

# FRMO CORP.

Notice of Annual Meeting of Shareholders  
August 26, 2014  
3:00 p.m. Local Time

We cordially invite you to attend the Annual Meeting of Shareholders of FRMO Corp. which will be held at The Harvard Club, 35 West 44<sup>th</sup> Street, New York, NY 10036 (The West Room) on Tuesday, August 26, 2014 at 3 p.m. eastern time. At the meeting, we will ask shareholders to:

1. Elect a Board of four directors; and
2. Vote on any other business which properly comes before the meeting.

At the meeting, we will also review our Fiscal 2014 financial results and outlook for the future. We will be available to answer your questions.

Shareholders of record at the close of business on July 15, 2014 are entitled to vote at the meeting or any adjournments thereof. Please read the attached Proxy Statement carefully and vote your shares promptly whether or not you are able to attend the meeting.

We encourage all shareholders to attend the meeting.

By Order of the Board of Directors

July 23, 2014

**Please assist the Company, and ensure that your vote is recorded, by signing your Proxy as soon as possible even if you plan to attend the annual meeting. If you do attend, you may vote in person and the Proxy will be superseded by the vote you cast at the meeting.**

**FRMO CORP.**  
**555 Taxter Road, Suite 175**  
**Elmsford, NY 10523**

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**PROXY STATEMENT**

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**Annual Meeting of Shareholders**

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This Proxy Statement (“Proxy Statement” or “Proxy”) is being made available to the Shareholders (the “Shareholders”) of FRMO Corp. a Delaware corporation (the “Company”), in connection with the solicitation of Proxies by the Board of Directors for use at the Annual Meeting of Shareholders (the “Meeting”) of the Company to be held on August 26, 2014 at 3:00 p.m. at the Harvard Club of New York City in the West Room at 35 West 44<sup>th</sup> Street, New York, NY, and at any adjournments thereof.

At the Meeting, Shareholders will be asked:

1. To elect four directors,
2. To transact such other business as may properly come before the Meeting or any adjournments of the Meeting.

July 15, 2014 is the record date (the “Record Date”) for the determination of the holders of the Company’s common shares, par value \$.001 per share (the “Common Shares”) entitled to notice of and to vote at the Meeting. Each such Shareholder will be entitled to one vote for each Common Share held on all matters to come before the Meeting and may vote in person or by Proxy authorized in writing. At the close of business on July 15, 2014, there were 43,504,712 Common Shares entitled to vote.

The Notice of Meeting, Proxy Statement, and Proxy Form were first sent to holders of Common Shares on or about July 23, 2014. The Annual Report for the fiscal year ended May 31, 2014 will

be filed on the Company's website, [www.frmocorp.com](http://www.frmocorp.com) and on the OTC Disclosure and News Service.

## **Annual Meeting Admission**

Admission to the FRMO Annual Meeting is limited to stockholders who owned Common Stock as of the close of business on July 15, 2014, the record date or their duly appointed proxies, and one guest. **Proof of ownership of FRMO stock and valid government-issued photo identification must be presented in order to be admitted to the Annual Meeting.** Each guest must present a valid government-issued photo identification. If your shares are held in the name of a bank, broker, or other holder of record, you must bring a brokerage statement or other proof of ownership (or the equivalent proof of ownership as of the close of business on the record date of the stockholder who granted you the proxy). If your shares are held in certificate form, ownership will be verified by consulting the list of Registered Shareholders as of the record date. Registration will begin at 2:00 p.m.

*No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting. Dress code for the Harvard Club is business casual (no jeans, sneakers or athletic wear permitted)*

## **Voting and Revocation of Proxies**

Shareholders are requested to complete, date, sign, and promptly return the Proxy Form. Common Shares represented by properly executed Proxies received by the Company and not revoked will be voted in accordance with the specifications, if any, made in the Proxy. If not otherwise specified in the Proxy, the shares will be voted for election of each nominee for director named herein.

If any other matters are properly presented at the Meeting for consideration including, among other items, consideration of a motion to adjourn the Meeting to another time and/or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the Proxy and acting thereunder will have discretion to vote on such matters in accordance with their best judgment.

Any Proxy signed and returned by a Shareholder may be revoked by request at the Meeting or by attending the Meeting and voting in person. Attendance at the Meeting will not in and of itself constitute revocation of a Proxy.

## **Proxy Solicitation**

The company will bear the costs of solicitation of Proxies for the Meeting. In addition to solicitation by mail, directors, officers, and regular employees of the Company may solicit Proxies from Shareholders by telephone, email, personal interview, or otherwise. Such directors, officers and employees will not receive additional compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. Brokers, nominees, fiduciaries and other custodians have been requested to forward soliciting material to the beneficial owners of Common Shares held of record by them, and such custodians will be reimbursed for their reasonable expenses.

## **TRADING SITE**

The Common Shares of the Company are traded on the OTC PINK platform under the symbol FRMO.

## **THE MEETING**

### **Date, Time, and Place**

The Meeting will be held on Tuesday, August 26, 2014 at 3:00 p.m. local time at the Harvard Club of New York City in the West Room at 35 West 44<sup>th</sup> Street, New York, NY 10036

### **Matters to be Considered**

At the Meeting, Shareholders will be asked to elect four directors. The Board of Directors knows of no matters that are to be brought before the Meeting other than as set forth in the Notice of Meeting. If any other matters properly come before the Meeting, the persons named in the proxy or their substitutes will vote in accordance with their best judgment on such matters.

### **Record Date, Shares Outstanding, and Entitled to Vote**

Shareholders as of the Record Date (i.e., the close of business on July 15, 2014) are entitled to notice of and to vote at the Meeting. As of the Record Date, there were 43,504,712 Common Shares outstanding and entitled to vote, with each share entitled to one vote.

## **Required Votes**

Under Delaware law, the affirmative vote of the holders of a plurality of the Common Shares voted at the Meeting is required to elect each director. Consequently, only shares that are voted in favor of a particular nominee will be counted toward such nominee's achievement of a plurality. Shares present at the Meeting that are not voted for a particular nominee (including broker non-votes) will not be counted toward such nominee's achievement of a plurality.

## **Election of Directors**

Four directors will be elected at this year's annual meeting. Each director will serve until the next annual meeting or until he is succeeded by another qualified director who has been elected. We will vote your shares as you specify when providing your Proxy. When you provide your Proxy, if you do not specify how you want your shares voted, we will vote them *for the election of all nominees listed below*. The Board of Directors recommends a vote FOR the nominees set forth below, each of whom was first elected to the Board on January 23, 2001. The following information was provided by the nominees.

### **Murray Stahl:**

Age 60. Mr. Stahl is Chairman of the Board and Chief Executive Officer of the Company. He is also Chief Investment Officer and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers. In addition, Mr. Stahl is a board member for the Minneapolis Grain Exchange and the Bermuda Stock Exchange. Prior to 1994, Mr. Stahl was with Bankers Trust for 16 years as a senior portfolio manager and research analyst.

### **Steven Bregman:**

Age 55. Mr. Bregman is President, Treasurer, and Chief Financial Officer of the Company. He is also the President and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers. Prior to 1994, Mr. Bregman was with Bankers Trust for 9 years where he was an Investment Officer in the bank's Private Client Group.

### **Peter Doyle:**

Age 52. Mr. Doyle is Vice President of the Company. He is also a Managing Director and co-founder of Horizon Kinetics LLC, the parent holding company to several registered investment advisers and broker-dealers, and serves as President of the Kinetics Mutual Funds, a series of U.S. mutual funds managed by a subsidiary of Horizon Kinetics LLC. Prior to 1994, Mr. Doyle was with Bankers Trust for 9 years as an Investment Officer.

### **Lawrence J. Goldstein:**

Age 78. Mr. Goldstein is the General Partner of Santa Monica Partners, L.P., a private investment partnership he founded in 1982. Prior thereto he was First Vice President of Drexel Burnham Lambert and a General Partner (Security Analyst and Fund Manager) of its predecessor Burnham & Company for 23 years.

## **INFORMATION CONCERNING THE BOARD OF DIRECTORS AND BOARD COMMITTEES**

### **Shareholder Nominations**

A Shareholder entitled to vote in the election of directors may nominate one or more persons for election as directors at the meeting if written notice of such Shareholder's intent to make such nomination has been given to the Company not less than five days prior to the meeting date. Such notice shall set forth the name and address of the Shareholder and his or her nominee, a representation that the Shareholder is entitled to vote at such meeting and intends to nominate such person, a description of all arrangements or understandings between the Shareholder and each nominee, such other information as would be appropriate to be included in a proxy statement soliciting proxies for the election of such Shareholder's nominee, and the consent of each nominee to serve as a director of the Company if so elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required to determine the eligibility of such proposed nominee to serve as a director of the Company.

### **Meetings and Committees**

Since July 25, 2013, the Board of Directors held nine meetings at which all directors were present. The Board of Directors has a standing Executive Committee and Audit Committee.

The Executive Committee exercises the authority of the Board of Directors in the management of the business of the Company at such times as the full Board of Directors is unavailable. The Executive Committee, currently consists of Messrs. Bregman (Chair), Stahl and Doyle.

The Audit Committee operates under a Charter adopted by the Company. Its members are Lawrence J. Goldstein and two directors of the Company's subsidiary, namely Allan Kornfeld (Chair) and Jay Hirschson. All the members are 'financially literate.' They review the Company's Annual Financial Statement and are invited to attend its Board Meetings.

### **Code of Ethics**

The Company has adopted a written Code of Ethics that applies to all of its directors, officers and employees. Any shareholder may obtain a paper copy of that Code free of charge by writing to Thérèse Byars, Corporate Secretary, at the address set forth on the top of page 1 above.

## **Officers Compensation**

The Officers of the Company, who are major shareholders, have agreed not to draw any salaries for the fiscal year ended May 31, 2014 or for the current fiscal year. A notional salary allocation is required under GAAP and accordingly non-cash compensation is recorded as an expense and as an increase to additional paid-in capital.

## **Stock Options**

The Company, from time to time, will issue stock options to officers, directors or key employees of FRMO Corp. or its subsidiary, which are designated to provide incentive for superior performance, the value of which will increase or decrease based upon the future price of the Common Shares. See the Company's Annual Report for stock options issued and outstanding on May 31, 2014.

## **Compensation of Directors**

The Company has not paid compensation to any director in the fiscal year ended May 31, 2014, and has made no arrangement to pay directors' fees in the current fiscal year. Only Allan Kornfeld and Jay Hirschson, directors of Fromex Equity Corp., a subsidiary of the Company, received a stock option in that period for 5,000 shares and 3,000 shares respectively of common stock each at \$6.67 per share.

## **Indemnification**

Pursuant to its By-Laws, the Company provides indemnification for all directors and officers of the Company and its subsidiaries. No claims have been made pursuant to this indemnification.



## **ANNUAL REPORT**

A copy of the company's Annual Report for the fiscal year ended May 31, 2014, as well as interim quarterly reports are posted on the Company's website, [www.frmocorp.com](http://www.frmocorp.com), and on the OTC Disclosure and New Service when available.

## **PROPOSALS BY SHAREHOLDERS**

Proposals that Shareholders wish to include in the Company's Proxy Statement and Proxy for presentation at the Company's 2015 Annual Meeting of Shareholders, presently scheduled to be held on August 25, 2015 must be received by the Company at 555 Taxter Road, Elmsford, NY 10523, Attention of Thérèse Byars, Corporate Secretary, no later than April 30, 2015.

July 23, 2014

By Order of the Board of Directors

Murray Stahl  
Chairman and Chief Executive Officer

Steven Bregman  
President, Treasurer, and Chief Financial Officer