

Sally Beauty Holdings, Inc.
Form DEF 14A
December 07, 2011

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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SALLY BEAUTY HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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3001 Colorado Boulevard, Denton, Texas 76210

To our Stockholders,

You are cordially invited to attend the annual meeting of stockholders of Sally Beauty Holdings, Inc., which will take place at the Sally Support Center, 3001 Colorado Boulevard, Denton, Texas 76210 on Thursday, January 26, 2012, at 4:00 p.m., local time. Details of the business to be conducted at the annual meeting are given in the Official Notice of the Meeting, Proxy Statement, and form of proxy enclosed with this letter.

Even if you intend to join us in person, we encourage you to vote in advance so that we will know that we have a quorum of stockholders for the meeting. When you vote in advance, please indicate your intention to personally attend the annual meeting. Please see the Question and Answer section on Page 3 of the enclosed Proxy Statement for instructions on how to obtain an admission ticket if you plan to personally attend the annual meeting.

Whether or not you are able to personally attend the annual meeting, it is important that your shares be represented and voted. Your prompt vote over the Internet, by telephone via toll-free number, or by written proxy will save us the expense and extra work of additional proxy solicitation. Voting by any of these methods at your earliest convenience will ensure your representation at the annual meeting if you choose not to attend in person. If you decide to attend the annual meeting, you will be able to vote in person, even if you have personally submitted your proxy. Please review the instructions on the proxy card or the information forwarded by your bank, broker, or other holder of record concerning each of these voting options.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Sally Beauty Holdings, Inc.

James G. Berges
Chairman of the Board

December 7, 2011

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Sally Beauty Holdings, Inc.
3001 Colorado Boulevard, Denton, Texas 76210

Official Notice of Annual Meeting of Stockholders

To our Stockholders:

The annual meeting of stockholders of Sally Beauty Holdings, Inc. will take place at the Sally Support Center, 3001 Colorado Boulevard, Denton, Texas 76210 on Thursday, January 26, 2012, at 4:00 p.m., local time, for the purpose of considering and acting upon the following:

- (1) The election of the three directors named in the attached proxy statement for a three-year term;
- (2) To approve the proposed amendment to the Corporation's Amended and Restated Certificate of Incorporation to designate a forum for certain legal actions;
- (3) The ratification of the selection of KPMG LLP as our independent registered public accounting firm for our 2012 fiscal year; and
- (4) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only stockholders of record at the close of business on November 28, 2011, will be entitled to vote at the meeting.

**Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Stockholders to be held on January 26, 2012:**

**The Proxy Statement and the 2011 Annual Report to stockholders are available at:
www.edocumentview.com/sbh**

By Order of the Board of Directors,

Raal H. Roos
Corporate Secretary

December 7, 2011

IMPORTANT:

If you plan to attend the annual meeting you must have an admission ticket or other proof of share ownership as of the record date. Please see the Question and Answer section on Page 3 of this Proxy Statement for instructions on how to obtain an admission ticket. Please note that the doors to the annual meeting will open at 3:00 p.m. and will close promptly at 4:00 p.m.

Whether or not you expect to personally attend, we urge you to vote your shares at your earliest convenience to ensure the presence of a quorum at the meeting. Promptly voting your shares via the Internet, by telephone via toll-free number, or by signing, dating, and returning the enclosed proxy card will save us the expense and extra work of additional solicitation. As a result of recent rule changes, your broker is not permitted to vote on your behalf on the election of directors, unless you provide specific instructions by completing and returning a voting instruction form or following the instructions provided to you to vote your shares via telephone or the Internet. For your vote to be counted, you now will need to communicate your voting decisions to your bank, broker or other holder of record before the date of the annual meeting. Enclosed is an addressed, postage-paid envelope for those voting by mail in the United States. Because your proxy is revocable at your option, submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so. Please refer to the voting instructions included on your proxy card or the voting instructions forwarded by your bank, broker, or other holder of record.

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2012 PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Time and Date	4 p.m., January 26, 2012
Place	Sally Support Center, 3001 Colorado Boulevard, Denton, Texas 76210
Record Date	November 28, 2011
Voting	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.
Entry	If you decide to attend the meeting in person, upon your arrival you will need to register as a visitor with the security desk on the first floor of the Sally Support Center. See your admission ticket for further instructions.

Meeting Agenda

Election of three directors

Approval of the proposed amendment to the Corporation's Amended and Restated Certificate of Incorporation to designate a forum for certain legal actions

Ratification of KPMG LLP as our independent registered public accounting firm for fiscal 2012

Voting Matters

Proposal	Board Vote Recommendation	Page Reference (for more detail)
Election of three directors	FOR	6
Approval of the proposed amendment to the Corporation's Amended and Restated Certificate of Incorporation to designate a forum for certain legal actions	FOR	63
Ratification of KPMG LLP as our independent registered public accounting firm for fiscal 2012	FOR	67

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The following table provides summary information about each director nominee. The nominees receiving a plurality of the votes cast at the meeting will be elected as directors.

Name	Age	Director since	Occupation	Experience/Qualification	Independent	Committees*				
						AC	CC	EC	FC	NG
Kenneth A. Giuriceo	38	April 2008	Partner, Equity Firm	Finance					X	
Martha Miller	63	November 2006	Retired Executive	Management	X		X			X
Robert R. McMaster	63	November 2006	Retired Accountant & Executive	Accounting, Finance and Management	X	X (C)			X	

AC = Audit Committee

CC = Compensation Committee

EC = Executive Committee

FC = Finance committee

NG = Nominating and Corporate Governance Committee

C = Chair of Committee

No director nominee, all of which serve as current directors, attended fewer than 75% of the Board meetings and committee meetings on which he or she sits.

Amendment to Certificate of Incorporation

Our Board is proposing an amendment to the Corporation's Amended and Restated Certificate of Incorporation to add a new Article Ninth designating the Court of Chancery of the State of Delaware the sole and exclusive forum for certain legal actions unless otherwise consented to by the Corporation. This designation of the Court of Chancery would apply to any derivative action or proceeding brought on behalf of the Corporation, any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, or any action asserting a claim governed by the internal affairs doctrine. The amendment is intended to assist the Corporation in avoiding multiple lawsuits in multiple jurisdictions regarding the same matter. The ability to require such claims to be brought in a single forum will help to assure consistent consideration of the issues, the application of a relatively known body of case law and level of expertise, and should promote efficiency and costs-savings in the resolution of such claims.

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Auditors

Although stockholder ratification is not required by law, we are asking stockholders to ratify the selection of KPMG LLP as our independent auditors for fiscal 2012. Set forth below is summary information with respect to KPMG LLP's fees for services provided in fiscal 2010 and fiscal 2011.

	2011	2010
Audit Fees	\$ 1,958,619	\$ 2,005,310
Audit Related Fees	201,854	62,500
Tax Fees	978,323	189,881
All Other Fees		
Total	\$ 3,138,796	\$ 2,257,691

2013 Annual Meeting

Stockholder proposals submitted pursuant to SEC Rule 14a-8 must be received by us by August 9, 2012.

Notice of stockholder proposals outside of SEC Rule 14a-8 must be delivered to us no earlier than September 29, 2012 and no later than October 30, 2012.

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Sally Beauty Holdings, Inc.
3001 Colorado Boulevard, Denton, Texas 76210

PROXY STATEMENT

Annual Meeting of Stockholders

January 26, 2012

This Proxy Statement is being furnished by Sally Beauty Holdings, Inc. ("we," "us," or the "Corporation") in connection with a solicitation of proxies by our Board of Directors to be voted at our annual meeting of stockholders to be held on January 26, 2012. Whether or not you personally attend, it is important that your shares be represented and voted at the annual meeting. Most stockholders have a choice of voting over the Internet, by using a toll-free telephone number, or by completing a proxy card and mailing it in the postage-paid envelope provided. Check your proxy card or the information forwarded by your bank, broker, or other stockholder of record to determine which voting options are available to you. Please be aware that if you vote over the Internet, you may incur costs such as telecommunication and Internet access charges for which you will be responsible. The Internet voting and telephone voting facilities for stockholders of record will be available until 1:00 a.m., local time, on January 26, 2012. This Proxy Statement and the accompanying proxy card were first mailed on or about December 7, 2011.

SOLICITATION AND RATIFICATION OF PROXIES

If the enclosed form of proxy card is signed and returned, it will be voted as specified in the proxy, or, if no vote is specified, it will be voted FOR all nominees presented in Proposal 1 and FOR the proposals set forth in Proposals 2 and 3. If any matters that are not specifically set forth on the proxy card and in this Proxy Statement properly come to a vote at the meeting, the proxy holders will vote in accordance with their best judgments. At any time before it is exercised, you may revoke your proxy by timely delivery of written notice to our Corporate Secretary, by timely delivery of a properly executed, later-dated proxy (including an Internet or telephone vote), or by voting via ballot at the annual meeting. Voting in advance of the annual meeting will not limit your right to vote at the annual meeting if you decide to attend in person. If you are a beneficial owner, but your shares are registered in the name of a bank, broker, or other stockholder of record, the voting instructions form mailed to you with this Proxy Statement may not be used to vote in person at the annual meeting. Instead, to be able to vote in person at the annual meeting you must obtain, from the stockholder of record, a proxy in your name and present it at the meeting. See "Questions and Answers about the Meeting and Voting" in this Proxy Statement for an explanation of the term "stockholder of record."

The proxy accompanying this Proxy Statement is being solicited by our Board of Directors. We will bear the entire cost of this solicitation, including the preparation, assembly, printing, and mailing of this Proxy Statement, the proxy, and any additional information furnished to stockholders. In addition to using the mail, proxies may be solicited by directors, executive officers, and other employees of Sally Beauty Holdings, Inc. or its subsidiaries, in person or by telephone. No additional compensation will be paid to our directors, executive officers, or other employees for these services. We will also request banks, brokers, and other stockholders of record to forward proxy materials, at our expense, to the beneficial owners of our Common Stock. We have retained Phoenix Advisory Partners to assist us with the solicitation of proxies for an estimated fee of approximately \$5,500, plus normal expenses not expected to exceed \$2,500.

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OUTSTANDING STOCK AND VOTING PROCEDURES

Outstanding Stock

The stockholders of record of our Common Stock at the close of business on November 28, 2011 will be entitled to vote in person or by proxy at the annual meeting. At that time, there were 185,349,722 shares of our Common Stock outstanding. Each stockholder will be entitled to one vote in person or by proxy for each share of Common Stock held. A quorum for the transaction of business shall be constituted by the presence at the annual meeting, in person or by proxy, of a majority of the outstanding shares of Common Stock entitled to vote. All shares for which proxies or voting instructions are returned are counted as present for purposes of determining the existence of a quorum at the annual meeting. Proxies or voting instructions returned by brokers who do not have discretionary authority to vote on a particular matter and who have not received voting instructions from their customers as to that matter, which we refer to as broker non-votes, will not be counted as votes on that matter.

Voting Procedures

Votes cast by proxy or in person at the meeting will be tabulated by the Inspector of Election from Computershare Trust Company, N.A. In addition, the following voting procedures will be in effect for each proposal described in this Proxy Statement:

Proposal 1. Nominees for available director positions must be elected by a plurality of the votes cast affirmatively or negatively at the annual meeting. Abstentions and broker non-votes will have no effect in determining whether the proposal has been approved.

Proposal 2. Approval of the amendment to the Corporation's Amended and Restated Certificate of Incorporation to designate a forum for certain legal actions requires the affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote on the amendment. Abstentions and broker non-votes will count as votes against the proposal.

Proposal 3. Ratification of the appointment of