

SCHEDULE 14A
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

Ethan Allen Interiors Inc.

(Name of Registrant as Specified In Its Charter)

**Sandell Asset Management Corp.
Castlerigg Master Investments Ltd.
Castlerigg International Limited
Castlerigg International Holdings Limited
Castlerigg Offshore Holdings, Ltd.
Castlerigg Active Investment Fund, Ltd.
Castlerigg Active Investment Intermediate Fund, L.P.
Castlerigg Active Investment Master Fund, Ltd.
Castlerigg Equity Event and Arbitrage Fund
Thomas E. Sandell
Edward Glickman
Kathy Herbert
Richard Mansouri
Annelise Osborne
Ken Pilot
Alex Wolf**

(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 Rule 14a-6(i)(4) 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:

On September 15, 2015, Sandell Asset Management Corp. (“SAMC”) issued a press release commenting on recent changes to the board of directors (the “Board”) of Ethan Allen Interiors Inc. (the “Company”). A copy of the press release is filed herewith as Exhibit 1.

Also on September 15, 2015, SAMC posted various soliciting materials to www.RedesignEthanAllen.com (the “Website”). Copies of any content posted to the Website that have not previously been filed as soliciting materials are filed herewith as Exhibit 2.



SANDELL COMMENTS ON RECENT BOARD CHANGES AT ETHAN ALLEN

Belated and Transparent Attempt to Address Years of Governance Failings Falls Short of Real Change Needed at Ethan Allen

Farooq Kathwari Granted Five-Year Employment Agreement; Represents Continuation of “Imperial CEO” Status Quo

Sandell Launches “Redesign Ethan Allen” Website

New York (October 9, 2015) - Sandell Asset Management Corp. (“Sandell”), a large shareholder of Ethan Allen Interiors Inc. (“Ethan Allen” or the “Company”) (NYSE:ETH), has issued the following statement after reviewing recent announcements by Ethan Allen:

We believe the announcement by Ethan Allen on October 1 of the upcoming retirement of Frank Wisner and Kristin Gamble, two long-tenured Directors who have served on the Board of Directors (the “Board”) for 14 years and 23 years, respectively, is a self-serving and transparent attempt to address but one of the numerous governance failings that we have pointed out at the Company. Notably, this is yet another example of Farooq Kathwari and the Board that he chairs being reactive, not proactive, as this step was taken only after the nomination of Sandell’s highly-qualified and experienced slate of Director candidates and our firm’s public condemnation of what we believe to be the Company’s stale and entrenched Board and other poor governance practices. Shareholders should not be misled by what in our opinion is the Company’s superficial ploy to portray itself as embracing good governance practices – this is clearly too little, too late. To make a home design analogy, we believe these actions are the equivalent of Ethan Allen putting a fresh coat of paint on a house whose walls are cracked and whose foundation is sagging and attempting to pass it off as a new home.

Furthermore, we question the ability of the two new Directors, Domenick Esposito and Tara Stacom, that Ethan Allen has recently appointed to replace these “retiring” Directors, to effectively serve as a counter-weight to the will of Mr. Kathwari. As evidence of our concerns, we note that on October 2, Ethan Allen disclosed that Farooq Kathwari, the Company’s 71-year old Chairman, President and CEO – some of which positions he has held for the last 27 years - was just granted a new employment agreement with a five-year term and two automatic one-year extensions. The Company stated that, “As of September 29, 2015, the Company’s

Compensation Committee approved and the independent members of the Company's Board of Directors ratified" this employment agreement.

Aside from the length of its term, we are concerned by the narrow metrics in the employment agreement that the Compensation Committee is using to determine Mr. Kathwari's compensation, namely Adjusted Operating Income and Adjusted Operating Income per share. Furthermore, it is a concern that Mr. Kathwari's compensation does not appear tied to total shareholder return. As we have previously noted, Ethan Allen had underperformed its peers by a staggering 119% over a 10-year time frame. We believe that a CEO's compensation should be tied to shareholder returns in order to ensure focus on enhancing shareholder value and proper alignment with shareholder interests.

Fortunately, shareholders of Ethan Allen will soon be offered a choice as to which Directors they want to represent their interests on the Board. In order to further our goal of seeking election of our slate of candidates for the Board of Directors, we have launched a new website entitled "Redesign Ethan Allen," which is available at www.RedesignEthanAllen.com. We look forward to sharing our views as to how we believe our candidates for the Board can help the Company create value for all shareholders.

About Sandell Asset Management Corp.

Sandell Asset Management Corp. is a leading private, alternative asset management firm specializing in global corporate event-driven, multi-strategy investing with a strong focus on equity special situations and credit opportunities. Sandell Asset Management Corp. was founded in 1998 by Thomas E. Sandell and has offices in New York and London, including a global staff of investment professionals, traders and infrastructure specialists.

Contact:

Sandell Asset Management Corp.

Adam Hoffman, 212-603-5814

Okapi Partners LLC

Bruce Goldfarb, 212-297-0722 or Chuck Garske, 212-297-0724

Sloane & Company

Elliot Sloane, 212-446-1860 or Dan Zacchei, 212-446-1882

Sandell Asset Management Corp., Castlerigg Master Investments Ltd., Castlerigg International Limited, Castlerigg International Holdings Limited, Castlerigg Offshore Holdings, Ltd., Castlerigg Active Investment Fund, Ltd., Castlerigg Active Investment Intermediate Fund, L.P., Castlerigg Active Investment Master Fund, Ltd., Castlerigg

Equity Event and Arbitrage Fund, Thomas E. Sandell (collectively, "Sandell"), Edward Glickman, Kathy Herbert, Richard Mansouri, Annelise Osborne, Ken Pilot and Alex Wolf (collectively with Sandell, the "Participants"), intend to file with the Securities and Exchange Commission (the "SEC") a definitive proxy statement and accompanying form of proxy card to be used in connection with the solicitation of proxies from the stockholders of Ethan Allen Interiors Inc. (the "Company") in connection with the Company's 2015 annual meeting of stockholders. All stockholders of the Company are advised to read the definitive proxy statement and other documents related to the solicitation of proxies by the participants when they become available, as they will contain important information, including additional information related to the participants. When completed, the definitive proxy statement and an accompanying proxy card will be furnished to some or all of the Company's stockholders and will be, along with other relevant documents, available at no charge on the SEC website at <http://www.sec.gov/> and at our website at <http://www.RedesignEthanAllen.com>.

Information about the Participants and a description of their direct or indirect interests by security holdings is contained in Exhibit 2 to the Schedule 14A filed by Sandell Asset Management Corp. with the SEC on September 15, 2015. This document can be obtained free of charge from the sources indicated above.

DISCLAIMER

Sandell Asset Management Corp., Castlerigg Master Investments Ltd., Castlerigg International Limited, Castlerigg International Holdings Limited, Castlerigg Offshore Holdings, Ltd., Castlerigg Active Investment Fund, Ltd., Castlerigg Active Investment Intermediate Fund, L.P., Castlerigg Active Investment Master Fund, Ltd., Castlerigg Equity Event and Arbitrage Fund, Thomas E. Sandell (collectively, "Sandell"), Edward Glickman, Kathy Herbert, Richard Mansouri, Annelise Osborne, Ken Pilot and Alex Wolf (collectively with Sandell, the "Participants"), intend to file with the Securities and Exchange Commission (the "SEC") a definitive proxy statement and accompanying form of proxy card to be used in connection with the solicitation of proxies from the stockholders of Ethan Allen Interiors Inc. (the "Company") in connection with the Company's 2015 annual meeting of stockholders. All stockholders of the Company are advised to read the definitive proxy statement and other documents related to the solicitation of proxies by the participants when they become available, as they will contain important information, including additional information related to the participants. When completed, the definitive proxy statement and an accompanying proxy card will be furnished to some or all of the Company's stockholders and will be, along with other relevant documents, available at no charge on the SEC website at <http://www.sec.gov/>.

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Cautionary Statement Regarding ForwardLooking Statements

The information herein contains "forwardlooking statements." Specific forwardlooking statements can be identified by the fact that they do not relate strictly to historical or current

facts and include, without limitation, words such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," "seeks," "could" or the negative of such terms or other variations on such terms or comparable terminology. Similarly, statements that describe our objectives, plans or goals are forwardlooking. Sandell's forwardlooking statements are based on its current intent, belief, expectations, estimates and projections regarding the Company and projections regarding the industry in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to differ materially. Accordingly, you should not rely upon forward looking statements as a prediction of actual results and actual results may vary materially from what is expressed in or indicated by the forwardlooking statements.

I confirm that I have read the terms of this website.

Why Redesign Ethan Allen?

- Shareholders of Ethan Allen have suffered *years of underperformance* versus the Company's own selected proxy peers under the leadership of Chairman and CEO Farooq Kathwari and its Board of Directors
- It is our belief that these underlying issues can be traced to one root cause: namely *poor corporate governance*
- We believe Ethan Allen is a company rife with poor governance practices in the form of a *stale and entrenched board* led by what in our opinion is the *prototypical "Imperial CEO"*

PRESS RELEASES

[Sandell Comments on Recent Board Changes at Ethan Allen
\(http://www.redesignethanallen.com/content/uploads/2015/10/Oct9Release.pdf\)](http://www.redesignethanallen.com/content/uploads/2015/10/Oct9Release.pdf)

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August 14, 2015

[View All Press Releases \(/press-releases/\)](#)

NOMINEES

We believe that Ethan Allen is in desperate need of a new and improved Board comprised of highly-qualified individuals capable of bringing fresh perspective and new ideas to the Company.

We believe the following candidates possess the experience and acumen necessary to effect change in a manner that would create significant value for all shareholders.

Edward Glickman

Former President of Pennsylvania Real Estate Investment Trust

[View full bio >> \(/edward-glickman/\)](#)

Kathy Herbert

Former Executive Vice President of Human Resources at Albertson's, Inc.

[View full bio >> \(/kathy-herbert/\)](#)

Richard Mansouri

Managing Director at Sandell Asset Management Corp.

[View full bio >> \(/richard-mansouri/\)](#)

Annelise Osborne

Senior Vice President at Moody's Investor Service

[View full bio >> \(/annelise-osborne/\)](#)

Ken Pilot

Former President of ABC Carpet & Home

[View full bio >> \(/ken-pilot/\)](#)

Alex Wolf

Former Partner/Managing Director at Cerberus Capital Management, LP

[View full bio >> \(/alex-wolf/\)](#)



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[VIEWFULL BIO \(/edward-glickman/\)](#)

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[VIEW FULL BIO \(/richard-mansourn/\)](#)

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Senior Vice President at Moody's Investor Service

[VIEW FULL BIO \(/annelise-osborne/\)](#)

Ken Pilot

Former President of ABC Carpet & Home

[VIEW FULL BIO \(/ken-pilot/\)](#)

Alex Wolf

Former Partner/Managing Director at Cerberus Capital Management, L.P.

[VIEW FULL BIO \(/alex-wolf/\)](#)

[Proposed Nominees \(/proposed-nominees/\)](#) > Edward Glickman



Former President of Pennsylvania Real Estate Investment Trust

Currently the Executive Chair of FG Asset Management US, an asset management and investment firm, since 2013, Edward Glickman has over 25 years of real estate experience encompassing both operations and finance. He was the President, Chief Operating Officer, and Trustee of a multi-billion dollar publicly-traded REIT, the Pennsylvania Real Estate Investment Trust ("PREIT"), from 2004 until 2012, and had previously served as Executive Vice President and Chief Financial Officer of PREIT from 1997 to 2004. Having taught at NYU since 2002, Mr. Glickman served as the Executive Director of the Center for Real Estate Finance Research and Clinical Professor of Finance at New York University's Stern School of Business and currently holds an Adjunct appointment at Drexel University's LeBow College of Business. Mr. Glickman currently sits on the board of directors of Equity Commonwealth, a publicly-traded REIT. Mr. Glickman graduated from the University of Pennsylvania with a B.S. from The Wharton School and a B.A.S. from the College of Engineering and Applied Science and received an M.B.A. from the Harvard Graduate School of Business Administration.

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[Proposed Nominees \(/proposed-nominees/\)](#) > Kathy Herbert



Former Executive Vice President of Human Resources at Albertson's, Inc.

With 35 years of experience in human resources and operations in the retail space, Kathy Herbert brings a wealth of practical expertise to solve complex, cross-functional business problems. Ms. Herbert was Executive Vice President of Human Resources at the \$44 billion food and drug retailer Albertsons, Inc. from 2001 to 2006, having joined the company from Jewel-Osco, which was acquired by Albertson's. While at Jewel-Osco from 1969 to 2001, Ms. Herbert took on a number of progressive roles including Vice-President of Human Resources, where she was responsible for developing plans to integrate senior leadership upon the acquisition of Jewel Osco by Albertson's as well developing plans for management succession. She was on the Board of Directors of Covidien, a \$10 billion global healthcare company from 2007 to 2012, and currently serves on the board of directors of the private packaged foods company Hooray Puree. Ms. Herbert has an M.B.A. from Lake Forest Graduate School of Management.

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[Proposed Nominees \(/proposed-nominees/\)](#) > Richard Mansouri



Managing Director at Sandell Asset Management Corp.

As a Managing Director at Sandell Asset Management Corp. since 2013, Richard Mansouri is responsible for the research and analysis of numerous publicly-traded equity securities and has been instrumental in expanding Sandell's shareholder activist efforts in the United States. Having developed specialized knowledge involving situations with an activist or governance-oriented component, Mr. Mansouri has over 20 years of investment experience across a number of industries beginning at Elliott Associates, LP from 1995 to 2001, where he was a Senior Analyst/Portfolio Manager. Mr. Mansouri has subsequently worked as a Partner/Member at Para Advisors LLC, Portfolio Manager and Head of Research at DellaCamera Capital Management, LLC, and Portfolio Manager and Managing Member of Ridge Road Asset Management LLC. Mr. Mansouri graduated magna cum laude from the University of Pennsylvania with a Bachelor of Science in Economics from The Wharton School and a Bachelor of Science in Engineering from The Moore School of Electrical Engineering.

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[Proposed Nominees \(/proposed-nominees/\)](#) > Annelise Osborne



Senior Vice President at Moody's Investor Service

Senior Vice President in the Commercial Real Estate Finance Group at Moody's Investor Service, Annelise Osborne has 16 years of finance experience that encompasses the evaluation of a wide range of transactions. Ms. Osborne has a vast breadth of knowledge in real estate, credit, and structured finance. She has led sizable teams of analysts involved in developing and analyzing credit ratings involving floating and fixed rate credits across various asset classes and real estate property types. She has served as a rating committee chair and has contributed to firm-wide methodology and quantitative framework for the valuation and analysis of loans. Ms. Osborne held positions at Jones Lang LaSalle and W.P. Carey spanning transactional and asset management disciplines. She is active in leadership positions at the Commercial Real Estate Finance Council, has served on two charitable boards, and has lectured at Columbia and NYU. She graduated with a B.A. degree in Economics from The College of William and Mary and has an M.B.A. from Columbia Business School.

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[Proposed Nominees \(/proposed-nominees/\)](#) > Ken Pilot



Former President of ABC Carpet & Home

Ken Pilot has over 30 years of experience across all aspects of the retail business including merchandising, operations, e-commerce, logistics, sourcing and production and has particularly valuable expertise in home furnishing retailing as the former President of ABC Carpet & Home from 2010 until May of 2015. During Mr. Pilot's tenure as President, ABC Carpet doubled in profitability over a three year period and saw a sharp turnaround in comp store sales, which increased during his leadership to over +20% from a previous level of -7%. Currently the co-founder of Pilot Consulting Practice LLC, Mr. Pilot worked at Gap, Inc. from 1989 to 2002, where he launched Gap Outlet, was President of Gap International, and ultimately served as President of Gap Global overseeing merchandising, sourcing, store operations, finance, and human resources, with revenues in excess of \$4 billion. He subsequently served as President of Polo Ralph Lauren Factory Stores and New Business Development, President of the Martin and Osa concept at American Eagle Outfitters, and CEO of RobotGalaxy. He graduated with a B.A. degree in History from Colgate University in 1983.

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[Proposed Nominees \(/proposed-nominees/\)](#) > Alex Wolf



Former Partner/Managing Director at Cerberus Capital Management, LP

As a former Partner/Managing Director in the Private Equity Group at Cerberus Capital Management, LP where he worked from 2001 to 2012, Mr. Wolf has been involved in the acquisition and post-acquisition management of numerous companies across a wide variety of industries involving billions of dollars of committed equity capital. Mr. Wolf is currently the Founder and Managing Partner of Kingswood Capital Management, a private investment firm focused on building a portfolio of high-quality middle market companies. Prior to joining Cerberus, Mr. Wolf was in the Mezzanine and Private Equity Group at Ares Management, where he worked from 1997 to 1999. Mr. Wolf graduated with a B.A. degree from Duke University and has an M.B.A. from the Stanford University Graduate School of Business.

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MEDIA

Dan Zacchei
Sloane & Company
212-486-9500
(tel:212-486-9500)DZacchei@SloanePR.com (<mailto:DZacchei@SloanePR.com>)
INVESTORS

Bruce Goldfarb/Chuck Garske/Lisa Patel
Okapi Partners LLC
212-297-0720 (tel:212-297-0720) or 877-259-6290 (tel:877-259-6290) (toll free)
info@okapipartners.com (<mailto:info@okapipartners.com>)

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