics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 6, 2006.)
10(m)(v)	Fourth Amendment to Loan and Security Agreement, effective as of January 30, 2007, by and among Comerica Bank and Commodore Resources (Nevada, Inc., Lyris Technologies, Inc., Uptilt, Inc., MCC Nevada, Inc. and ClickTracks Analytics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 5, 2007.)
10(m)(vi)	Fifth Amendment to Loan and Security Agreement, effective as of March 31, 2007, by and among Comerica Bank and Commodore Resources (Nevada, Inc., Lyris Technologies, Inc., Uptilt, Inc., MCC Nevada, Inc., ClickTracks Analytics, Inc., Admiral Management Company and the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 5, 2007.)
10(n)	Unconditional Guaranty, dated October 4, 2005, executed by the Company in favor of Comerica Bank (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005.)

10(o)†	Restricted Stock Award Agreement, dated October 11, 2005, by and between the Company and Nicolas DeSantis Cuadra (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 14, 2005.)
10(p)	Promissory Note, dated August 16, 2006, in the amount of $10,000,000 from the Company to LDN Stuyvie Partnership (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 22, 2006.)
10(q)(i)	Backstop Agreement, dated August 16, 2006, by and between the Company and LDN Stuyvie Partnership (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 22, 2006.)
10(q)(ii)	First Amendment to Backstop Agreement, dated as of December 5, 2006, by and between the Company and LDN Stuyvie Partnership (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 6, 2006.)
10(r)†	Agreement and Mutual Release, dated March 8, 2007, by and among the Company, LDN Stuyvie Partnership, Texas Addison Limited Partnership, David R. Burt and Andrew Richard Blair (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 12, 2007.)
10(s)	Agreement and Waiver, entered into as of June 8, 2007, by and among the Company, Commodore Resources (Nevada, Inc., Lyris Technologies, Inc., ClickTracks Analytics, Inc., John Marshall and Lisa Deverse (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 14, 2007.)
10(t) †*	Employment Agreement effective May 12, 2005, between Lyris Technologies, Inc. and Jason Han.
10(u) †*	Employment Letter dated May 11, 2007, between Lyris Technologies, Inc. and Sean Ryan.
14	Code of Business Conduct and Ethics, adopted by the Company on September 25, 2003 (incorporated by reference to Exhibit 14 to the Company's Annual Report on Form 10-K for the year ended June 30, 2003.)
21	Subsidiaries of the Company (incorporated by reference to Exhibit 21 to the Original Form 10-K)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a/15d-14(a)
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a/15d-14(a)
32.1*	Section 1350 Certification

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* Filed herewith

† Indicates management contracts or compensatory plans, contracts or arrangements in which any director or named executive officer participates.

Copies of the exhibits filed with this Annual Report on Form 10-K or incorporated by reference herein do not accompany copies hereof for distribution to our stockholders. We will furnish a copy of any of such exhibits to any stockholder requesting the same.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 29, 2007

J. L. HALSEY CORPORATION, INC

By: /s/ Luis Rivera
LUIS RIVERA
Chief Executive Officer and President

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 6, 2005, by and between Lyris Technologies, Inc., a Delaware corporation (together with its successors and assigns permitted hereunder, the "Company"), and Jason Han ("Employee").

RECITALS

WHEREAS, Employee is currently employed by the Company, which develops software and services for e-mail marketing and publishing, e-mail filtering and spam prevention (the "Business");

WHEREAS, the Company is, concurrently with the execution hereof, entering into (or has previously entered into) a Stock Purchase Agreement with Commodore Resources, Inc. and the other parties thereto (the "Stock Purchase Agreement"); and

WHEREAS, Employee and the Company desire to set forth herein the terms of employment for Employee, which employment shall be effective as of the closing of the transactions contemplated by the Stock Purchase Agreement (the "Effective Date").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS:

1. Employment Period. Subject to Section 3 or mutual written agreement between the Company and Employee, the Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, in accordance with the terms and provisions of this Agreement, for the period commencing as of the Effective Date and ending on the Fifth (5th) anniversary of the Effective Date (the "Initial Term"); provided that, at the expiration of the Initial Term, and on each anniversary of such expiration thereafter, the Employment Period shall automatically be extended in one year increments (the "Extended Term") unless at least three months prior to the ensuing expiration date (but no more than 9 months prior to such expiration date), the Company or Employee shall have given written notice to the other party that it or he does not wish to extend this Agreement (a "Non-Renewal Notice"). The term "Employment Period," as utilized in this Agreement, shall refer to the Employment Period as so automatically extended.

2. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, Employee shall serve as Director of Sales Operations of the Company and, in so doing, shall report to the President and Chief Executive Officer. Employee agrees to perform whatever duties the Board may assign to Employee from time to time, consistent with Employee's position with the Company. Employee shall have supervision and control over, and responsibility for, such management and operational

functions of the Company as are usual and customary for such position, and shall have such other powers and duties as may from time to time be prescribed by the President and Chief Executive Officer.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which Employee is entitled, Employee agrees to devote all of his business time to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to Employee hereunder, to use Employee's reasonable best efforts to perform faithfully, effectively and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures or fulfill speaking engagements and (C) manage personal investments, so long as such activities do not materially interfere with the performance of Employee's responsibilities as an employee of the Company in accordance with this Agreement.

(b) Compensation.

(i) Base Salary. During the Employment Period, Employee shall receive an annual base salary per calendar year of Seventy Thousand dollars ($70,000) ("Annual Base Salary"), which shall be paid in accordance with the customary payroll practices of the Company and shall be prorated for the year ending December 31, 2005 and for any other partial year of service. The Company may review and adjust Employee's Annual Base Salary. The term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so adjusted.

(ii) Annual Bonus. Employee shall be eligible to receive an annual bonus ("Annual Bonus") at the end of each calendar year during the Employment Period in accordance with the terms set forth on Schedule I hereto. Employee is also eligible for sales commissions as set forth in Schedule I.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs of the Company applicable generally to other employees of the Company ("Investment Plans").

(iv) Welfare Benefit Plans. During the Employment Period, Employee and/or Employee's family or dependents, as the case may be, shall be eligible for participation in the welfare benefit plans, practices, policies and programs ("Welfare Plans") provided by the Company (including, without limitation, medical, prescription, dental, vision, short-term disability, long-tem disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other employees of the Company.

(v) Expenses. During the Employment Period, Employee shall be entitled to receive prompt reimbursement for all reasonable travel, entertainment and other business-related expenses incurred by Employee in accordance with the policies, practices and procedures of the Company or the Business, as applicable.

(vi) Vacation and Holidays. During the Employment Period, Employee Period, Employee shall be entitled to vacation and holidays in accordance with the policies of the Company

3. Termination of Employment.

(a) Death or Disability. Employee's employment shall terminate automatically upon Employee's death during the Employment Period. If the Disability of Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), the Company way give to Employee written notice in accordance with Section 11(b) of its intention to terminate Employee's employment. In such event, Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Employee (the "Disability Effective Date"), provided that, within 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement "Disability" shall mean Employee's inability to perform his duties and obligations hereunder for a period of 180 consecutive days due to mental or physical incapacity as determined by a physician selected by the Company or its insurers and acceptable to Employee or Employee's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Termination by the Company for Cause. The Company may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean: (1) the failure of Employee to perform his obligations and duties hereunder to the satisfaction of the Company, which failure is not remedied within 15 days after receipt of written notice from the Company; (ii) commission by Employee of an act of fraud upon, or willful misconduct toward, the Company or any of its affiliates; (iii) a material breach by Employee of Section 6, Section 7 or Section 9, which in either case is not remedied within 15 days after receipt of written notice from the Board or the Company; (iv) the conviction of Employee of any felony (or a plea of nolocontendere thereto) or any crime involving moral turpitude; or (v) the failure of Employee to carry out, or comply with, in any material respect any directive of the Board consistent with the terms of this Agreement, which is not remedied within 15 days after receipt of written notice from the Board or the Company. Any written notice from the Board or the Company pursuant to this Section 3 (b) shall specifically identify the failure that it deems to constitute Cause.

(c) Termination by Company Without Cause. The Company may terminate Employee's employment during the Employment Period without Cause beginning on the date that is sixty (60) days after the Effective Date. For purposes of this Agreement, "without Cause" shall mean a termination by the Company of Employee's employment during the Employment Period for any other reason other than a termination based upon Cause, death or Disability.

(d) Termination by the Employee. Employee's employment may be terminated during the Employment Period by Employee for Good Reason or without Good Reason; provided, however, that Employee agrees not to terminate his employment of Good Reason unless (i) Employee has given the Company at lease 30 day's prior written notice of his intent to terminate his employment for Good Reason, which notice shall specify the facts and circumstances constituting Good

Reason, and (ii) such facts and circumstances constituting Good Reason have not been remedied within such 30 day period. For purposes of this Agreement, "Good Reason" shall mean any material breach by the Company of any provision of this Agreement.

(e) Date of Termination. "Date of Termination" means (i) if Employee's employment is terminated for any reason other than Employee's death, the termination date set forth in the written notice to that effect given by Employee to the Company or by the Company to Employee, as the case may be (taking into account any notice or cure period required hereunder). and (ii) if Employee's employment is terminated by reason of death or Disability, the date of death of Employee or the Disability Effective Date, as the case may be.

4. Obligation of the Company Upon Termination.

(a) Termination Because of Death or Disability. If Employee's employment is terminated by reason of Employee's death or Disability during the Employment Period, the Company shall pay to Employee or his legal representatives within 20 days after the Date of Termination (except as otherwise noted with respect to paragraphs (v) and (vi) below) (and the Company shall have no further obligations hereunder with respect to Employee);

(i) Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid.

(ii) Any Annual Bonus awarded to Employee prior to the Date of Termination but not yet paid;

(iii) Any compensation previously deferred by Employee (together with any accrued interest and earnings thereon);

(iv) Any unreimbursed business expenses;

(v) Any amount arising from arising from Employee's participation in, or benefits under any investment Plans ("Accrued Investments"), which amounts shall be payable in accordance with the terms and conditions of such Investment Plans; and

(vi) Any amounts to which Employee is entitled from Employee's participation in, or benefits under, any Welfare Plan ("Accrued Welfare Benefits"), which amounts shall be payable in accordance with the terms and conditions of such Welfare Plans, and any amounts owed as a result of accrued vacation, which amounts shall be payable in accordance with the policies of the Company.

(b) Termination for Cause; Other than for Good Reason. If Employee's employment shall be terminated by the Company for Cause or Employee without Good Reason, the Company shall pay to Employee within 20 days after the Date of Termination (except as otherwise noted with respect to paragraphs (v) and (vi) below) (and the Company shall have no further obligations hereunder with respect to Employee):

(i) Employee's Annual Base Salary through the Date of Termination to the extent not therefore paid;

(ii) Any Annual Bonus awarded to Employee prior to the Date of Termination but not yet paid;

(iii) Any compensation previously deferred by Employee (together with any accrued interest and earnings thereon);

(iv) Any unreimbursed business expenses;

(v) Any Accrued Investments, which amounts shall be payable in accordance with the terms and conditions of such Investment Plans; and

(vi) Any Accrued Welfare Benefits, which amounts shall be payable in accordance with the terms and conditions of such Welfare Plans, and any amounts owed as a result of accured vacation, which amounts shall be payable in accordance with the policies of the Company.

(c) Termination for Good Reason; Without Cause. If the Company shall terminate Employee's employement without Cause or Employee shall terminate his employment for Good Reason, the Company shall pay to Employee within 20 days of the Date of Termination (except as otherwise noted with respect to paragraphs (v) and (vi) below (and the Company shall have no further obligations hereunder with respect to Employee):

(i) Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid;

(ii) Any Annual Bonus awarded to Employee prior to the Date of Termination but not yet paid;

(iii) Any compensation previously deferred by Employee (together with any accrued interest and earnings thereon);

(iv) Any unreimbursed business expenses;

(v) Any Accrued Welfare Benefits, which amounts shall be payable in accordance with the terms and conditions of such Welfare Plans, and any amounts owed as a result of accrued vacation, which amounts shall be payable in accordance with the policies of the Company; and

(vii) An amount equal to one year of the employee's salary.

5. Full Settlement. Neither Employee nor the Company shall be liable to the other party for any damages in addition to the amounts payable under Section 4 arising out of the termination of Employee's employement prior to the end of the Employment Period; provided, however, that the Company shall be entitled to seek damages for any breach of Section 6, Section 7, or Section 9 or for Employee's criminal misconduct.

6. Confidential information.

(a) Employee acknowledges that the Company and its affiliates have trade, business and financial secrets and other confidential and proprietary information (collectively, the "Confidential Information") and that during the course of Employee's employment with the Company he has received, shall receive or shall contribute to the Confidential Information. Confidential Information includes technical information, processes and compilations of information, records, specifications and information concerning assets, and information regarding methods of doing business. As defined herein, Confidential Information shall not include (i) information that is publicly and generally known to other persons or entities who can obtain economic value from its disclosure or use; provided that, such information has not been made publicly and generally known by Employee in violation of this Agreement or, to the knowledge of Employee, by others in violation of comparable agreements, and (ii) information required to be disclosed by Employee pursuant to a subpoena or court order, or pursuant to a requirement of a governmental agency or law of the United States of America or a state thereof or any governmental or political subdivision thereof; provided, however, that Employee shall take all reasonable steps to prohibit disclosure pursuant to clause (ii) above.

(b) During and following Employee's employment by the Company, Employee agrees (i) to hold such Confidential Information in confidence and (ii) not to release such information to any person (other than Company employees and other persons to whom the Company has authorized Employee to disclose such information and then only to the extent that such Company employees and other persons authorized by the Company have a need for such knowledge). Employee agrees to use reasonable efforts to give the Company notice of any and all attempts to compel disclosure of any Confidential Information, in such a manner so as to provide the Company with written notice at least five days before disclosure or within one business day after Employee is informed that such disclosure is being or shall be compelled, whichever is earlier. Such written notice shall include a description of the information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure.

(c) Employee further agrees not to use any Confidential Information for the benefit of any person or entity other than the Company.

7. Intellectual Property Rights; Surrender of Materials Upon Termination.

(a) In consideration of the Company's agreement to employ Employee and the receipt by Employee of the Confidential Information, Employee hereby assigns to the Company all his right, title and interest in all Intellectual Property (as defined below) that Employee makes or conceives, whether as a sole inventor or author or as a joint inventor or author whether made within or outside working hours or upon the premises of the Company or elsewhere, as work for hire or otherwise, at any time during his employment with the Company or its affiliates (including prior to the Effective Date). "Intellectual Property" means any information of a technical and or business nature such as ideas, discoveries, inventions, trade secrets, know-how, and writings and other works of authorship that relate in any manner to the actual or anticipated business or research and development of the Company and its affiliates.

During and subsequent to Employee's employment, upon the request and at the expense of the Company or its nominee and for no additional personal remuneration, Employee agrees to execute any instrument that the Company considers necessary to secure or maintain for the benefit of the Company adequate patent, copyright, trademark and other property rights in the United States and all foreign countries with respect to any Intellectual Property. Employee also agrees to assist the Company as required to draft said instruments and to obtain and enforce such rights. Employee agrees to promptly disclose to the Company and Intellectual Property when conceived or made by Employee, in whole or in part, and to make and maintain adequate and current records thereof.

(b) Employee agrees that all Confidential Information and other files, documents, materials, records, customer lists, business proposals, contracts, agreements and other repositories containing information concerting the Company or the business of the Company, in whatever form, tangible or intangible (including all copies thereof), that Employee shall prepare, or use, or be provided with as a result of his employment with the Company, shall be and remain the sole property of the Company. Upon termination of Employee's employment hereunder, Employee agrees that all Confidential Information and other files, documents, materials, records, customer lists, business proposals, contracts, agreements and other repositories containing information concerning the Company or the business of the Company (including all copies thereof) in Employee's possession, custody or control, whether prepared by Employee or others, shall remain with or be returned to the Company promptly (within 24 hours) after the Date of Termination. The materials required to be returned pursuant to this Section 7 shall not include personal correspondence that does not relate to the Company or the business of the Company.

8. Successors.

(a) This Agreement is personal to Employee and without the prior written consent of the Company shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Employee agrees that the Company may assign this Agreement to any directly or indirectly owned subsidiary or affiliate of the Company, in which event "Company" as used in this Agreement shall thereafter mean such subsidiary or affiliate (except where reference is made to benefit plans that are maintained by the Company, in which event the Company shall remain obligated with respect thereto under this Agreement), and in connection with such assignment, such subsidiary shall expressly assume this Agreement and the Company shall be released therefrom except to the extent referenced above.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as

hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Non-Competition; Non-Solicitation.

(a) During his employment by the Company, including the Employment Period, Employee shall have access to and become acquainted with Confidential Information of the Company as described in Section 6. Employee acknowledges and agrees that his use of Confidential Information in the conduct of business on behalf of a competitor of the Company would constitute unfair competition with the Company and would adversely affect the business goodwill of the Company. Accordingly, as a material inducement to the Company to enter into this Agreement; to protect the Company's Confidential Information that may be disclosed or entrusted to Employee (the disclosure of which by Employee in violation of this Agreement would adversely affect the business goodwill of the Company), the business goodwill of the Company that may be developed in Employee and the business opportunities that may be disclosed or entrusted to Employee by the Company; in consideration for the compensation and other benefits payable hereunder to Employee, for the benefits to Employee of having access to Confidential Information during the Employment Period (the disclosure of which by Employee in violation of this Agreement would adversely affect the business goodwill of the Company); and for other good and valuable consideration, Employee hereby covenants and agrees that, during the Term of Non-Competition, Employee shall not, directly or indirectly, individually or as an officer, director, manager, employee, shareholder, consultant, contractor, partner, member, joint venturer, agent, equity owner or in any capacity whatsoever.

(i) own, engage in, manage, operate, join, control, be employed by, provide Competing Services to, or participate in the ownership, management, operation or control of or provision of Competing Services to, a Competing Business operating in the Geographic Area;

(ii) recruit, hire, assist in hiring, attempt to hire, or contact or solicit with respect to hiring any person who, at any time during the 12 month period ending on the Date of Termination, was an employee of the Company or its affiliates;

(iii) induce or attempt to induce any employee of the Company or its affiliates to terminate, or in any way interfere with, the relationship between such parties and any employee thereof; or

(iv) induce or attempt to induce any customer, client, supplier, service provider, or other business relation of the Company or its affiliates in the Geographic Area to cease doing business with such parties, or in any way interfere with the relationship between such parties and any such person.

Notwithstanding the foregoing, the Company agrees that Employee may own less than five percent of the outstanding voting securities of any publicly traded company that is a Competing Business so long as Employee does not otherwise participate in such competing business in any way prohibited by this Section 9.

(b) Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration of the preceding paragraphs in this Section 9 (including the defined terms for "Competing Business," "Competing Services," "Geographic Area," and "Term of Non-Competition" set forth in Section 9(c)) are reasonable in nature and are no broader than are necessary to maintain the goodwill of the Company and the confidentiality of its Confidential Information and to protect the goodwill and other legitimate business interests of the Company, and also that the enforcement of such covenants would not cause Employee any undue hardship or unreasonably interfere with Employee's ability to earn a livelihood. If Employee violates the covenants and restrictions in this Section 9 and the Company brings legal action for injunctive or other equitable relief, Employee agrees that the Company shall not be deprived of the benefit of the full period of the restrictive covenant, as a result of the time involved in obtaining such relief. Accordingly, Employee agrees that the provisions in this Section 9 shall have a duration determined pursuant to Section 9(a), computed from the date the legal or equitable relief is granted.

(c) As used in this Agreement:

(i) "Competing Business" means any service or product of any person or organization other than the Company or its affiliates in existence or then under development, that competes or could potentially compete, directly or indirectly, with any service or product of the Company or its affiliates. Competing Business includes, but is not limited to, any enterprise engaged in the development or marketing of software and services for e-mail marketing and publishing, e-mail filtering and spam prevention.

(ii) "Competing Services" means services that, if provided to a business other than a Competing Business, would constitute the conduct of a Competing Business.

(iii) "Geographic Area" means the United States.

(iv) "Term of Non-Competition" means the period of time beginning on the date hereof and continuing until (A) if his Agreement is terminated during the Employment Period by either the Company for Cause or Employee without Good Reason, two years after the Date of Termination, (B) if this Agreement is terminated during the Employment Period by either the Company without Cause or Employee for Good Reason, one year after the Date of Termination, or (C) if the Employment Period expires by reason of a Non-Renewal Notice, one year after the last day of the Employment period.

(d) If any court or arbitrator determines that any portion of this Section 9 is invalid or unenforceable, the remainder of this Section 9 shall not thereby be affected and shall be given full effect without regard to the invalid or unenforceable provisions. If any court or arbitrator construes any of the provisions of this Section 9 to be invalid or unenforceable because of the duration or scope of such provision, such court or arbitrator shall be required to reduce the duration or scope of such provision, to the minimum extent necessary so as to be enforceable, and to enforce such provisions as so reduced.

10. Non-Disparagement. Employee agrees to refrain from engaging in any conduct, or making any comments or statements, during the Employment Period and thereafter, that have the purpose or effect of harming the reputation or goodwill of the Company or its affiliates.

11. Miscellaneous.

(a) Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "Section" or "paragraph" shall be construed as referring to the indicated section or paragraph of this Agreement unless the context indicates to the contrary. The use of the term "including" herein shall be construed as meaning "including without limitation." This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by band delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employee:	Jasen Han 42 Homeylen Lane Oakland, CA 94611
If to the Company:	Lyris Technologies, Inc. 2070 Allston Way, Suite 200 Berkeley, CA 94704
With a copy to:	Vinson & Elkins L.L.P. 3700 Trammell Crow Center 2001 Ross Avenue Dallas, Texas 75201 Attention: Michael D. Wortley

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its

severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(d) Withholding. The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) No Waiver. Employee's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have hereunder, including, without limitation, the right of Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) Equitable and Other Relief. Employee acknowledges that money damages would be both incalculable and an insufficient remedy for a breach of Section 6, Section 7, Section 9, or Section 10 by Employee and that any such breach would cause the Company irreparable harm. Accordingly, the Company, in addition to any other remedies at law or in equity it may have, shall be entitled, without the requirement of posting of bond or other accurity, to equitable relief, including injunctive relief and specific performance, in connection with a breach of Section 6, Section 7, Section 9 or Section 10 by Employee.

(g) Entire Agreement. The provisions of this Agreement constitute the complete understanding and agreement between the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous oral and written agreements, representations and understandings of the parties, which are hereby terminated. Employee and the Company acknowledge and represent that there are no other promises, terms, conditions or representations (oral or written) regarding any matter relevant hereto.

(h) Counterparts. This Agreement may be executed in two or more counterparts.

(i) Arbitration.

(i) In the event any dispute or controversy arises under this Agreement and is not resolved by mutual written agreement between Employee and the Company within 30 days after notice of the dispute is first given, then Employee and the Company will mutually select an arbitrator and submit such dispute or controversy to arbitration by such arbitrator; provided, however, if the Company and Empoyee have not mutually selected an arbitrator within 90 days after notice of the dispute is first given, or if Employee and the Company decide at any earlier date not to mutually select an arbitrator, then, upon the written request of Employee or the Company, such dispute or controversy shall be submitted to arbitration by an arbitrator to be selected by the American Arbitration Association ("AAA"). The arbitration will be conducted in accordance with the Rules for Resolution of Employment Disputes of the AAA. Judgment may be entered thereon and the results of the arbitration will be binding and conclusive on the parties hereto. Any arbitrator's award or finding or any judgment

or verdict thereon will be final and unappealable. All parties agree that venue for arbitration will be in Alameda County, California, or such other place as may be agreed upon in writing at the time by the parties and that any arbitration commenced in any other venue will be transferred to Alameda County, California, upon the written request of any party to this Agreement. All arbitrations will have one individual acting as arbitrator. Any arbitrator selected will not be affiliated, associated or related to either Employee of the Company in any matter whatsoever. The decision of the arbitrator will be binding on all parties. The prevailing party in the arbitration (as determined by the arbitrator) shall be reimbursed, by the other party, its reasonable attorneys fees, costs and other expenses pertaining to any such arbitration and enforcement.

(ii) THE ARBITRATOR SHALL HAVE NO AUTHORITY TO AWARD PUNITIVE DAMAGES UNDER ANY CIRCUMSTANCES (WHETHER IT BE EXEMPLARY DAMAGES, TREBLE DAMAGES, OR ANY OTHER PENALTY OR PUNITIVE TYPE OF DAMAGES). REGARDLESS OF WHETHER SUCH DAMAGES MAY BE AVAILABLE UNDER DELAWARE LAW, EMPLOYEE AND THE COMPANY EACH HEREBY WAIVE THE RIGHT, IF ANY, TO RECOVER PUNITIVE DAMAGES IN CONNECTION WITH ANY CLAIMS. EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT BY SIGNING THIS AGREEMENT EMPLOYEE AND THE COMPANY ARE WAIVING ANY RIGHT THAT EMPLOYEE OR THE COMPANY MAY HAVE TO A JURY TRIAL.

(j) Survival, Sections 4, 5, 6, 7, 8, 9, and 10 of this Agreement shall survive the termination of Employee's employment.

(k) Amendments. This Agreement may not be amended or modified at any time except by a written instrument executed by the Company and Employee.

(l) Effectiveness. If the Effective Date has not occured by , 2005, this Agreement shall be null and void and of no force or effect.

(m) Employee Acknowledgment. Employee acknowledges that he has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on his own judgment.

[SIGNATURE PAGE FOLLOWS]

SCHEDULE 1

Annual Bonus

1. Profit Sharing Bonus

Company shall pay to Employee a bonus based on the profitability of the Company as set forth below:

- Bonus will be paid quarterly within 30 days after the end fiscal quarter for the Company
- Bonus will be based on Company accomplishing its "Profit Target" for such quarter.

  Profit Target for the quarter ended June 30, 2005 shall be $1,250,000.00,

  Profit Target for the quarter ended September 30, 2005 shall be $1,500,000.00,

  Profit Target for the quarter ended December 31, 2005 shall be $1,500,000.00,

  Profit Target for the quarter ended March 31, 2006 shall be $1,750,000.00,

If Company accomplished its Profit Target for a quarter, Employees shall be entitled to a bonus equal to $2,635 for the June 30, 2005 quarter, bonus equal to $ 2,625 for the September 30, 2005 quarter, bonus equal to $2,625 for the December 31, 2005 quarter and bonus equal to and bonus equal to $2,625 for the March 31, 2006.

If the Company does not accomplish its Profit Target in a quarter but exceeds its Profit Target in a subsequent quarter, the Profit Sharing Bonus can be increased pro rata by an amount sufficient to make up for a shortfall in a prior quarter. For the four quarters ended March 31, 2006, if the Profit Target equals $6,000,000 the full Profit Sharing Bonus of $10,500 will be paid.

2. Incentive Bonus

Once each quarter, Employee shall be eligible to receive a merit bonus based on mutually areed goals between the Employee and President and Chief Executive Officer.

3. Sales Commissions

Employee shall be eligible to receive sales commissions based on mutually agreed terms between the Employee and President and Chief Executive Officer.

IN WITNESS WHEREOF, Employee has hereunto set Employee's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

EMPLOYEE:

/s/ Jason Han
Jason Han

COMPANY:

LYRIS TECHNOLOGIES, INC.

By: /s/ Luis Rivera
Name: Luis Rivera
Title: President

[SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

May 11, 2007

To: Sean Ryan
From: Luis Rivera

Dear Sean,

Thank you for meeting with us! Everyone here has enjoyed speaking with you, and we'd like you to join Lyris! I am pleased to confirm the offer made to you for the position of Vice President of Engineering. Your start date will be May 21, 2007 working in our Emeryville office, reporting to Robb Wilson, Vice President of Technology.

The terms of this offer include:

- An annual base salary of $210,000, paid to you semi-monthly
- Your position is exempt, which means you are not eligible for overtime pay
- An annual merit bonus of up to $20,000 paid out quarterly
- 10 days paid vacation per year
- 10 days paid sick leave per year
- Partially-subsidized medical, dental and vision plans
- Flexible spending accounts for healthcare and dependent care
- 401(k) plan after one month of employment
- A stock option grant of 400,000 shares (pending board approval)
- 6 months' severance for termination without cause after initial trial period of 6 months
- Temporary housing costs for up to 3 weeks.
- Roundtrip airfare for yourself or your spouse to commute from the Bay Area to South Carolina 3 weeks out of every 8 for up to 12 months.
- A relocation allowance of up to $20,000 reimbursed to you 50% after your first year of employment and 50% after your second year of employment. This allowance must be used within the first 12 months of employment.

Your responsibilities in this role will include, but not be limited to, the following:

- Participating in formulating and administering company policies and developing long-range goals and objectives.
- Leading and contributing to the formulation, execution and communication of company technology strategy and platform direction
- Regularly review, analyzes and reports on activities, costs, operations, and forecast data to determine department progress toward stated financial goals and objectives.
- Determines role, responsibilities, organizational model and staffing needs for their respective area to best support company goals and objectives.
- Recruits, hires, coaches and develops a high performing team.
- Establishes effective practices, tools and standards for communicating information to the rest of the Executive team regarding activities and progress.
- Actively participates in sales and business development processes as necessary.
- Sets realistic expectations and then closely monitors, aligns and communicates progress.

LYRIS TECHNOLOGIES, INC.
5858 Horton Street, Suite 270 - Emeryville, CA 94608
tel (510) 844-1600 fax (510) 844-1598

- Constantly seeks ways to improve the performance of the organization by increasing efficiency, lowering costs and improving quality.
- Additional duties as assigned.

Sean, this covers the main points of our employment offer to you. Kindly indicate your acceptance of our offer by signing one copy of this letter and returning Amanda Griffith, HR Manager (private fax: 510-225-2330). This offer is contingent upon completion of satisfactory references.

Best regards,

Luis Rivera
Chief Executive Officer

Accepted: /s/ Sean Ryan Date: May 16, 2007

Exhibit 31.1

CERTIFICATION

I, Luis A. Rivera, certify that:

1. I have reviewed this annual report on Form 10-K/A of J.L. Halsey Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) (Not applicable)

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: October 29, 2007

/s/ Luis A. Rivera
Luis A. Rivera, President and Chief Executive Officer,

Exhibit 31.2

CERTIFICATION

I, Joseph Lambert, certify that:

1. I have reviewed this annual report on Form 10-K/A of J.L. Halsey Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) (Not applicable)

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: October 29, 2007

/s/ Joseph Lambert

Joseph Lambert Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of J.L. Halsey Corporation (the "Company") on Form 10-K/A for the period ending June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Luis Rivera and Joseph Lambert, Chief Executive Officer and Chief Financial Officer of the Company, respectively, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Luis Rivera
Luis Rivera, Chief Executive Officer
October 29, 2007

/s/ Joseph Lambert
Joseph Lambert, Chief Financial Officer
October 29, 2007