

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

**SCHEDULE 14A  
(Rule 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

**CCA Industries, Inc.**

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required  
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



### Letter to Our Shareholders

May 18, 2018

Dear Shareholders:

The overview provided by our Chief Financial Officer, Stephen Heit referred to in our Annual Report outlines the important financial accomplishments in fiscal 2017:

- 2017 over 2016 earnings up + 53%
- Net cash from our operation + 54%
- Current liabilities down - 35%
- Retained earnings improved + 50%

This continued positive performance is a result of a lot of hard work on the part of a substantially smaller, but very dedicated, management team.

### “A Tale of Two Companies”

This could be the title for my next book. On the one hand, we have CCA; a NYSE AMERICAN listed company with a market cap of approximately \$21 million, or around 1 x net revenue. On the other hand, we have a company which has over the past 24 months attempted to acquire brands only to find the properties sold to another bidder at 3x to 3.5x net revenue.

I'll let you do the math; but it does explain in part why Capital Preservation Solutions, an entity which I control, exercised warrants for 450,000 shares with proceeds to the Company totaling \$1,426,500 in February 2018.

I have asked my son Brent to join the Board of Directors as Vice Chairman. The independent directors agreed that this would ensure a smooth transition if needed.

Finally, I want to thank you, the shareholders, for your patience and support as we rebuild CCA.

Respectfully yours,

Lance Funston  
Chairman & CEO  
CCA Industries, Inc.

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1099 Wall Street West, Suite 275, Lyndhurst, New Jersey 07071

## **FORWARD LOOKING STATEMENTS**

This proxy statement contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, conveying management’s expectations as to the future based on plans, estimates and projections at the time we make the statements. You can identify these forward-looking statements by the fact that they do not relate strictly to historic or current facts and often use words such as “anticipate”, “estimate”, “expect”, “believe”, “will”, “will likely result”, “goal,” “plan”, “should”, “outlook”, “project” and other words and expressions of similar meaning. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement. Factors that could cause actual results to differ materially from those in the forward-looking statements are described in our Annual Report on Form 10-K, filed with the SEC on February 28, 2017, and our other periodic reports filed with the SEC. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

**CCA INDUSTRIES, INC.**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JUNE 20, 2018**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of CCA INDUSTRIES, INC., a Delaware corporation (hereinafter, the "Company" or "CCA") will be held on June 20, 2018, at 2:00 p.m Eastern Daylight Savings Time, at the offices of the Fineman Krekstein & Harris, P.C. law firm, 1801 Market Street, Suite 1100, Philadelphia, PA 19103 for the following purposes:

**Management Proposals**

1. To elect as directors the seven nominees named in the attached Proxy Statement (four of whom are to be elected by the Class A Common Stock Shareholders and three of whom are to be elected by Common Stock Shareholders).
2. To approve on an advisory basis, the Company's executive compensation.
3. To hold an advisory vote on the frequency of the Company's advisory vote on executive compensation.
4. To ratify the appointment of CohnReznick LLP as the Company's independent registered public accounting firm for the fiscal year ending November 30, 2018.

Such other business, if any, as may properly come before the meeting or any adjournment thereof, shall also be considered.

The identified proposals are more fully described, and related information is presented, in the Proxy Statement accompanying this Notice.

Only shareholders of record at the close of business on May 14, 2018 are entitled to notice of the meeting, and to vote at the meeting and at any continuation or adjournment thereof.

Your vote is very important. All shareholders are requested to be present at the meeting in person or by proxy so that a quorum may be ensured. As an alternative to attending the meeting and voting in person, you may vote via the telephone or internet, or by completing and returning the enclosed proxy card.

BY ORDER OF THE BOARD OF DIRECTORS

Lance T. Funston  
Chairman of the Board

Lyndhurst, New Jersey  
May 18, 2018

WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING, YOU ARE URGED TO EITHER VOTE BY TELEPHONE OR INTERNET, OR BY COMPLETING, SIGNING AND RETURNING THE ENCLOSED PROXY. NO POSTAGE NEED BE AFFIXED IF MAILED IN THE UNITED STATES AND IN THE ENVELOPE PROVIDED WITH THE PROXY CARD.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF  
SHAREHOLDERS TO BE HELD ON 6/20/2018.**

**Our Notice of Annual Meeting, Proxy Statement, Letter to Shareholders and Annual Report are available online at:**

**[www.ccainvestor.com/2018](http://www.ccainvestor.com/2018)**

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**CCA INDUSTRIES, INC.**  
**65 Challenger Road**  
**Ridgefield Park, New Jersey 07660**  
**[www.ccaindustries.com](http://www.ccaindustries.com)**

**PROXY STATEMENT**

The enclosed proxy is solicited on behalf of the Board of Directors (the "Board") of CCA INDUSTRIES, INC., a Delaware corporation (hereinafter, the "Company"), for use at its Annual Meeting of Shareholders to be held on June 20, 2018, at 2:00 p.m. Eastern Daylight Savings Time ("EDST"), at the offices of the Fineman Krekstein & Harris, P.C. law firm, 1801 Market Street, Suite 1100, Philadelphia, PA 19103 (hereinafter the "Annual Meeting"). Shareholders of record on May 14, 2018 will be entitled to vote. The Company has made the proxy materials available to the shareholders of record at [www.ccainvestor.com/2018](http://www.ccainvestor.com/2018) beginning on May 18, 2018 and the proxy materials are being mailed to the shareholders on or about May 18, 2018.

**IMPORTANT VOTING INFORMATION**

**Abstentions and Broker Non-Votes.** Abstentions and broker non-votes are counted for purposes of determining the presence of a quorum for the transaction of business. Abstentions occur when shareholders are deemed present at the Annual Meeting but choose to withhold their vote for any of the matters upon which the shareholders are voting. "Broker non-votes" occur with respect to "non-routine" matters when certain holders of record (such as banks and brokers) that hold shares on behalf of beneficial owners do not receive voting instructions from the beneficial owners before the Annual Meeting, and do not have discretionary authority to vote those shares if they do not receive timely instructions from the beneficial owners. At the Annual Meeting, brokers will not have discretionary authority to vote on the following matters, which are deemed "non-routine": Proposal No. 1, Election Of Directors, Proposal No. 2, Advisory Vote on Executive Compensation and Proposal No. 3, Advisory vote on frequency of advisory vote on executive compensation. Brokers will, however, have discretionary authority to vote on Proposal No. 4, Ratification of Appointment of Independent Registered Public Accounting Firm, which is a "routine" matter.

You may vote "FOR" or "WITHHOLD AUTHORITY" for each director nominee.

You may vote "FOR", "AGAINST" or "ABSTAIN" on the Company's proposals to approve, on an advisory basis, its executive compensation and to ratify the appointment of our independent registered public accounting firm. If you vote "ABSTAIN" or "WITHHOLD AUTHORITY" on any of these matters, your vote will be counted for purposes of determining the presence of a quorum. An abstention will have the effect of an "AGAINST" vote in the Company's proposals to approve, on an advisory basis, its executive compensation and to ratify the appointment of our independent registered public accounting firm. A broker non-vote will have no impact on the outcome of any proposals. In connection with the Company's advisory vote on the frequency of the advisory vote on executive compensation, you may vote in favor of having the advisory vote on executive compensation every "ONE YEAR", "TWO YEARS", "THREE YEARS" or you may vote "ABSTAIN".

## **VOTING INSTRUCTIONS FOR HOLDERS OF COMMON STOCK**

The Company, as provided in its Certificate of Incorporation, has two authorized classes of common stock, denominated Common Stock and Class A Common Stock, and one authorized class of preferred stock, denominated Preferred Stock.

As of May 14, 2018, the record date for the Annual Meeting, there were 6,488,982 shares of Common Stock and 967,702 shares of Class A Common Stock outstanding. There are no outstanding shares of Preferred Stock.

Holders of Common Stock and holders of Class A Common Stock are entitled to one vote for each share of stock held, and the voting and other rights of each class are equivalent, except in respect of the election of directors. The Class A Common Stock shareholders have the right to elect four directors and the Common Stock shareholders have the right to elect three directors.

A quorum, counting proxies and shares represented in person at the Annual Meeting, is necessary for the voting upon proposals proposed by management, and other business that may properly come before the Annual Meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock constitutes a quorum for the election of directors to be elected by the holders of Common Stock, and the presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Class A Common Stock constitutes a quorum for the election of directors to be elected by holders of Class A Common Stock. For matters on which the shareholders vote together as a single class, the presence at the meeting, in person or by proxy, of the holders of a majority of all outstanding shares entitled to vote at the meeting constitutes a quorum.

Election of directors is by a plurality vote of the respective class. Approval, on an advisory basis, of the Company's executive compensation and ratification of the appointment of the Company's independent registered public accounting firm require the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the proposals, provided a quorum is present at the Annual Meeting. In connection with the Company's advisory vote on the frequency of the advisory vote on executive compensation, the Board has determined that the frequency which receives the highest number of votes cast by shareholders will be viewed as representing the frequency which shareholders believe should be chosen by the Board.

### How to Vote:

You may vote in person at the Annual Meeting, by telephone, internet or by proxy. Even if you plan to attend the Annual Meeting, we encourage you to vote in advance of the Annual Meeting by following the internet or telephone voting instructions on the enclosed proxy voting instructions or by completing, signing and returning your proxy card.

### In Person:

If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the Annual Meeting. If your shares are held in the name of a broker or other nominee, we will allow you to attend the Annual Meeting upon presentation from the brokerage company of an account statement, letter or other evidence satisfactory to us of your beneficial ownership of the shares; however, in order to vote in person at the meeting, you must obtain a proxy from your broker or other nominee, and bring that proxy to the meeting.

### Internet:

To vote online, go to [www.voteproxy.com](http://www.voteproxy.com) as set forth on the enclosed proxy voting instructions and follow the on-screen instructions. You will need the control number on the enclosed proxy voting instructions to vote online. You may vote online until 11:59PM EDT the day before the meeting.

### Telephone:

To vote by telephone, call toll-free 1-800-776-9437 in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow the instructions. You will need the control number on the enclosed proxy voting instructions to vote by telephone. You may vote by telephone until 11:59PM EDT the day before the meeting.



Mail:

To vote by mail, please send your completed, signed and dated proxy card in the enclosed postage-paid return envelope as soon as possible.

Revocation:

You have the power to revoke your proxy at any time before its exercise. Thus, it may be revoked prior to its exercise by the filing of an instrument of revocation, or a duly executed proxy bearing a later date, with the Secretary of the Company at the Company's principal executive office or by entering new instructions by internet or telephone. You can also revoke a filed proxy by attending the meeting and voting in person.

## SECURITY OWNERSHIP OF MANAGEMENT AND OTHER CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding the ownership of the Company's Common Stock, Class A Common Stock and of all shares outstanding as of April 30, 2018 by (i) each of the directors and director nominees named herein, (ii) each of the named executive officers listed in the summary compensation table and (iii) all current officers and directors as a group. Other than as noted below, the Company is not aware of any person, who, or group which, beneficially owns more than five percent (5%) of any class of the Company's equity securities as of April 30, 2018. Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares owned (subject to community property laws, where applicable).

### Beneficial Ownership of Equity Securities

Name	Number of Shares Owned		Ownership Percentage of	Ownership Percentage of	Ownership Percentage of	Option/Warrant	Ownership Percent Assuming
	Class A		Common Stock	Class A Common Stock	All Shares	Warrant Shares	Option/Warrant
	Common Stock	Common Stock	Outstanding	Outstanding	Outstanding	(exercisable within 60 days)	Exercise (within 60 days)
Sardar Biglari (2) (6)	776,259	—	12.0%	—%	10.4%	75,000	11.3%
Philip Cooley	—	—	—%	—%	—%	75,000	1.0%
S. David Fineman	—	—	—%	—%	—%	75,000	1.0%
Brent Funston (7)	—	—	—%	—%	—%	—	—%
Lance Funston (1) (6)	19,958	967,702	0.3%	100%	13.2%	75,000	14.1%
Douglas Haas	—	—	—%	—%	—%	110,000	1.5%
Brian Haveson	—	—	—%	—%	—%	—	—%
Stephen A. Heit	31,805	—	0.5%	—%	0.4%	105,000	1.8%
Christopher Hogg	—	—	—%	—%	—%	75,000	1.0%
Justin W. Mills, III	—	—	—%	—%	—%	75,000	1.0%
Renaissance Technologies, LLC (3)	349,100	—	5.4%	—%	4.7%	—	4.7%
Capital Preservation Solutions, LLC (4,5)	450,000	—	6.9%	—%	6.0%	1,442,744	21.3%
Officers/Directors/Nominees As a Group (8 persons)	1,278,022	967,702	19.7%	100.0%	30.1%	2,107,744	45.5%

- (1) Includes shares owned by Capital Preservation Solutions, LLC which is controlled by Lance Funston. The principal business address of Capital Preservation Solutions, LLC is 193 Conshohocken State Road, Penn Valley, PA 19072.
- (2) Based on information contained in Schedule 13D/A filed on June 16, 2016 with the SEC by Biglari Holdings Inc. Sardar Biglari is the Chairman and Chief Executive Officer of Biglari Holdings Inc. and has investment discretion over the securities owned. By virtue of these relationships, Sardar Biglari may be deemed to beneficially own the 776,259 shares owned directly by Biglari Holdings Inc. Biglari Holdings Inc. and Sardar Biglari each expressly and respectively disclaims beneficial ownership of such shares except to the extent of their respective pecuniary interest therein. The principal business address of each of Biglari Holdings, Inc. and Sardar Biglari is 17802 IH 10 West, Suite 400, San Antonio, Texas 78257.
- (3) Based on information contained in Schedule 13G/A, filed on February 14, 2018 with the SEC by Renaissance Technologies LLC. Their principal address is 800 Third Avenue, New York, New York 10022.

- (4) Capital Preservation Solutions, LLC is controlled by Lance Funston. On September 5, 2014, the Company entered into a Loan and Security Agreement (the “Loan Agreement”) with Capital Preservation Solutions, LLC (“Capital”) for a \$5,000,000 working capital line of credit and a term loan for working capital purposes not to exceed \$1,000,000. Contemporaneously with the signing of the Loan Agreement, the Company issued a Warrant to Purchase Common Stock (the “Warrant”) to Capital whereby Capital may acquire upon exercise of the Warrant 1,892,744 shares of the Company’s Common Stock. The Warrant may be exercised in whole or in part at any time during the exercise period which is five years from the date of the Warrant. The Warrant bears a purchase price of \$3.17 per share, subject to adjustments. The loan under the Loan Agreement was paid in full on December 4, 2015, but the Warrants remained outstanding. On February 5, 2018, Capital exercised the Warrant in part and purchased 450,000 shares at the purchase price of \$3.17 per share. The principal business address of Capital Preservation Solutions, LLC is 193 Conshohocken State Road, Penn Valley, PA 19072.
- (5) The number of “Option /Warrant Shares” represents the number of shares that could be purchased by, and upon exercise of unexercised options/warrants; and the percentage ownership figure denominated “Assuming Option/Warrant Exercise” assumes, per person, that unexercised options/warrants have been exercised and, thus, that subject shares have been purchased and are actually owned. In turn, the “assumed” percentage ownership figure is measured, for each owner, as if each had exercised such options, and purchased subject ‘option shares,’ and thus increased total shares actually outstanding, but that no other option owner had ‘exercised and purchased.’
- (6) On November 14, 2014, Lance T. Funston entered into an agreement with The Lion Fund, L.P. (the “Lion Fund”) and, for certain limited purposes, Sardar Biglari and Philip L. Cooley (the “TLF Agreement”). The Lion Fund held 776,259 shares of the Company’s Common Stock (the “TLF Shares”), and Mr. Biglari is the sole owner, Chairman and Chief Executive Officer of Biglari Capital Corp., the Lion Fund’s general partner. The TLF Shares are held subject to the TLF Agreement, the terms of which grant the Lion Fund the right to sell all or a portion of the TLF Shares to Mr. Funston or his affiliate at a purchase price of \$6.00 per share for a period of 30 days after the Restricted Period End Date (as defined below). Pursuant to the TLF Agreement, the Lion Fund has agreed to certain transfer restrictions on the TLF Shares until the earlier of (a) January 1, 2018 and (b) the occurrence of specified extraordinary transactions, including (i) the execution of a definitive agreement for, or the public announcement of, a sale of the Company in which stockholders will receive less than \$6.00 per share (subject to adjustment for stock splits and combinations, stock dividends and similar transactions), or (ii) the bankruptcy of the Company (such earlier date, the “Restricted Period End Date”). The Lion Fund further agreed that, until the Restricted Period End Date, it would vote the TLF Shares in accordance with the Board’s recommendation on any proposal presented to stockholders. For additional information, see the Schedules 13D/A filed by Mr. Funston and the Lion Fund on November 14, 2014. The TLF Agreement was amended on June 14, 2016. The amendment extends the expiration of the restricted period from January 1, 2018 to January 1, 2019. The amendment also allowed the transfer of the shares owned by the Lion Fund to Biglari Holdings Inc. For further information regarding the amendment, see Schedules 13D/A filed by Mr. Funston, the Lion Fund and Biglari Holdings Inc. on June 16, 2016.
- (7) Brent Funston is the son of Lance T. Funston, the Company’s Chairman of the Board and Chief Executive Officer.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and beneficial owners of more than ten percent of the Company’s Common Stock to file reports regarding ownership of the Company’s Common Stock with the SEC, and to furnish the Company with copies of all such filings. Based solely on a review of these filings, the Company believes that all filings were timely made in fiscal 2017, except for two late Forms 4 filed by Douglas Haas, President and Chief Operating Officer on February 28, 2017 and July 14, 2017, and two late Forms 4 filed by Stephen Heit, Chief Financial Officer on February 28, 2017 and July 14, 2017, a late Form 4 filed by Lance T. Funston, Chairman of the Board and Chief Executive Officer on July 17, 2017 and a late Form 3 and Form 4 filed by Justin W. Mills, III, a director of the Company, on October 5, 2017. With respect to each late Form 4, one transaction was reported.

## EXECUTIVE OFFICERS OF THE COMPANY

The following individuals are the current executive officers of the Company:

Chief Executive Officer: Lance T. Funston, 75 years old is the Company's Chairman of the Board and Chief Executive Officer. Mr. Funston was appointed as our Chief Executive Officer in January 2016. He has served as a member of our Board of Directors and as Chairman of the Board since August 2015. Mr. Funston also serves as Chairman and CEO of Ultimark Products, LLC which he founded in 2000. Ultimark Products is a consumer products company that owns the Porcelana® brand. In 1993 he founded TelAmerica Media, a media aggregator. In 2008, 85% of TelAmerica Media was sold to Cross MediaWorks, Inc., the balance was sold to the Lee Group in 2013. Mr. Funston attended the University of Houston and received his Bachelor of Science degree in 1967. In 1967, Mr. Funston was appointed Assistant to the Director of the Federal Deposit Insurance Corporation by President Lyndon Johnson, and subsequently as special assistant to a governor of the Federal Reserve Board. Mr. Funston attended Harvard Business School, receiving his MBA in 1970. During his tenure at Harvard, he founded Portfolio Management Systems Incorporated, which developed investment management systems for major financial institutions including: John Hancock, Fidelity Mutual, American General, Sun Life, and Bank of America. In 1973 Portfolio Management created a private real estate equity fund in Houston, Texas and developed residential and commercial properties during a 10 year period. He also served as a board member of the United States Bobsled and Skeleton Federation from 1992 to 1996. In 2007, Lance and his wife, Christina, founded the Save a Mind Foundation, a 501(c)(3) federal non-profit organization that assists at-risk youth in grades 5-8 to stay in school with their innovative Win/Win Program.

President and Chief Operating Officer: Douglas Haas, 51 years old, was appointed as our President and Chief Operating Officer in January 2016. Mr. Haas was formerly President and Chief Operating Officer of Ultimark Products, Inc. which he joined in 2004. Ultimark Products is a consumer products company that manufactures and distributes Prell®, Denorex®, Zincon®, and Porcelana®. Lance Funston, who is the Company's Chairman of the Board and Chief Executive Officer is also Chairman of the Board and Chief Executive Officer of Ultimark. Mr. Haas has spent over 25 years working for specialty manufacturing companies in many different key roles.

Chief Financial Officer, Principal Accounting Officer and Executive Vice President: Stephen A. Heit, 63 years old, joined CCA in May 2005 as Executive Vice President-Operations and was appointed Chief Financial Officer in March 2006. Prior to that he was Vice President — Business Strategies for Del Laboratories, Inc., a consumer products company that was listed on the American Stock Exchange, from 2003 to 2005. Mr. Heit served as President of AM Cosmetics, Inc. from 2001 to 2003 and as Chief Financial Officer from 1998 to 2003. From 1986 to 1997 he was the Chief Financial Officer of Pavion Limited, and also served on the Board of Directors. He served as a Director of Loeb House, Inc., a non-profit organization serving mentally handicapped adults from 1987 to 1995, and Director of Nyack Hospital Foundation from 1993 to 1995. He received a Bachelor of Science from Dominican College in 1976, with additional graduate work in Professional Accounting at Fordham University, and received an MBA in accounting from the University of Connecticut Graduate Business School.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table summarizes compensation earned in the 2017, 2016 and 2015 fiscal years by the Company's named executive officers:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$ (1))</b>	<b>Option Awards (\$) (2)</b>	<b>All Other Compensation (\$ (3))</b>	<b>Total (\$)</b>
Lance T. Funston,	2017	385,000	114,728	119,168	23,147	642,043
Chief Executive Officer (4)	2016	306,731	88,853		—	395,584
	2015	—	—		—	—
Stephen A. Heit,	2017	280,000	82,694	55,612	58,547	476,853
Chief Financial Officer	2016	280,000	64,044	54,628	44,798	443,470
and Executive Vice President	2015	292,014	—	59,567	39,518	391,099
Douglas Haas,	2017	275,000	82,694	79,445	33,002	470,141
President and	2016	250,000	64,044	78,040	21,992	414,076
Chief Operating Officer (5)	2015	48,008	—	15,418	—	63,426

- (1) Bonus amounts represent amounts earned in each respective fiscal year, not necessarily paid in each year.
- (2) Represents the Company's grant date fair value of the stock options granted during each year computed in accordance with FASB ASC Topic 718. A discussion of the assumptions used in calculating the fair value of the fiscal 2017 awards may be found in Note 16 in the Notes to the Consolidated Financial Statements of our Annual Report on Form 10-K, filed with the SEC on February 28, 2018.
- (3) Includes the Company automobile allowance, the value of Company-provided life insurance and health insurance that is made available to all employees and Company contributions to the employees 401(k) account that is available to all eligible employees. Please see "Employment Contracts/Compensation Program" below for further information regarding the compensation of Stephen A. Heit, Lance T. Funston and Douglas Haas.
- (4) Lance Funston was appointed by the Board of Directors as Chief Executive Officer in January 2016 at a base salary of \$350,000 per annum.
- (5) Douglas Haas was appointed President and Chief Operating Officer in January 2016. Mr. Haas was previously serving as Executive Vice President - Operations.

### Executive Compensation Principles - Compensation Committee

The Company's Executive Compensation Program is based on guiding principles designed to align executive compensation with Company values and objectives, business strategy, management initiatives, and financial performance. In applying these principles the Compensation Committee of the Board of Directors, comprised of Philip Cooley, S. David Fineman and Christopher Hogg, has established a program to:

- Reward executives for long-term strategic management and the enhancement of shareholder value.
- Integrate compensation programs aligned with both the Company's annual and long-term strategic planning.
- Support a performance-oriented environment that rewards performance not only with respect to Company goals but also Company performance as compared to industry performance levels.

The Compensation Committee has a charter, which may be found in the Investor Relations section of the Company's web site, [www.ccaindustries.com](http://www.ccaindustries.com) under Corporate Governance. Compensation, including annual bonus amounts, for the executive officers named in the Summary Compensation Table (other than the Chief Executive Officer), are recommended by the Chief Executive Officer, and approved by the Compensation Committee and the Board of Directors. The Compensation Committee approves the compensation of the Chief Executive Officer.

### Outstanding Equity Awards at 2017 Fiscal Year End

The following table summarizes the number of securities underlying outstanding equity awards for the Company's named executive officers as of November 2017:

Name and Principal Position	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable		Option Exercise Price	Grant Date	Option Expiration Date
Lance T. Funston, Chief Executive Officer	—	75,000	(1)	3.30	6/20/2017	6/19/2027
Stephen A. Heit, Chief Financial Officer and Executive Vice President	—	35,000	(1)	3.30	6/20/2017	6/19/2027
	7,000	28,000	(2)	3.35	6/22/2016	6/21/2026
	14,000	21,000	(3)	3.48	1/5/2015	1/4/2025
Douglas Haas, President and Chief Operating Officer	—	50,000	(1)	3.30	6/20/2017	6/19/2027
	10,000	40,000	(2)	3.35	6/22/2016	6/21/2026
	4,000	6,000	(4)	3.18	4/9/2015	4/8/2025

- (1) The options vest in equal 20% increments commencing one year after the date of grant, and for each of the four subsequent anniversaries of such date.
- (2) The incentive stock options granted by the Company, for all grant dates listed, have an exercise price equal to the closing price of the Company's stock on the date of the grant.

### Employment Contracts/Compensation Program

The Compensation Committee (the "Committee") determines the level of salary and bonuses, if any, for key executive officers of the Company. The Committee determines the salary or salary range based upon competitive norms. Actual salary changes are based upon performance, and bonuses, if any, are awarded by the Committee and approved by the independent directors of the Board of Directors in consideration of the employee's performance during the fiscal year and, except for the Company's Chief Executive Officer, upon the recommendation of the Company's Chief Executive Officer.

On March 21, 2011, the Committee, acting on behalf of the Company, entered into an Employment Agreement (the "Employment Agreement") with Stephen A. Heit. Pursuant to his Employment Agreement, Mr. Heit was engaged to continue to serve as the Company's Executive Vice President and Chief Financial Officer.

The initial term of employment under the Employment Agreement ran from March 21, 2011 through December 31, 2013, with successive one-year renewal terms thereafter unless the Company or Mr. Heit chooses not to renew the Employment Agreement. Mr. Heit's contract was automatically renewed for fiscal 2018.

Under the Employment Agreement, the base salary of Mr. Heit was established at \$250,000 per annum and subject to increase each year at the discretion of the Company's Board of Directors. Mr. Heit's base salary was increased to \$280,000, effective October 1, 2014. The Employment Agreement also provides for eligibility to receive an annual performance-based bonus and to participate in Company equity compensation plans. In addition, Mr. Heit will receive an automobile allowance, health insurance and certain other benefits. In the event of termination of the Employment Agreement as a result of the disability or death, Mr. Heit (or his estate or beneficiaries) shall be entitled to receive all base salary and other benefits earned and accrued until such termination as well as a single-sum payments equal to Mr. Heit's base salary and a single-sum payment equal to the value of the highest bonus earned by Mr. Heit in the one-year period preceding the date of termination pro-rated for the number of days served in that fiscal

year. If the Company terminates Mr. Heit for Cause (as defined in the Employment Agreement), or Mr. Heit terminates his employment in a manner not considered to be for Good Reason (as defined in the Employment Agreement), Mr. Heit shall be entitled to receive all base salary and other benefits earned and accrued prior to the date of termination. If the Company terminates Mr. Heit in a manner that is not for Cause or due to Mr. Heit's death or disability, Mr. Heit terminates his employment for Good Reason, or the Company does not renew the Employment Agreement after December 31, 2013, Mr. Heit shall be entitled to receive a single-sum payment equal to his unpaid base salary and other benefits earned and accrued prior to the date of termination and a single-sum payment of an amount equal to three times the average of the base salary amounts paid to Mr. Heit over the three calendar years prior to the date of termination. In addition, Mr. Heit is entitled to certain benefits in connection with a Change of Control (as defined in the Employment Agreement). If Mr. Heit terminates his employment with the Company within the one year period following a Change of Control ("Transition Period"), such termination will be deemed a termination for Good Reason. If during the Transition Period the Company terminates Mr. Heit's employment, Mr. Heit terminates his employment for Good Reason or the Employment Agreement is not renewed, then all outstanding unvested equity awards held by Mr. Heit shall immediately vest.

Under the Employment Agreement, Mr. Heit agreed to non-competition restrictions for a period of six months following the end of the term of his Employment Agreement, during which period Mr. Heit will be paid, in addition to the severance amounts described above, an amount equal to his base salary for a period of six months, and an amount equal to the pro rata share of any bonus attributable to the portion of the year completed prior to the date of termination. Mr. Heit has also agreed to confidentiality and non-solicitation restrictions under the Employment Agreement.

The foregoing summary of the Employment Agreement is qualified in its entirety by the full text of the Employment Agreement, a copy of which may be found in the Company's Form 8-K that was filed with the SEC on March 21, 2011.

In January 2016, Lance T. Funston was appointed as Chief Executive Officer with a salary of \$350,000 per annum. The Company has not entered into an employment or severance contract with Mr. Funston.

In April 2016, Douglas Haas was appointed as President and Chief Operating Officer with a salary of \$250,000 per annum. On February 22, 2017, the Company entered into a Severance Agreement (the "Severance Agreement") with Douglas Haas, the Company's President and Chief Operating Officer. In the event of termination of Mr. Haas' employment as a result of the disability or death of Mr. Haas, Mr. Haas (or his estate or beneficiaries) shall be entitled to receive all base salary and other benefits earned and accrued until such termination as well as a single-sum payment equal to Mr. Haas' base salary and a single-sum payment equal to the value of the highest bonus earned by Mr. Haas in the one-year period preceding the date of termination pro-rated for the number of days served in that fiscal year. If the Company terminates Mr. Haas for Cause (as defined in the Severance Agreement), or Mr. Haas terminates his employment in a manner not considered to be for Good Reason (as defined in the Severance Agreement), Mr. Haas shall be entitled to receive all base salary and other benefits earned and accrued prior to the date of termination. If the Company terminates Mr. Haas in a manner that is not for Cause or due to Mr. Haas' death or disability or Mr. Haas terminates his employment for Good Reason, Mr. Haas shall be entitled to receive a single-sum payment equal to his unpaid base salary and other benefits earned and accrued prior to the date of termination and a single-sum payment of an amount equal to three times the average of the base salary amounts paid to Mr. Haas over the three calendar years prior to the date of termination. In addition, Mr. Haas is entitled to certain benefits in connection with a Change of Control (as defined in the Severance Agreement). If Mr. Haas terminates employment with the Company at any point during the one-year period following the first anniversary of a Change of Control, that termination will be deemed a Good Reason termination. In the event of a termination pursuant to the foregoing sentence or the Company terminates Mr. Haas' employment without Cause (and other than due to death or disability) or Mr. Haas terminates his employment for Good Reason, then in addition to the severance payment described above, Mr. Haas would be entitled to accelerated vesting of his unvested equity awards.

Under the Severance Agreement, Mr. Haas has agreed to non-competition restrictions for a period of six months following the end of his employment, during which period Mr. Haas will be paid an amount equal to his base salary for a period of six months, and an amount equal to the pro rata share of any bonus attributable to the portion of the year completed prior to the date of termination. Mr. Haas has also agreed to confidentiality and non-solicitation restrictions under the Severance Agreement.

The foregoing summary of the Severance Agreement is qualified in its entirety by the full text of the Severance Agreement, a copy of which may be found in the Company's Form 8-K that was filed with the SEC on February 28, 2017.

#### Equity Plans

Incentives may be provided through the issuance of stock options or other equity awards, as determined in the discretion of the Board of Directors.

On June 15, 2005, the shareholders approved an amended and Restated Stock Option Plan amending the 2003 Stock Option Plan (the "2005 Plan"). The 2005 Plan authorized the issuance of up to one million shares of common stock (subject to customary adjustments set forth in the 2005 Plan) pursuant to equity awards, which may take the form of incentive stock options, nonqualified stock options restricted shares, stock appreciation rights and/or performance shares. The 2005 Plan expired in April, 2015, but awards made under the 2005 Plan prior to its expiration will remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the 2005 Plan. On August 13, 2015, the shareholders approved the 2015 CCA Industries, Inc. Incentive Plan (the "2015 Plan" and together with the 2005 Plan, the "Plans"). The 2015 Plan authorizes the issuance of up to 700,000 shares of common stock plus any shares underlying outstanding awards under the 2005 Plan that terminate or expire unexercised or are canceled or forfeited (subject to customary adjustments set forth in the 2005 Plan) pursuant to equity awards, which may take the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and/or cash award. On June 7, 2017, the shareholders approved the 2015 CCA Industries, Inc. Incentive Plan as Amended. The sole purpose of the amendment was to increase the shares available for issuance under the 2015 Plan from 700,000 to 1,400,000.

The 2005 Plan and the 2015 Plan are administered and interpreted by the Board of Directors. Where issuance to a Board member is under consideration, that member must abstain. The Board has the power, subject to plan provisions, to determine the persons to whom and the dates on which awards would be granted, the amount and vesting or exercise provisions of awards, and other terms. The Board has the power to delegate administration to a committee of not less than two (2) Board members, each of whom are required to be a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act. Members of the Board receive no compensation for their services in connection with the administration of the Plan.

The 2005 Plan and 2015 Plan permit the exercise of options for cash, or such other method as the Board may permit from time to time. The maximum term of each option is ten (10) years. No option granted is transferable by the optionee other than upon death.

The exercise price of all options must be at least equal to one hundred percent (100%) of the fair market value of the underlying stock on the date of grant. The aggregate number of shares for which any one employee may have been granted incentive stock options in any calendar year may not exceed 500,000 shares. The exercise price of an incentive stock option granted to any participant who owns stock possessing more than ten percent (10%) of the voting rights of the Company's outstanding capital stock must be at least one hundred-ten percent (110%) of the fair market value on the date of grant. As of November 30, 2017, there were 45,000 outstanding stock options under the 2005 Plan and 826,500 stock options under the 2015 Plan.

#### Retirement Benefits

The Company has a 401(K) Profit Sharing Plan for its employees, including the current executive officers named in the Summary Compensation Table. The plan requires six months of service. Employees must be 21 years or older to participate. Employees may make salary reduction contributions up to 25% of compensation not to exceed the federal government limits. The Plan allows for the Company to make discretionary contributions. The Company in fiscal 2017 began matching the employee contribution up to 3% of their pay. Contributions made to the 401(k) accounts of our named executive officers are disclosed as "All Other Compensation" in the Summary Compensation Table above. The Company made the following contributions during the 2017, 2016 and 2015 fiscal years:

	2017	November 30, 2016	2015
Company Contributions \$	26,241 \$	— \$	—



## **CORPORATE GOVERNANCE**

### **Board Leadership Structure**

The Chairman of the Board of Directors and Chief Executive Officer of the Company is Lance T. Funston. Stephen A. Heit, a member of the Board and the Company's Executive Vice President and Chief Financial Officer serves as Corporate Secretary. Philip Cooley, an independent director, serves as Chairman of the Audit Committee, Christopher Hogg, an independent director, serves as Chairman of the Compensation Committee and is also the lead independent director, and S. David Fineman, an independent director, serves as Chairman of the Nominating Committee. As disclosed below in Proposal No. 1 - Election of Directors, Christopher Hogg and Stephen A. Heit will not be standing for re-election. Following the Annual Meeting, the Board will elect successors to serve as lead independent director and Chairman of the Compensation Committee. Mr. Heit will continue to serve as Executive Vice President and Chief Financial Officer of the Company.

The Board of Directors believes that it is currently in the best interests of the Company and shareholders for the Company's Chief Executive Officer to serve as Chairman of the Board. We have a lead independent director and our three key committees are led by and comprised of independent directors. Our independent directors bring different perspectives, experience, oversight and expertise from outside the Company while the Chief Executive Officer brings Company specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer also facilitates flow of information between the Board and management.

The Board of Directors currently consists of seven members; our Chief Executive Officer, our Chief Financial Officer and five independent board members. Members of the Board of Directors are kept informed of the Company's operations by reviewing materials provided to them, visiting the Company's offices, speaking to the executives of the Company and by attending meetings of the Board and its committees. Executive sessions with only the independent directors in attendance are held at least once per year.

The Board of Director's leadership structure is designed so that the independent directors exercise oversight over the Company's key issues related to strategy and risk. A detailed annual budget is presented and approved by the directors, including plans for media expenditures. Revised forecasts for the fiscal year are presented to the directors as circumstances dictate.

### **Risk Oversight**

The Company does not have a risk management committee. Risk oversight is performed by the entire Board of Directors. The Board considers risk levels in various areas of operation of the Company, including, but not limited to, legal and litigation issues, investments in marketable securities, accounts receivable and inventory levels, returns of product, and proposed new products. Philip Cooley, the Chairman of the Audit Committee, is in regular communication with Stephen A. Heit, the Company's Executive Vice President and Chief Financial Officer, reviewing the Company's internal controls, compliance with the Sarbanes-Oxley Act, the Company's financial results and compliance with the Company's Standard of Business Conduct. All employees, including the executive officers, are required to comply with the Company's Standard of Business Conduct. A copy of the Standard of Business Conduct is available under Corporate Governance in the Investor Relations section of the Company website [www.ccainvestor.com](http://www.ccainvestor.com). The Board believes that the oversight by members of the Board over the Company and its management provides effective risk management of the Company's operations.

### **Code of Conduct**

The Company has adopted the Standard of Business Conduct (our code of ethics), which applies to all directors and employees of the Company, including the Chief Executive Officer and Chief Financial Officer. A copy of the Standard of Business Conduct may be found in the Investor Relations section of the Company's web site, [www.ccainvestor.com](http://www.ccainvestor.com), under Corporate Governance. The Company intends to disclose any substantive amendments to the Standard of Business Conduct as well as any waivers from provisions with respect to our Chief Executive Officer, Chief Financial Officer, or any other principal accounting officer, controller, and any other executive officer or Board member, at the same web site location.

### **Director Independence**

Sardar Biglari, Philip Cooley, S. David Fineman, Christopher Hogg and Justin W. Mills, III are deemed by the Board of Directors to be "independent" members of the Board of Directors, as determined in accordance with Section 803(a) of the NYSE AMERICAN stock exchange rules and applicable SEC rules. Christopher Hogg is the lead independent director.

There were no related party transactions that occurred between the Company and any of the independent directors, and there were no transactions, relationships or arrangements not disclosed under “Transactions with Related Persons” that were considered by the Board under the applicable independence definitions in determining that the director is independent.

## Board Meetings

During fiscal year 2017, the Board of Directors held three meetings, the Audit Committee held four meetings, the Compensation Committee held two meetings, and the Nominating Committee held one meeting. All of the directors attended 100% of all of the meetings of the Board and 100% of the respective committee meetings of the Board of which they were members.

All of the Company’s directors were present at the last annual meeting. The Company does not have a policy with regards to directors’ attendance at annual shareholder meetings.

## Committees of the Board

The following chart shows the standing committees of the Board of Directors and their members:

	<u>AUDIT</u>	<u>COMPENSATION</u>	<u>NOMINATING</u>
Sardar Biglari			
Philip Cooley	X	X	X
David Fineman	X	X	X
Lance T. Funston			
Stephen Heit			
Christopher Hogg		X	X
Justin W. Mills, III	X		

## Audit Committee

The Company has an Audit Committee comprised solely of independent directors. Philip Cooley serves as Chairman of the Audit Committee. Mr. Cooley, a retired Prassel Distinguished Professor of Business at Trinity University, San Antonio, Texas, David Fineman, an attorney and Justin W. Mills, III are deemed by the Board of Directors to be “audit committee financial experts” as defined by the SEC rules and are “financially sophisticated” as defined by NYSE-AMERICAN rules.

The Audit Committee is appointed by the Board to assist the Board with oversight of (i) the integrity of the financial statements of the Company, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independence and qualifications of the Company’s external auditors, and (iv) the performance of the Company’s internal audit function and external auditors. It is the Audit Committee’s responsibility to select, retain or terminate the Company’s independent registered public accounting firm, who audit the Company’s financial statements, and to prepare the Audit Committee report that the SEC requires to be included in the Company’s annual meeting proxy statement. As part of its activities, the Audit Committee meets with the Company’s independent registered public accounting firm at least annually to review the scope and results of the annual audit and quarterly to discuss the review of the quarterly financial results. In addition, the Audit Committee receives and considers the independent registered public accounting firm’s comments and recommendations as to internal controls, accounting staff, management performance and auditing procedures. The Audit Committee is also responsible for establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Regarding fiscal 2017, the Audit Committee (a) reviewed and discussed the Company’s audited financial statements with management; (b) received and discussed the information required to be discussed, pursuant to auditing standards and SEC regulations with the Company’s independent auditors; (c) received written disclosures regarding the independent auditor’s communication with the Audit Committee concerning independence, and the letter concerning same, from the independent auditors as required by the Public Company Accounting Oversight Board; (d) discussed the independence of the auditors, with the auditors; and (e) recommended that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended November 30, 2017. In addition, the Audit Committee decided to engage CohnReznick LLP as the Company’s independent registered public accounting firm for the fiscal year ended November 30, 2018, replacing BDO USA, LLP.

An Audit Committee Charter was adopted by the full Board of Directors. A copy of the Audit Committee Charter can be found in the Investor Relations section of the Company's website at [www.ccaindustries.com](http://www.ccaindustries.com).

### ***Compensation Committee***

The Company has a compensation committee comprised solely of independent directors. Christopher Hogg serves as Chairman of the Compensation Committee.

The functions of the Compensation Committee include evaluating the performance of the Chief Executive Officer, and other executive officers of the Company, and, based on this evaluation, reviewing and recommending to the Board the compensation of the Chief Executive Officer and the Company's other executive officers; making recommendations to the Board of Directors with respect to compensation of non-management directors; determining and administering, the Company's compensation plans; and performing other related functions specified in the Committee's charter. See "Employment Contracts/Compensation Program" above for additional information regarding the Compensation Committee.

A Compensation Committee Charter was adopted by the full Board of Directors. The charter was amended by the Board of Directors on May 23, 2011. A copy of the amended Committee Charter can be found in the investor relations section of the Company's web site at [www.ccaindustries.com](http://www.ccaindustries.com).

### ***Nominating Committee***

The Company has a nominating committee comprised solely of independent directors. David Fineman serves as Chairman of the Nominating Committee. The Board of Directors has directed the nominating committee to recommend directors to stand for election by the Common Stock shareholders at the Annual Meeting of Shareholders. The Board of Directors makes the final decision as to the directors who will stand for election.

The Nominating Committee's responsibilities include, among other things, identifying individuals qualified to become Board members and recommending to the Board nominees to stand for election at any meeting of shareholders as well as identifying and recommending nominees to fill any vacancy, however created, in the Board.

Nominees for director are selected on the basis of broad experience and diversity, which includes differences of viewpoint, professional experience, education, skill and other individual qualities. In addition, integrity, the ability to make independent analytical inquiries, an understanding of the Company's business environment with particular emphasis on consumer products and the Company's retail partners, and a willingness to devote adequate time to Board of Director duties are also considered. The Committee may consider candidates proposed by management or shareholders but is not required to do so. Except as described in the next paragraph, the Committee does not have any formal policy with regard to the consideration of any director candidates recommended by the shareholders or any minimum qualifications, diversity or specific procedure for identifying and evaluating nominees for director as the Board does not believe that such a formalistic approach is necessary or appropriate at this time.

Shareholders who wish to recommend candidates for consideration by the Nominating Committee for Board membership may do so by writing to CCA Industries Inc., Attention: Nominating Committee, 1099 Wall Street West, Suite 275, Lyndhurst, New Jersey 07071. To be considered for the 2019 Annual Meeting, such recommendations must be received by the Company no earlier than February 20, 2019 and no later than March 22, 2019. Any such proposal shall contain the name, Company security holdings and contact information of the person making the nomination; the candidate's name, address and other contact information; any direct or indirect holdings of the Company's securities by the nominee; any information required to be disclosed about directors under applicable securities laws and/or stock exchange requirements; information regarding related party transactions with the Company and/or the shareholder submitting the nomination; any actual or potential conflicts of interest; the nominee's biographical data, current public and private company affiliations, employment history and qualifications and status as "independent" under applicable securities laws and stock exchange requirements as well as any other information required to be provided for shareholder nominations under to Section 2.5 of the Company's Amended and Restated Bylaws. Director candidates recommended by shareholders will receive the same consideration as other nominees.

A Nominating Committee Charter was adopted by the full Board of Directors. A copy of the Nominating Committee Charter can be found in the Investor Relations section of the Company's website at [www.ccaindustries.com](http://www.ccaindustries.com).

## Communications with Directors

Shareholders of the Company who wish to communicate with the Board or any individual director can write to CCA Industries, Inc., Investor Relations, 1099 Wall Street West, Suite 275, Lyndhurst, New Jersey 07071 or send an email to [investorrelations@ccaindustries.com](mailto:investorrelations@ccaindustries.com). Your letter or email should indicate that you are a shareholder of the Company. Depending on the subject matter of your inquiry, management will forward the communication to the director or directors to whom it is addressed; attempt to handle the inquiry directly, as might be the case if you request information about the Company or it is a shareholder related matter; or not forward the communication if it is primarily commercial in nature or if it relates to an improper topic. At each Board meeting, a member of management presents a summary of all communications received since the last meeting that were not forwarded and makes those communications available to any requesting director.

## TRANSACTIONS WITH RELATED PERSONS

The Company's policy regarding transactions with related persons requires transactions with related persons to be reviewed and approved or ratified by the independent members of the Company's Board of Directors as well as by the Company's Chief Executive Officer and Chief Financial Officer. In this regard, all such transactions are first discussed with the Chief Executive Officer and the Chief Financial Officer for an initial determination of whether such further related person transaction review is required. The Company utilizes the definition of related persons under applicable SEC rules, defined as any executive officer, director or nominee for director of the Company, any beneficial owner of more than 5% of the outstanding shares of the Company's common stock, or any immediate family member of any such person. In reviewing these transactions, the Company strives to assure that the terms of any agreement between the Company and a related party is at arm's length, fair and at least as beneficial to the Company as could be obtained from third parties. The independent members of the Board of Directors, in its discretion, may consult with third party appraisers, valuation advisers or brokers to make such determination.

On September 5, 2014, the Company entered into a Loan and Security Agreement (the "Agreement") with Capital Preservation Solutions, LLC ("Capital") for a \$5,000,000 working capital line of credit and a term loan for working capital purposes not to exceed \$1,000,000. Capital Preservation Solutions, LLC is owned by Lance Funston, the Company's Chairman of the Board and Chief Executive Officer, and is also the managing partner of Capital Preservations Holdings, LLC which owns common stock and all of the Company's Class A common stock (see above under "Security Ownership of Management and Other Certain Beneficial Owners" for additional information). Contemporaneously with the signing of the Agreement, the Company issued a Warrant to Purchase Common Stock (the "Warrant") to Capital whereby Capital may acquire upon exercise of the Warrant 1,892,744 shares of the Company's Common Stock. The Warrant may be exercised in whole or in part at any time during the exercise period which is five years from the date of the Warrant. The Warrant bears a purchase price of \$3.17 per share, subject to adjustments. The working capital line of credit and term loan principal balances were repaid on December 4, 2015 (see Note 8 - Debt Agreement to the November 30, 2017 financial statements contained in Form 10-K filed with the SEC on February 28, 2018 for further information). On February 5, 2018, Capital Preservation Solutions, LLC exercised the warrant, in part, acquiring 450,000 of the Company's Common Stock for proceeds of \$1,426,500. The remaining balance of 1,442,744 shares underlying the Warrant remain outstanding.

The Company signed an agreement in December 2014 with Funston Media Management Services, Inc. ("FMM"), which is owned by Lance Funston, the Company's Chairman of the Board and Chief Executive Officer. The agreement provided for FMM to provide consumer advertising purchasing services and brand management for a fee equal to 7.5% of the advertising costs with a minimum fee of \$256,200 for the contract period. The agreement also provided for a monthly management fee of \$15,000, which was amended to \$5,000 per month for the contract period. The agreement ended on November 19, 2015. The Company incurred costs in the amount of \$316,200 for the 2015 fiscal year. The Company signed a new agreement in December 2015 with FMM. The agreement provided for FMM to provide consumer advertising purchasing services and brand management for a fee equal to 10.0% of the advertising costs with no minimum fee or monthly management fee. The agreement automatically renews unless canceled by the Company or FMM. Under this new agreement, the Company incurred costs of \$80,938 for the year ended November 30, 2017 and \$54,509 for the year ended November 30, 2016. As of November 30, 2017, there were unpaid management fees of \$199,578 due to FMM.

On March 23, 2017, the Company entered into a License Agreement (the "License Agreement") with Ultimark Products, Inc. ("Ultimark") for the exclusive right to manufacture, market and sell the Porcelana brand of skin care products. The Company's Chairman of the Board and Chief Executive Officer, Lance Funston, is also the Chairman of the Board and Chief Executive Officer of Ultimark. Porcelana is designed to reduce dark spots and brighten the skin. Under the License Agreement, the Company acquired the exclusive right and license to use the Porcelana brand, formulas, packaging designs and trademarks (collectively, the "Porcelana Brand") in connection with the design, development, manufacture, advertising, marketing, promotion, offering, sale and distribution of Porcelana products worldwide. In addition, the Company shall purchase all good and saleable inventory of Porcelana products in Ultimark's possession or control as of April 1, 2017 at Ultimark's cost, without markup. The License Agreement has a term of one year, effective April 1, 2017 and ending March 31, 2018. The License Agreement may be renewed, at the Company's option, for up to two additional one-year terms. The Company renewed the License Agreement for an additional one year term on February 23, 2018. The License Agreement requires the Company to pay Ultimark a royalty of 10% on the gross sales of Porcelana products manufactured and sold under the License Agreement. Royalties are payable quarterly, commencing the first fiscal quarter in which Porcelana products are sold pursuant to the License Agreement. There is no minimum royalty for any period under the License Agreement. In addition, the Company has the option to purchase the Porcelana Brand from Ultimark during the term of the License Agreement for an amount not to exceed \$3.2 million, subject to a fairness opinion. In the event of such purchase, the License Agreement shall thereafter terminate and no further royalties or compensation will be due thereunder. The Company incurred costs of \$137,241 for the year ended November 30, 2017 for royalties under the License Agreement. As of November 30, 2017, there were unpaid royalties of \$53,822 due to Ultimark.

In June 2017, the Company rented office space at 193 Conshohocken State Road, Penn Valley, Pennsylvania. The Company paid a monthly rental of \$1,000 per month during fiscal 2017 commencing June 2017. The building is owned by Lance Funston, the Company's Chief Executive Officer and Chairman of the Board. The Company's Pennsylvania offices house its marketing and sales staff, as well as the office of the Chief Executive Officer. There is no written lease for the facility.

The Company has not entered into, or proposed to enter into, any other transactions, other than as disclosed above, since the beginning of the Company's last fiscal year, in which any related person had or will have a direct or indirect material interest.

## PROPOSAL NO. 1 - ELECTION OF DIRECTORS

The seven directors named herein are nominated to be elected to the Company's Board of Directors. All directors are subject to one-year terms and annual election. Four directors are elected by the holders of Class A Common Stock and three directors are elected by the holders of Common Stock. Each director holds office until the next Annual Meeting of Shareholders and until a successor is elected and qualified, or until death, resignation or removal. Each of the director nominees has agreed to be named in this proxy statement and to serve if elected. Management has no reason to believe that any of the nominees will be unable or unwilling to serve if elected. However, if any nominee should become unable for any reason or unwilling to serve, proxies may be voted, to the extent permitted by applicable law, for another person nominated as a substitute by the Board.

The four nominees for election by the holders of the Company's Class A Common Stock are Sardar Biglari, Philip Cooley, and Justin W. Mills, III, each of whom are current directors and Brian Haveson. Christopher Hogg informed the Company that he did not wish to stand for re-election as a director. The three nominees for election by the holders of Common Stock are Lance T. Funston, S. David Fineman, each of whom are current directors, and Brent Funston, and were recommended for election by the Nominating Committee of the current Board of Directors. Stephen A. Heit informed the Company that he did not wish to stand for re-election as a director, but will be continuing as a member of management. Brent Funston is the son of Lance Funston, the Company's Chairman of the Board and Chief Executive Officer. Brian Haveson and Brent Funston were recommended to the Nominating Committee by Lance T. Funston as candidates for nomination to the Board.

The following table summarizes information with respect to the nominees:

<u>Name</u>	<u>Age</u>	<u>Director Since</u>
<b>Class A Common Stock Nominees:</b>		
Sardar Biglari	40	2011
Philip Cooley	74	2011
Brian Haveson	54	
Justin W. Mills, III	69	2017
<b>Common Stock Nominees:</b>		
S. David Fineman	72	2015
Lance T. Funston	75	2015
Brent Funston	43	

Set forth below is additional information regarding all nominees for director, including information concerning their principal occupations and certain other directorships.

### **Class A Common Stock Nominees**

No vote or proxy is solicited in respect of the nominees to be elected by the holders of Class A Common Stock, since Lance Funston controls all of the shares of Class A Common Stock, and has proposed Sardar Biglari and Philip Cooley for re-election and Brian Haveson and Justin W. Mills, III for election to the Board of Directors.

#### Sardar Biglari

Sardar Biglari, 40 years old, has been a director of the Company from August 2011 to July 2014 and since October 2015. He is Founder, Chairman and Chief Executive Officer of Biglari Holdings Inc. ("Biglari Holdings"), a diversified holding company. Mr. Biglari is also sole owner, Chairman and Chief Executive Officer of Biglari Capital Corp., general partner of The Lion Fund, L.P. and The Lion Fund II, L.P., private investment partnerships, since its inception in 2000. Mr. Biglari has also served as a director of Insignia Systems, Inc. ("Insignia Systems"), a developer and marketer of point-of-purchase in-store products and services, from December 2015 to March 2017, including serving as its Co-Chairman from January 2016 to March 2017. On November 14, 2014, Lance T. Funston entered into an agreement with The Lion Fund, L.P. and, for certain limited purposes, Sardar Biglari and Philip L. Cooley (the "TLF Agreement"). The TLF Agreement provided that if the Company's Board of Directors nominates Messrs. Biglari and Cooley to the Board, they will accept the nomination and serve on the Board upon their election. See note 6 to the Security Ownership of Management and Other Certain Beneficial Owners section for additional information regarding the TLF Agreement.

#### Director Qualifications

- Extensive managerial and investing experience in a broad range of businesses.
- Experience serving on the board of directors of public companies.
- Deemed by the Board of Directors to be an "audit committee financial expert" as defined by the SEC rules and "financially sophisticated" as defined by the NYSE AMERICAN rules.

#### Philip L. Cooley

Philip L. Cooley, 74 years old, has been a director of the Company from August 2011 to July 2014 and since October 2015. He has served as Vice Chairman of the Board of Biglari Holdings since April 2009 and as a director since March 2008. He was the Prassel Distinguished Professor of Business at Trinity University, San Antonio, Texas, from 1985 until his retirement in May 2012. Dr. Cooley served as an advisory director of Biglari Capital Corp., general partner of The Lion Fund, L.P. and The Lion Fund II, L.P. since 2000 and as Vice Chairman and a director of Western Sizzlin Corporation from March 2006 and December 2005, respectively, until its acquisition by Biglari Holdings in March 2010. He also served as a director of Insignia Systems from December 2015 to March 2017. Dr. Cooley earned a Ph.D. from Ohio State University, a MBA from the University of Hawaii and a BME from the General Motors Institute. Dr. Cooley is past president of the Eastern Finance Association, and serves on its board, and of the Southern Finance Association. He also serves on the board of the Financial Literacy of South Texas Foundation. On November 14, 2014, Lance T. Funston entered into an agreement with The Lion Fund, L.P. and, for certain limited purposes, Sardar Biglari and Philip L. Cooley (the "TLF Agreement"). The TLF Agreement provided that if the Company's Board of Directors nominates Messrs. Biglari and Cooley to the Board, they will accept the nomination and serve on the Board upon their election. See note 6 to the Security Ownership of Management and Other Certain Beneficial Owners section for additional information regarding the TLF Agreement.

#### Director Qualifications

- Extensive business and investment knowledge and experience.
- Experience serving on the boards of directors of public companies.
- Author of more than 60 articles on financial topics, his work has appeared in the Journal of Finance, Journal of Business and others. He also has authored several books in finance.
- Deemed by the Board of Directors to be an "audit committee financial expert" as defined by the SEC rules and "financially sophisticated" as defined by the NYSE AMERICAN rules.

#### Brian Haveson

Brian Haveson, 54 years old, has been the Chief Executive Officer of Lightning Gaming, Inc., a designer, developer and manufacturer of gaming machines to the casino industry since 2006. He is also a member of the board of directors. Lightning Gaming, Inc. files with the reports with the United States Securities and Exchange Commission ("SEC"), but is not registered on an exchange. Mr. Haveson has a bachelor of science in aerospace engineering from the University of Maryland and a Master in Management - finance and accounting from Purdue University. Mr. Haveson was a certified public accountant from 1989 - 1994.

#### Director Qualifications

- Extensive experience in media, technology and consumer product businesses
- Leadership role in company that files with the SEC

#### Justin W. Mills, III

Justin W. Mills III, 69 years old, was president of the Philadelphia and Southern New Jersey region of PNC, a member of The PNC Financial Services Group, from 2001 to 2014. Mr. Mills was promoted to executive vice president in 1993 in charge of Capital Markets and chaired the Asset Liability Committee. Following that assignment, he served as executive vice president managing PNC Wealth Management in Philadelphia and Southern New Jersey. Mr. Mills is active in the Philadelphia and Southern New Jersey community, serving as Vice Chairman of the board of directors of Independence Blue Cross, and at Temple University as Chair of the Athletic Committee and member of the Executive Committee, Audit Committee and Investment Committees. He also serves on the board of The United Way of Southeastern Pennsylvania, and co-chairs the Corporate Board of the Barnes Foundation. He holds a master's in economics from Niagara University, a bachelor's in mathematics from Ohio State University and is a graduate of the University of Illinois School of Bank Investments.

#### Director Qualifications

- Banking and corporate lending expertise
- Board oversight and governance experience
- Deemed by the Board of Directors to be an "audit committee financial expert" as defined by the SEC rules and "financially sophisticated" as defined by the NYSE AMERICAN rules



## Common Stock Nominees

The Nominating Committee is proposing Lance T. Funston, S. David Fineman and Brent Funston for election by the holders of Common Stock at the Annual Meeting.

### Lance T. Funston

Lance T. Funston, 75 years old is the Company's Chairman of the Board and Chief Executive Officer. Mr. Funston also serves as Chairman and CEO of Ultimark Products, LLC which he founded in 2000. Ultimark Products, LLC licenses the Porcelana® brand to the Company. In 1993 he founded TelAmerica Media, a media aggregator. In 2008, 85% of TelAmerica Media was sold to Cross MediaWorks, Inc., and the balance was sold to the Lee Group in 2013. Mr. Funston attended the University of Houston and received his Bachelor of Science degree in 1967. In 1967, Mr. Funston was appointed Assistant to the Director of the Federal Deposit Insurance Corporation by President Lyndon Johnson, and subsequently as special assistant to a governor of the Federal Reserve Board. Mr. Funston attended Harvard Business School, receiving his MBA in 1970. During his tenure at Harvard, he founded Portfolio Management Systems Incorporated, which developed investment management systems for major financial institutions including: John Hancock, Fidelity Mutual, American General, Sun Life, and Bank of America. In 1973 Portfolio Management created a private real estate equity fund in Houston, Texas and developed residential and commercial properties during a 10 year period. He also served as a board member of the United States Bobsled and Skeleton Federation from 1992 to 1996. In 2007, Lance and his wife, Christina, founded the Save a Mind Foundation, a 501(c)(3) federal non-profit organization that assists at-risk youth in grades 5-8 to stay in school with their innovative Win/Win Program.

#### Director Qualifications

- Extensive experience in the consumer products market segment
- Substantial experience in media
- Demonstrated leadership of numerous companies and organizations

### S. David Fineman

S. David Fineman, 72 years old, is a senior partner of the Philadelphia law firm of Fineman Krekstein & Harris. He previously served as the Chairman of the Public Policy Committee of the Urban Land Institute and continues to be a member. Mr. Fineman was appointed by the President of the United States and confirmed by the United States Senate in 1995 as one of nine Governors of the U.S. Postal Service and was Chairman of the Board of Governors from 2003 to 2005. He was Chairman of the Board of DHL eCommerce USA, a wholly owned subsidiary of Deutsche Post, the largest mail consolidator of small parcels in the United States from 2007 to 2018. He has been chosen by the United States District Court as a member of its Court-Annexed Early Mediation Program (from 1998 to present). In 2006 through 2014, Mr. Fineman was recognized among his peers and was named as one of Pennsylvania "Super Lawyers" for his expertise in Business Litigation and Government Relations. He graduated from The American University (1967) where he has served on the Advisory Committee to the School of Public Affairs, and received his law degree, with Honors, from The George Washington University (1970). He is presently a member of the Philadelphia, Pennsylvania and American Bar Associations and the Urban Land Institute.

#### Director Qualifications

- Extensive legal experience as senior partner of a law firm.
- Substantial corporate governance knowledge as Chairman of the Board of DHL eCommerce USA.
- Deemed by the Board of Directors to be an "audit committee financial expert" as defined by the SEC rules and "financially sophisticated" as defined by the NYSE AMERICAN rules.

### Brent Funston

Brent Funston, 43 years old, is Founder and Chief Executive Officer of Wind River Group, LLC, (WRG), a firm specializing in the acquisition, development and asset management of commercial real estate assets. He also manages a private equity portfolio focusing on small and mid-cap investments. Prior to founding WRG in 2009, Mr. Funston served as Executive Vice President for Barker Pacific Group, Inc (BPG), a Los Angeles-based commercial real estate firm. Prior to BPG, Mr. Funston served as Head of Development for Martin Fein Interests, a Houston-based multifamily developer specializing in luxury apartments. Mr. Funston's experience includes strategic advisory, capital structure development, mergers and acquisitions, and transaction negotiations for public and private middle-market companies. Mr. Funston holds a BA from the University of Texas at Austin, and an MBA from the university's McCombs School of Business. Mr. Funston serves on the board of directors and is treasurer of the Save a Mind Foundation, an organization focused on educational programs that provide at risk urban school

children with motivational support. Brent Funston is the son of Lance T. Funston, the Company's Chairman of the Board and Chief Executive Officer.

Director Qualifications

- Substantial financial experience
- Merger and acquisitions experience
- Substantial corporate underwriting experience

Required Vote

Common Stock director nominees are elected by the plurality of votes cast in person or by proxy, provided a quorum is present at the Annual Meeting. Accordingly, abstentions and broker non-votes will not affect the outcome of the election.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

The Board of Directors unanimously recommends a vote in favor of each of the Common Stock nominees as proposed in this Proposal No. 1.

## DIRECTOR COMPENSATION

Effective in 2015, the Board of Directors approved the following fees: Chairman of the Audit, Compensation and Nominating Committees - \$500 retainer per annum in addition to other director fees; Non-executive directors - \$1,000 per in-person board meeting and no payment for attendance by telephone. Effective June 2017, the Board of Directors approved the following updated fees for non-management directors: Chairman of the Audit, Compensation and Nominating Committees - \$500 retainer per annum in addition to other director fees; Non-executive directors - \$20,000 annual retainer to be paid quarterly in arrears, \$500 per in-person board meeting and \$250 for attendance by telephone. The Board of Directors met three times in person during fiscal 2017 for an aggregate compensation of \$66,833. Mr. Funston and Mr. Heit did not receive any additional compensation as directors as they are employees of the Company.

The following table summarizes the fees earned or paid in cash to each director, with respect to their service as directors, as well as option awards granted to certain directors, during fiscal 2017:

Director (1)	Director Fees Earned or Paid in Cash	Fair Market Value of Option Awards	Total Compensation
Sardar Biglari	\$ 11,000	\$ —	\$ 11,000
Philip Cooley	11,500	—	11,500
S. David Fineman	15,500	—	15,500
Christopher Hogg	15,500	—	15,500
Justin W. Mills, III (appointed September 28, 2017)	3,833	83,813	87,646
Linda Shein (resigned September 7, 2017)	9,500	—	9,500

(1) The grant date fair value of option awards reported in the above table are computed in accordance with FASB ASC Topic 718. Each director held 75,000 unexercised options at November 30, 2017. All options held by directors had vested as of November 30, 2017 except for Justin W. Mills, III, whose options will not vest until October 1, 2018.

## **PROPOSAL NO. 2 — ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Company is required to submit a proposal to its shareholders for a non-binding advisory vote to approve the compensation of its named executive officers pursuant to Section 14A of the Exchange Act. The shareholder vote on executive compensation is an advisory vote only and is not binding on the Company or the Board of Directors.

Although the vote is non-binding, the Compensation Committee and the Board of Directors value the opinions of our shareholders and intend to consider the outcome of the vote when making future compensation decisions. This proposal, commonly known as a “say-on-pay” proposal, gives the Company's shareholders an opportunity to express their views on the compensation of the Company's named executive officers as described in this proxy statement under the heading "Executive Compensation."

Accordingly, the following resolution is submitted for shareholder vote at the Annual Meeting:

“RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation tables and narrative discussion.”

The approval, on an advisory basis, of the Company's executive compensation requires the affirmative vote of a majority of the Company's outstanding shares present in person or by proxy and entitled to vote, provided a quorum is present at the Annual Meeting. Abstentions will be counted for the purpose of meeting the quorum requirements and will have the same effect as a vote against the approval of this proposal. Broker non-votes will be counted for the purpose of meeting the quorum requirements but will have no effect on the outcome of the proposal.

### **RECOMMENDATION OF THE BOARD OF DIRECTORS**

The Board of Directors unanimously recommends a vote in favor of Proposal No. 2.

### **PROPOSAL NO. 3 ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Section 14A of the Exchange Act also provides that the Company's shareholders must be given the opportunity, at least once every six years, to cast an advisory vote on how frequently the Company should seek future advisory votes on the compensation of its named executive officers.

Under this Proposal No. 3, shareholders may vote to have the say-on-pay vote every year, every other year or every three years. Shareholders also may, if they wish, abstain from voting on this proposal.

Because this vote is advisory, it will not be binding upon the Board of Directors. However, the Board of Directors values the opinions expressed by shareholders in these votes and will take into account the outcome of the vote when determining how frequently the advisory vote on the Company's executive compensation should be conducted in the future.

After careful consideration, the Board of Directors has determined that an advisory vote on executive compensation every three years is the best approach for the Company, and therefore the Board of Directors recommends that shareholders vote every "three years" to approve, on an advisory basis, the Company's executive compensation. The Board of Directors believes that a vote on the Company's executive compensation once every three years will provide the Company with more time to meaningfully respond to shareholder vote results and implement any changes to our executive compensation policies and procedures that the Compensation Committee and Board of Directors may feel are necessary or appropriate in light of the results of the most recent shareholder vote. In addition, the Board of Directors feels that a triennial vote will provide investors with sufficient time to evaluate the effectiveness of our executive compensation program as it relates to the business outcomes of the Company.

It is important to note that shareholders are not voting to approve or disapprove the recommendation of the Board of Directors. The proxy card provides shareholders with four choices (every one, two or three years, or abstain). Proxies submitted without direction pursuant to this solicitation will be voted for the approval of holding the advisory vote on executive compensation once every "three years."

#### **RECOMMENDATION OF THE BOARD OF DIRECTORS**

The Board of Directors unanimously recommends a vote for every "three years" for Proposal No. 3.

### **PROPOSAL NO. 4 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed the firm of CohnReznick LLP ("COHN"), as the Company's independent registered public accounting firm, to audit the financial statements of the Company for the fiscal year ending November 30, 2018. The appointment shall continue at the pleasure of the Audit Committee. BDO USA, LLP ("BDO") previously served as the Company's independent registered public accounting firm. The Company is submitting the selection of COHN to its shareholders for ratification as a matter of good corporate governance. If the appointment is not ratified by the shareholders of the Company, the Audit Committee may reconsider the selection of COHN as the Company's independent registered public accounting firm. Even if the selection is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time it determines that a change would be in the best interests of the Company and our shareholders. COHN has acted as the Company's auditors commencing with the review of the first quarter of fiscal 2018.

On March 6, 2018, the Company engaged COHN as the Company's principal independent registered public accounting firm to audit its financial statements, subject to the completion of COHN's client acceptance procedures, replacing BDO as the Company's independent registered public accounting firm, who were dismissed on the same day. The change was approved by the Audit Committee of Registrant's Board of Directors.

The Company has not consulted with COHN during the two fiscal years ended November 30, 2017 and November 30, 2016 and the subsequent interim period through March 6, 2018, regarding (i) the application of accounting principles to a specified transaction either completed or proposed or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and neither a written report was provided to the Company nor oral advice was provided that BDO concluded

was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a “disagreement,” as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K, or a “reportable event,” as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

BDO’s report on the Company’s financial statements as of and for the fiscal years ended November 30, 2017 and 2016 did not contain any adverse opinion or disclaimer of opinion and was not qualified as to uncertainty, audit scope or accounting principles.

During the Company’s fiscal years ended November 30, 2016, and November 30, 2017 and the subsequent interim period through March 6, 2018, there were (i) no disagreements between the Company and BDO on any matter of accounting principles or practices, financial statement disclosures or auditing scope or procedure, which, if not resolved to the satisfaction of BDO would have caused BDO to make reference thereto in their reports on the financial statements for such years, and (ii) no “reportable events” as that term is defined in Item 304(a)(1)(v) of Regulation S-K. BDO has not conducted any review of the interim quarter ended February 28, 2018.

The Company provided BDO with a copy of the above statements and requested BDO to provide a letter addressed to the SEC stating whether it agrees or disagrees with the above statements. A copy of such letter, dated March 9, 2018, was filed as Exhibit 16.01 to the Company’s Current Report on Form 8-K filed on March 9, 2018.

The Board of Directors expects that one or more representatives of COHN will be present at the meeting. Representatives of COHN will then be given the opportunity to make a statement, and will be available to respond to appropriate questions.

The ratification of the Board’s selection of CohnReznick LLP requires the affirmative vote of a majority of the Company’s outstanding shares present in person or by proxy and entitled to vote, provided a quorum is present at the Annual Meeting. Abstentions will be counted for the purpose of meeting the quorum requirements and will have the same effect as a vote against the ratification of the Board’s selection of CohnReznick LLP.

## **RECOMMENDATION OF THE BOARD OF DIRECTORS**

The Board of Directors unanimously recommends a vote in favor of Proposal No. 4.

## **SERVICES PROVIDED BY THE AUDITOR AND FEES PAID**

### **Audit Committee Pre-Approval of Services**

The Audit Committee pre-approved all audit and non-audit services provided to the Company in fiscal 2017 and 2016 by BDO. Under its charter, the Audit Committee must pre-approve all subsequent engagements of our independent registered public accounting firm unless an exception to such pre-approval exists under the Exchange Act or the rules of the SEC. Each year, before an independent registered public accounting firm is retained to audit our financial statements, such service and the associated fee, is approved by the Committee. At the beginning of the fiscal year, the Audit Committee evaluates other known potential engagements of the independent registered public accounting firm, including the scope of the work proposed to be performed and the proposed fees, and approves or rejects each service, taking into account whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent registered public accounting firm’s independence from management. At each subsequent Committee meeting, the Committee receives updates on the services actually provided by the independent registered public accounting firm, and management may present additional services for approval. The Committee has delegated to the Chairman of the Committee the authority to evaluate and approve engagements on behalf of the Committee in the event that a need arises for pre-approval between Committee meetings. If the Chairman so approves any such engagements, he will report that approval to the full Audit Committee at its next meeting.

### **Audit Fees**

BDO served as the Company’s independent registered public accounting firm for 2017 and 2016. The services performed by BDO in this capacity included conducting an audit in accordance with the standards of the Public Company Accounting Oversight Board (“PCAOB”), and expressing an opinion on the Company’s consolidated financial statements.

BDO's fees for professional services rendered in connection with the audit and review of Forms 10-K and all other SEC regulatory filings were \$171,000 for the 2017 fiscal year and \$191,750 for the 2016 fiscal year.

**Audit-Related Fees**

There were no audit-related fees billed in fiscal year 2017 or fiscal year 2016.

**Tax Fees**

Professional services rendered in connection with Federal and State tax return preparation and other tax matters for the 2017 fiscal year were \$31,500, and for the 2016 fiscal year were \$35,000.

**All Other Fees**

There were no other fees billed in fiscal years 2017 and 2016.

## REPORT OF THE AUDIT COMMITTEE\*

The Audit Committee of the Board operates pursuant to its charter, adopted by the Board of Directors. Management is responsible for the Company's internal accounting and financial controls, the financial reporting process, the internal audit function and compliance with the Company's policies and legal requirements. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with standards of the Public Company Accounting Oversight Board (United States) or "PCAOB", and for issuance of a report thereon; they also perform limited reviews of the Company's unaudited quarterly financial statements.

The Audit Committee's responsibility is to engage the independent registered public accounting firm, monitor and oversee these accounting, financial and audit processes and report its findings to the full Board. It also investigates matters related to the Company's financial statements and controls as it deems appropriate. In the performance of these oversight functions, the members of the Audit Committee rely upon the information, opinions, reports and statements presented to them by Company management and by the independent registered public accounting firm, as well as by other experts that the Committee hires.

The Audit Committee reviewed and discussed the audited consolidated financial statements of the Company for fiscal year 2017 with management, who represented that the Company's consolidated financial statements for fiscal 2017 were prepared in accordance with U.S. generally accepted accounting principles. It discussed with BDO USA, LLP ("BDO"), the Company's independent registered public accounting firm for fiscal 2017, those matters required to be discussed pursuant to Auditing Standard No. 1301, "Communications with Audit Committees," issued by the PCAOB. The Committee has received from BDO written independence disclosures and the letter required by applicable requirements of the PCAOB regarding BDO's communications with the Audit Committee concerning independence and discussed with BDO its independence.

Based on the review of the representations of management, the discussions with management and the independent registered public accounting firm and the review of the Report of BDO to the Audit Committee, the Audit Committee recommended to the Board that the financial statements of the Company for fiscal year 2017 as audited by BDO be included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

AUDIT COMMITTEE  
Philip Cooley (Chairman)  
S. David Fineman  
Justin W. Mills, III

\* The information contained in this Audit Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any filings under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent that we specifically incorporate this information by reference into any such filing.



## ADDITIONAL MATTERS

### **Other Matters**

The Board of Directors knows of no other matters to be presented, but if any other matters properly come before the Annual Meeting, it is intended that the persons holding proxies will vote thereon in accordance with their best judgments.

When a shareholder votes over the telephone, internet or returns a duly executed proxy, the shares represented thereby will be voted as indicated thereon or, if no direction is indicated, in accordance with the recommendations of the Board of Directors.

### **Solicitation of Proxies**

The Company will bear the entire cost of solicitation, including preparation, assembly, printing and mailing of this proxy statement, the proxy, and any additional material furnished. The proxy materials will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others, for forwarding of such material to beneficial owners. The Company may reimburse such persons their forwarding costs. Original solicitation of proxies by mail may be supplemented by telephone, email, fax, or personal solicitation by directors, officers or employees of the Company. No additional compensation will be paid for any such services.

### **Shareholder Proposals for the Year 2019**

Under SEC proxy rules, if a shareholder wants the Company to include a proposal in its proxy statement and proxy card for the 2019 Annual Meeting of Shareholders, the proposal must be received by the Company no later than January 18, 2019.

Any shareholder wishing to make a nomination for director or wishing to introduce any business at the 2019 Annual Meeting of Shareholders (other than a proposal submitted for inclusion in the Company's proxy materials) must provide the Company advance notice of such business which must be received by the Company no earlier than February 20, 2019 and no later than March 22, 2019. Nominations for director must be made in accordance with Section 2.5 of the Company's Amended and Restated Bylaws and proposals for other business must be made in accordance with Section 2.4 of the Amended and Restated Bylaws. Proposals and other items of business should be directed to the attention of the Corporate Secretary at the Company's principal executive offices.

### **Annual Report and SEC Filings**

The Company is subject to the information requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the United States Securities and Exchange Commission ("SEC"). Such reports, proxy statement and other information are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

**Shareholders may obtain a copy of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2017, including financial statements and schedules included therein, without charge, by visiting the Investor Relations section of the Company's website at [www.ccainvestor.com](http://www.ccainvestor.com) or by sending a request in writing to the attention of the Corporate Secretary at the Company's principal executive offices.** Upon written request to the Company, at the address of the Company's principal executive offices, the exhibits set forth on the exhibit index of the Company's Annual Report on Form 10-K will be made available at reasonable charge (which will be limited to our reasonable expenses in furnishing such exhibits).

By Order of the Board of Directors

/s/ Lance T. Funston

Lance T. Funston,  
*Chairman of the Board of Directors*

Lyndhurst, New Jersey May 18, 2018

ANNUAL MEETING OF SHAREHOLDERS OF

CCA INDUSTRIES, INC.

To Be Held On:

June 20, 2018 at 2:00 p.m.

offices of Fineman, Krekstein & Harris P.C.  
1801 Market Street, Suite 1100, Philadelphia, PA 19103

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING:**

The Notice of Meeting, Proxy Statement and Annual Report  
are available at <http://www.ccainvestor.com/2018>

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

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

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THE BOARD OF DIRECTORS RECOMMENDS A "FOR" VOTE FOR PROPOSALS 1, 2 AND 4, AND "3 YEARS" ON PROPOSAL 3.  
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

1. Election of Directors:

- ☐ FOR ALL NOMINEES
- NOMINEES:**  
☐ Lance T. Funston  
☐ Brent Funston  
☐ S. David Fineman
- ☐ WITHHOLD AUTHORITY  
FOR ALL NOMINEES
- ☐ FOR ALL EXCEPT  
(See instructions below)

2. Advisory Approval of the Company's executive compensation.

FOR AGAINST ABSTAIN  
☐ ☐ ☐

3. Advisory vote on the frequency of the advisory vote on executive compensation.

1 year 2 years 3 years ABSTAIN  
☐ ☐ ☐ ☐

4. To ratify the appointment of CohnReznick LLP, as the Company's independent registered public accountants for the fiscal year ending November 30, 2018.

FOR AGAINST ABSTAIN  
☐ ☐ ☐

To grant the proxy the power to vote in his discretion upon such other matters as may properly come before the Meeting or any adjournment or postponement thereof.

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

**This proxy will be voted as directed. Unless otherwise directed, this Proxy will be voted for all proposals as indicated on the opposite side of this proxy card.**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED.**

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

☐

Signature of Shareholder

Date:

Signature of Shareholder

Date:

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

ANNUAL MEETING OF SHAREHOLDERS OF  
**CCA INDUSTRIES, INC.**

To Be Held On: June 20, 2018 at 2:00 p.m.

offices of Fineman, Krekstein & Harris P.C.  
1801 Market Street, Suite 1100, Philadelphia, PA 19103

**PROXY VOTING INSTRUCTIONS**

**INTERNET** - Access "[www.voteproxy.com](http://www.voteproxy.com)" and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.



**TELEPHONE** - Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until **11:59 PM EST** the day before the meeting.

**MAIL** - Sign, date and mail your proxy card in the envelope provided as soon as possible.

**IN PERSON** - You may vote your shares in person by attending the Annual Meeting.

**GO GREEN** - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via [www.astfinancial.com](http://www.astfinancial.com) to enjoy online access.

<b>COMPANY NUMBER</b>	
<b>ACCOUNT NUMBER</b>	

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING:**

The Notice of Meeting, Proxy Statement and Annual Report are available at <http://www.ccainvestor.com/2018>

↓ Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet. ↓

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THE BOARD OF DIRECTORS RECOMMENDS A "FOR" VOTE FOR PROPOSALS 1, 2 AND 4, AND "3 YEARS" ON PROPOSAL 3.  
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

1. Election of Directors:

- ☐ FOR ALL NOMINEES
- NOMINEES:  
☐ Lance T. Funston  
☐ Brent Funston  
☐ S. David Fineman
- ☐ WITHHOLD AUTHORITY FOR ALL NOMINEES
- ☐ FOR ALL EXCEPT (See instructions below)

2. Advisory Approval of the Company's executive compensation. ☐ FOR ☐ AGAINST ☐ ABSTAIN
3. Advisory vote on the frequency of the advisory vote on executive compensation. ☐ 1 year ☐ 2 years ☐ 3 years ☐ ABSTAIN
4. To ratify the appointment of CohnReznick LLP, as the Company's independent registered public accountants for the fiscal year ending November 30, 2018. ☐ FOR ☐ AGAINST ☐ ABSTAIN

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

To grant the proxy the power to vote in his discretion upon such other matters as may properly come before the Meeting or any adjournment or postponement thereof.

**This proxy will be voted as directed. Unless otherwise directed, this Proxy will be voted for all proposals as indicated on the opposite side of this proxy card.**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED.**

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

Signature of Shareholder \_\_\_\_\_ Date: \_\_\_\_\_ Signature of Shareholder \_\_\_\_\_ Date: \_\_\_\_\_

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

**GO GREEN**

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**CCA INDUSTRIES, INC.**

**PROXY SOLICITED BY THE BOARD OF DIRECTORS**

The undersigned, revoking all prior proxies, hereby appoints Lance T. Funston and Stephen A. Heit, and each of them, as proxies and attorneys in fact, with full power of substitution, to represent and vote all shares of common stock of CCA Industries, Inc. which the undersigned is entitled to vote at the Annual Meeting of Shareholders of CCA INDUSTRIES, INC., to be held at the offices of Fineman, Krekstein & Harris P.C. 1801 Market Street, Suite 1100, Philadelphia, PA 19103 on June 20, 2018 at 2 p.m., as directed on the reverse side upon the proposals, and in their discretion upon such other business as may properly come before the meeting or any adjournment or postponement thereof (all as more fully set forth in the Notice of Meeting and Proxy Statement, receipt of which is hereby acknowledged).

**THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF CCA INDUSTRIES, INC. UNLESS OTHERWISE SPECIFIED, IT WILL BE VOTED "FOR" THE ELECTION OF LANCE T. FUNSTON, BRENT FUNSTON AND S. DAVID FINEMAN AS DIRECTORS, "FOR" THE ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION, "THREE YEARS" ON ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION, "FOR" THE RATIFICATION OF THE APPOINTMENT OF COHNREZNICK LLP AND IN THE DISCRETION OF THE PROXY HOLDERS ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR AT ANY ADJOURNMENT OR POSTPONEMENT THEREOF.**

(Continued and to be signed on the reverse side)

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