

# Arcadia Resources Inc.

Arcadia Resources Inc., 9229 Delegates Row, Suite 260, Indianapolis, 46240 (www.arcadiareourcesinc.com) markets and sells surgical supplies, orthotic and prosthetic products, and durable medical equipment, such as wheelchairs and hospital beds and provides oxygen and other respiratory therapy services and equipment. The company also provides staffing and home care services. For the quarter ended June 30, the company reported a net loss of \$4.6 million, or 3 cents per diluted share, on \$26.4 million in revenue. That compares with a net loss of \$3.3 million, or 3 cents per diluted share, on \$26.8 million in revenue for the same period a year earlier. The company's shares trade on AMEX under the ticker symbol KAD. Information for Proxy Corner was taken from Bloomberg News and from the company's proxy statement dated Sept. 18, 2009.

| <b>VALUE</b>                       | <b>9/25/09</b>  | <b>9/25/08</b> |
|------------------------------------|-----------------|----------------|
| Shares of common stock outstanding | 161.3 million   | 134.9 million  |
| Market value of one common share   | \$1.08          | \$0.23         |
| Market value of common stock       | \$174.2 million | \$31.0 million |

## **NOTEWORTHY CONTROL**

### **Vicis Capital LLC**

Number of common shares: 28,405,554  
Percentage of common shares: 17.6

### **SDS Capital Group SPC Ltd.**

Number of common shares: 9,316,859  
Percentage of common shares: 5.8

### **JANA Master Fund Ltd.**

Number of common shares: 25,298,102  
Percentage of common shares: 15.7

## **EXECUTIVE COMPENSATION**

|   | <b>Total '08<br/>compensation</b> | <b>Salary<br/>Bonus</b> | <b>Stock and<br/>option grants (1)</b> | <b>All other<br/>pay (2)</b> | <b>% change (3)</b> |
|---|-----------------------------------|-------------------------|--|------------------------------|---------------------|
| <b>Marvin R. Richardson</b><br>president and CEO        | \$886,277                         | \$443,277<br>\$50,000   | \$384,000                              | \$9,000                      | 199.4%              |
| <b>Matthew R. Middendorf</b><br>chief financial officer | \$400,629                         | \$250,016<br>\$0        | \$142,667                              | \$7,946                      | 19.5%               |
| <b>Steven L. Zeller</b><br>chief operation officer      | \$329,447                         | \$226,456<br>\$0        | \$96,000                               | \$6,991                      | 52.3%               |
| <b>John Brady</b><br>executive vice president           | \$329,437                         | \$224,437<br>\$0        | \$96,000                               | \$9,000                      | -17.4%              |
| <b>Michelle M. Molin</b><br>former general counsel      | \$233,026                         | \$210,179<br>\$0        | \$0                                    | \$22,847                     | -7.1%               |

(1) Grant date fair value of stock and options awards, as calculated in company's proxy statement in its grant of plan-based awards table.

(2) Includes non-equity incentive plan compensation, above-market or preferential earnings on deferred compensation and all other annual compensation.

(3) Percentage increase or decrease in executive's total compensation vs. previous year.

## **DIRECTORS**

### **Marvin R. Richardson, 52**

Occupation: president and CEO of the company

Number of common shares: 2,820,526

Previous year: 2,187,193

### **John T. Thornton, 71**

Occupation: owner, J.T. Investments Inc.

Number of common shares: 550,716

Previous year: 251,403

### **Dr. Peter A. Brusca, 68**

Occupation: retired physician

Other directorships: ISMIE Mutual Insurance Co.

Number of common shares: 275,536

Previous year: 103,935

### **Joseph Mauriello, 64**

Occupation: retired deputy chairman, KPMG LLP.

Other directorships: XL Capital Ltd., Fidelity Funds

Number of common shares: 404,437

Previous year: 118,036

### **Russell T. Lund III, 48**

Occupation: chairman and CEO, Lund Food Holdings Inc.

Number of common shares: 3,375,144

Previous year: 3,322,324

### **Daniel Eisenstadt, 39**

Occupation: partner, MDM Equity Partners LLC

Number of common shares: 5,481,072

Previous year: 5,345,495

All officers and directors as a group (10 people) control 14,228,942 shares, or 8.7 percent of all common stock. That compares with 12,424,880 shares, or 9.3 percent, owned by 13 officers and directors the previous year.