

CRAZY EDDIE, INC.

Minutes of Special Meeting of
Board of Directors

A special meeting of the Board of Directors of CRAZY EDDIE, INC., a Delaware corporation (the "Corporation"), was held at the Corporation's headquarters at 140 Carter Drive, Edison, New Jersey on April 27, 1987 at 7:00 P.M.

Attendance and Organization

The following directors were present in person:

Sam E. Antar
Solomon E. Antar
Isaac Kairey
David V. Panoff

The following directors participated by means of a conference telephone by means of which all persons participating in the meeting could hear and speak to each other:

Eddie Antar
Mitchell Antar
Edmond Levy
William H. Saltzman
James H. Scott, Jr.

being nine of the eleven directors of the Corporation and as such a quorum. Directors Eddy Antar and Steven Pasquariello were absent from the meeting.

Also present by invitation were Mr. Alphonse A. Ferrara of Peat Marwick Main & Co., independent certified public accountants of the Corporation.

Eddie Antar served as Chairman of the meeting, and Solomon E. Antar acted as Secretary thereof.

Proof of Giving Notice of Meeting

The Chairman directed that Proof of Giving of Notice of the Meeting be annexed to the minutes of the meeting as Exhibit A.

I. Financial Results

Sam E. Antar, Executive Vice President and Chief Financial Officer of the Corporation, reported to the Board of Directors on the results of operations for the Corporation's fiscal year ended March 1, 1987 and for the fourth quarter of the 1987 fiscal year. He reported that the Corporation had net income of \$10.6 million, or \$0.34 per share, on sales of \$352.5 million for the fiscal year ended March 1, 1987, compared with net income of \$13.2 million, or \$0.48 per share, on sales of \$262.3 million for the fiscal year ended March 2, 1986. Earnings for the fourth quarter of fiscal 1987 were reported to be \$750,000, or \$0.02 per share, on sales of \$122.1 million, compared with earnings of \$7.1 million, or \$0.26 per share, on sales of \$99.8 million for the fourth quarter of fiscal 1986. The directors were presented with comparative statements of operations for both the fiscal year and quarter ended March 1, 1987 and they questioned Messrs. Ferrara and Sam E. Antar as to the reasons

for various changes in results of operations from the previous year, including a 28.7% decline in earnings per share in view of an increase of 34.4% in sales. After further discussions among the directors and explanations by Messrs. Ferrara and Sam E. Antar, upon motion duly made, seconded and carried, it was unanimously


RESOLVED, that the report of the Executive Vice President and Chief Financial Officer of the Corporation as to the results of operations of the Corporation for the fiscal year and the quarter ended March 1, 1987, as presented to the meeting at which this resolution is adopted be, and the same hereby is, approved.

II. Contribution to Profit Sharing Plan

The Board discussed the contributions made to the Corporation's Profit Sharing Plan for the fiscal year ended March 1, 1987. Upon motion duly made, seconded and carried, it was unanimously

RESOLVED, that the contributions in the aggregate amount of \$500,000 made by the Corporation to the Corporation's Profit Sharing Plan for the fiscal year ended March 1, 1987 be, and the same hereby are, in all respects approved, confirmed and ratified.

There being no further business the meeting was adjourned.


Solomon E. Antar,
Secretary