

Ethos Environmental, Inc.
Form SC 13D/A
October 25, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

(Amendment No. 1)

ETHOS ENVIRONMENTAL, INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.0001 PER SHARE

(Title of Class of Securities)

CUSIP No. 29765X 10 1

(CUSIP Number)

David Skriloff
MKM Capital Advisors, LLC
420 Lexington Avenue, Suite 1718
New York, NY 10170

With Copies To:

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James M. Turner, Esq.
Sichenzia Ross Friedman Ference LLP
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(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

October 13, 2010

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(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box ..

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on following pages)

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13D

Page 2 of 7 Pages

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 MKM Opportunity Master Fund, Ltd.
CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP

(a) ..
(b) x Reporting person
is affiliated with other
persons

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 WC
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands
7

SOLE VOTING POWER

8 NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
9 EACH REPORTING
PERSON WITH

SHARED VOTING POWER

9,913,214*

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

9,913,214*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9,913,214*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.99% *

14 TYPE OF REPORTING PERSON

0

0

CO

*See Item 3 – Source and Amount of Funds or Other Consideration.

CUSIP No. 29765X 10 1

13D

Page 3 of 7 Pages

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 MKM Capital Advisors, LLC
CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP

(a)
(b) Reporting person
is affiliated with other
persons

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 WC
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7

SOLE VOTING POWER

0

NUMBER OF
SHARES

8

SHARED VOTING POWER

BENEFICIALLY
OWNED BY

9

9,913,214*

EACH REPORTING
PERSON WITH

10

SOLE DISPOSITIVE POWER

0

SHARED DISPOSITIVE POWER

9,913,214*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9,913,214*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.99*

14 TYPE OF REPORTING PERSON

0

0

OO

*See Item 3 – Source and Amount of Funds or Other Consideration.

CUSIP No. 29765X 10 1

13D

Page 4 of 7 Pages

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

David Skriloff

2 CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP

(a)
(b) Reporting person
is affiliated with other
persons

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7

SOLE VOTING POWER

0

NUMBER OF 8
SHARES

SHARED VOTING POWER

BENEFICIALLY 9
OWNED BY

9,913,214*
SOLE DISPOSITIVE POWER

EACH REPORTING
PERSON WITH

10

0
SHARED DISPOSITIVE POWER

9,913,214*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9,913,214*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.99%*

14 TYPE OF REPORTING PERSON

0

0

7

IN

*See Item 3 – Source and Amount of Funds or Other Consideration.

Item 1. Security and Issuer

This statement relates to the common stock, \$0.0001 par value per share (the "Common Stock"), of Ethos Environmental, Inc., a Nevada Corporation (the "Issuer"). The principal offices of the Issuer are located at 6800 Gateway Park, San Diego, CA 92154.

Item 2. Identity and Background.

(a)-(c), (f). This statement is being filed by MKM Opportunity Master Fund, Ltd. ("MKM Opportunity"), MKM Capital Advisors, LLC ("MKM Capital") and David Skriloff ("Skriloff"; MKM Opportunity, MKM Capital and Skriloff collectively, the "Reporting Persons").

MKM Opportunity, a Cayman Islands corporation, whose business address is c/o MKM Capital, 420 Lexington Avenue, Suite 1718, New York, NY 10170, is primarily engaged in the business of investments.

MKM Capital, a Delaware limited liability company, whose business address is 420 Lexington Avenue, Suite 1718, New York, NY 10170, is primarily engaged in the business of investments.

Skriloff, a United States citizen, has a business address at c/o MKM Capital, 420 Lexington Avenue, Suite 1718, New York, NY 10170.

MKM Capital Advisors serves as investment manager to MKM Opportunity and, as such, may be deemed to hold an indirect beneficial interest in the shares of Common Stock that are directly beneficially owned by MKM Opportunity. David Skriloff is the managing member of MKM Capital and the portfolio manager of MKM Opportunity, and, as such, may be deemed to hold an indirect beneficial interest in the shares of Common Stock that are directly beneficially owned by MKM Opportunity. Each Reporting Person disclaims beneficial ownership of all securities other than those owned of record by such Reporting Person.

(d) and (e). During the last five years, the Reporting Persons have not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction in which the Reporting Persons were or are the subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

On August 11, 2008, MKM Opportunity entered into a Stock Purchase Agreement and a Note and Warrant Purchase Agreement with the Issuer for the purchase of (i) 909,091 restricted shares of the Issuer's Common Stock, (ii) convertible promissory notes in the aggregate principal amount of \$300,000 (the "Notes"), and a warrant to purchase up to 1,000,000 shares of the Issuer's Common Stock at an exercise price of \$0.75 per share (the "Warrant"). The Notes are convertible, only upon an event of default, into Common Stock at a conversion price of \$0.25 per share.

On September 25, 2008, MKM Opportunity entered into a Private Placement Subscription Agreement with the Issuer for (i) the purchase of 750,000 restricted shares of the Issuer's Common Stock, (ii) changing the strike price of the Warrant to \$0.37 per share and a waiver of the anti-dilution provisions in the Warrant, and (iii) a new warrant for the purchase of up to 500,000 shares of the Issuer's Common Stock at an exercise price of \$0.30 per share (the "October Warrant") in exchange for \$150,000.

On January 9, 2009, MKM Opportunity entered into a Settlement Agreement and General Release (the "Settlement Agreement") with the Issuer pursuant to which the Issuer and MKM Opportunity amended the terms and conditions relating to a series of transactions by and between the Issuer and MKM Opportunity, as set forth herein. In August 2008, the Issuer issued a Note and Warrant, as more fully described in the first paragraph of this Item 3. Subsequently, in October 2008, the Issuer issued the October Warrant, as more fully described in the second paragraph of this Item 3. The Note, Warrant and October Warrant shall collectively be referred to as the "Prior Agreements." The parties have resolved to terminate the Prior Agreements and enter into a new warrant and note pursuant to the terms and conditions herein as fully set forth in the Settlement Agreement.

Pursuant to the terms of the Settlement Agreement, MKM Opportunity provided additional financing to the Issuer in the amount of \$250,000 and, in exchange, the Issuer agreed to: (i) issue to MKM Opportunity 500,000 shares of the Issuer's Common Stock; (ii) issue to MKM Opportunity a five-year warrant to purchase up to 1,500,000 shares of the Issuer's Common Stock at an exercise price of \$0.25 per share; and (iii) issue to MKM Opportunity a replacement convertible promissory note in the principal amount of \$550,000.

Between the dates of March 14, 2009 and April 15, 2009, MKM Opportunity participated in the Issuer's offering of 12% convertible debentures (the "Private Placement"). In the Private Placement, MKM Opportunity purchased, in the aggregate, (i) convertible debentures in the principal amount of \$475,000; (ii) warrants to purchase up to 475,000 shares of the Issuer's Common Stock; and (iii) 313,500 shares of the Issuer's Common Stock.

On May 8, 2009, MKM Opportunity participated in the Issuer's offering of 10% convertible debentures (the "May PP"). In the May PP, MKM Opportunity purchased, in the aggregate, (i) convertible debentures in the principal amount of \$25,000; (ii) warrants to purchase up to 50,000 shares of the Issuer's Common Stock; and (iii) 10,000 shares of the Issuer's Common Stock.

On May 8, 2009, the Registrant issued a common stock purchase warrant (the "Purchase Warrant") to MKM to purchase up to 100,000 shares of common stock of the Registrant at a price of \$0.40 per share. The Purchase Warrant was issued in connection with a loan made by MKM to the Registrant of \$100,000 pursuant to a promissory note (the "P-Note") also dated May 8, 2009. The P-Note is due on June 7, 2009 and carries simple interest of 10%. The Purchase Warrant, which expires on May 8, 2012, contains anti-dilution provisions and other customary provisions. The Purchase Warrant was offered and issued to MKM in a private placement transaction made in reliance upon exemption from registration pursuant to Section 4(2) of the Securities Act of 1933.

As of October 13, 2010, MKM Opportunity owned 2,584,685 shares of Common Stock, warrants to purchase up to 8,900,000 shares of Common Stock and convertible debentures in the principal face amount of \$1,200,000 that are convertible into 12,000,000 shares of Common Stock.

All of the foregoing warrants and convertible securities (together, the "Blocked Securities") include a limitation on conversion or exercise, which provides that at no time will MKM Opportunity be entitled to convert any portion of the Blocked Securities that would result in the beneficial ownership by MKM Opportunity of more than 9.99% of the outstanding shares of the Issuer's Common Stock (the "9.99% Limitation"). As such, but for the 9.99% Limitation, MKM Opportunity would be able to convert the Blocked Securities for an aggregate total of 20,900,000 shares of Common Stock, including the shares of common stock owned by MKM Opportunity (or approximately 23.66% of the outstanding Common Stock as of this date). For purposes of determining the percentages reported in this Schedule 13D, the Reporting Persons utilized 99,231,381 shares as the Issuer's total number of outstanding shares of Common Stock (as reported on the Issuer's Current Report on Form 8K as of November 24, 2009).

For purposes of this Schedule 13D, the total number of shares reported as beneficially owned by the Reporting Persons is 9,913,214 shares, which is the maximum number of shares of the Issuer's Common Stock beneficially owned by the Reporting Persons in accordance with the 9.99% Limitation, based upon 2,584,685 shares of Common Stock owned by the Reporting Persons and an additional 7,328,529 shares of Common Stock issuable upon exercise of warrants and/or conversion of convertible debentures.

Item 4. Purpose of Transaction.

The shares acquired by the Reporting Persons were issued for the purpose of acquiring an interest in the Issuer. The Reporting Persons do not have any present plan or proposal as a stockholder which relates to, or would result in any action with respect to, the matters listed in paragraphs (a) through (j) of Item 4 of Schedule 13D. In the future, the Reporting Persons may decide to purchase additional shares of Common Stock in the open market or a private transaction, or to sell any or all of their shares of Common Stock.

Item 5. Interest in Securities of the Issuer.

(a) The RT FACE="TIMES NEW ROMAN, TIMES, SERIF" SIZE="2">2,063

45,000

	9,315
and Director of 2003	225,000
	265,000
	7,800
	22,500
	11,400
Investment	
Management Products	
& Services	

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Townsend Thomas 2005		175,000
	150,000	
		1,088
		20,000
		4,577
Senior Vice President and 2004		175,000
	120,000	
		3,733
		15,000
		9,315
Chief Content Officer 2003		126,923
	130,000	
		1,587
		11,250
		11,400
Peter G. Walsh (5) 2005		208,846
	285,000	

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		70,000
		5,700
Senior Vice President, 2004		N/A
	N/A	
		N/A
		N/A
		N/A
		N/A
Chief Financial 2003		N/A
	N/A	
		N/A
		N/A
		N/A
		N/A
Officer and Treasurer		
Ernest S. Wong (3) 2005		112,500
		5,612
		14

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		252,000
		8,400
Former Senior Vice 2004		225,000
	175,000	
		6,888
		15,000
		9,315
President, Chief 2003		225,000
	200,000	
		7,875
		11,250
		11,400
Financial Officer, Treasurer and Secretary		

-
- (1) Fiscal 2005 amounts include \$6,150; \$13,032; \$5,438; \$1,088; and \$5,612, respectively, for personal use of Company automobiles by Messrs. Hadley, DiChristina, Frankenfield, Thomas and Wong. Fiscal 2004 amounts include \$7,350; \$4,100; \$2,063; \$3,733; and \$6,888, respectively, for personal use of Company automobiles by Messrs. Hadley, DiChristina, Frankenfield, Thomas and Wong. Fiscal 2003 amounts include \$8,268; \$4,850; \$7,800; \$1,587; and \$7,875, respectively, for personal use of Company automobiles by Messrs. Hadley, DiChristina, Frankenfield, Thomas and Wong.
- (2) Option grants made to Named Executive Officers for all years presented give retroactive effect to the 3-for-2 stock split that occurred on February 4, 2005.

-
- (3) On March 1, 2005, Ernest S. Wong stepped down from his position as Senior Vice President, Chief Financial Officer, Secretary and Treasurer of FactSet. On that same date, FactSet entered into a resignation, separation of employment and general release agreement with Mr. Wong, pursuant to which Mr. Wong will continue to be an employee of the Company until December 30, 2005. During that period he

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will, pursuant to the agreement, provide advisory and consultative services to the finance department. Under the terms of the agreement, Mr. Wong will receive: (i) a payment of \$112,500 on or before March 4, 2005; (ii) periodic payments totaling approximately \$134,000 on or before December 30, 2005; and (iii) approximately \$5,500 on December 30, 2005. In addition, the agreement provides for a release of claims by Mr. Wong and the Company and other terms and conditions customary for agreements of this nature.

- (4) Fiscal 2005 amounts represent matching contributions made by FactSet on behalf of each named Executive Officer to FactSet's 401(k) plan. Fiscal year 2004 and 2003 amounts of \$9,315 and \$11,400, respectively, represent annual employer contributions to the named Executive Officers' ESOP accounts. During fiscal 2005, the Company terminated its ESOP plan and implemented an employer-funded matching component to its existing 401(k) retirement plan whereby FactSet matches up to 4% of employees' bi-weekly earnings, capped at the IRS annual maximum.
- (5) On March 1, 2005, Peter G. Walsh was appointed Senior Vice President, Chief Financial Officer and Treasurer of FactSet.

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Compensation Pursuant to Stock Options

Stock Option Grants in the Last Fiscal Year. During fiscal 2005, Messrs. Hadley, DiChristina, Thomas, Frankenfield and Walsh were granted stock options to purchase 35,000, 35,000, 20,000, 25,000 and 70,000 shares of FactSet's Common Stock, respectively. The options expire ten years from the date of grant and vest over a five-year period at a rate of 20% per year beginning one year after the grant date. The option exercise price was the fair value of FactSet's stock on the grant date. No other stock option grants were made to the named Executive Officers in fiscal 2005.

Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal 2005 (%)	Exercise or Base Price (\$/sh)	Expiration Date	Grant Date (1) Fair Value (\$)
Philip A. Hadley	35,000	2.6	\$29.00	4/20/2015	\$289,800
Michael F. DiChristina	35,000	2.6	\$29.00	4/20/2015	289,000
Michael D. Frankenfield	25,000	1.9	\$29.00	4/20/2015	207,000
Townsend Thomas	20,000	1.5	\$29.00	4/20/2015	165,600
Peter G. Walsh	70,000	5.2	\$29.00	4/20/2015	579,600
Ernest S. Wong					

- (1) The fair value of the option grant is estimated using a binomial option-pricing model. Assumptions utilized in the model were term structure of risk-free rates of return ranging from 2.78% to 4.21%, term structure of volatility ranging from 26% to 49.81% and a dividend yield of 0.70%. Expected life, an output in a binomial option-pricing model, is 3.73 years.

Aggregated Stock Option Exercises in Last Fiscal Year and Fiscal Year-End Stock Option Values

The following table provides information on stock option exercises in fiscal 2005 by the named Executive Officers and the value of such officers' unexercised stock options at August 31, 2005.

Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End	Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End (\$)(2)
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Name	Shares Acquired On Exercise (#)	Value Realized \$(1)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End		Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End \$(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Philip A. Hadley			273,214	98,534	\$4,159,015	\$ 1,055,752
M. DiChristina	40,923	944,960	238,861	98,504	3,660,923	1,052,516
M. Frankenfield	29,025	807,312	117,074	74,386	1,990,614	813,646
Townsend Thomas			143,086	41,913	2,717,949	435,748
Peter G. Walsh	4,800	162,300	46,124	98,875	669,992	792,783
Ernest S. Wong	51,310	1,320,070	128,131	21,911	2,684,050	315,724

- (1) Based upon the market price of the purchased shares on the exercise date less the option exercise price paid for such shares.
- (2) Based upon the market price of \$35.00 per share, which was the closing selling price per share of Common Stock on the New York Stock Exchange on the last day of FactSet's 2005 fiscal year, less the option exercise price payable per share.

Report on Executive Compensation

The Compensation Committee (the Committee) is responsible for administering FactSet's executive compensation policies and practices. The Committee is composed solely of outside directors and reports regularly to the Board. Outside directors are not eligible to participate in any of the plans or programs it administers. In fiscal 2005, the Committee reviewed cash compensation for the Chairman and the Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, the Chief Technology Officer, the Director of Sales and Marketing and the Director of Product Development. The Committee also reviews and approves the aggregate number of options granted to employees to purchase Common Stock of

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FactSet. The Committee also reviews the size of grants made to each senior executive team member noted above and to specific employee performance peer groups.

Compensation for the named Executive Officers and other key management positions is designed to:

1. Attract, retain and motivate key personnel.
2. Be competitive with compensation offered for similar positions by other companies in the technology and financial services industries.
3. Tie a meaningful portion of compensation to our operating and financial performance through annual bonuses.
4. Link the financial interests of key employees and FactSet's stockholders via stock-based incentives.

Overall, we aim to deliver compensation contingent on achievement of superior levels of Company and individual performance. Compensation is delivered through three major components, as described below:

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Base Salary. Base salaries have been established according to the experience and qualifications of the individual executives. Generally, base salaries are intended to be sufficiently competitive to attract and retain key employees, although they are secondary to a view of total cash compensation.

Annual Bonus. Annual bonuses have been determined on a discretionary basis considering a number of factors including FactSet's profitability, revenue growth, achievement of strategic and department goals, individual performance and competitive market practices. In the normal course of business, the Committee determines the bonuses for the named Executive Officers based on our operational and financial performance.

Stock Based Incentives. Stock options have been intended to align incentives with long-term stock performance and act as a motivational and retention tool. Stock option grants were made in fiscal 2005 to selected key employees based on individual contribution and potential.

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), imposes a limitation on the deductibility of nonperformance-based compensation in excess of \$1 million paid to named Executive Officers. As such, compensation paid in fiscal 2005 by FactSet is fully tax-deductible. The tax deductibility of compensation for the named Executive Officers will be preserved as long as such actions are consistent with the Committee's compensation policies and objectives and are in the best interests of the Company and its stockholders.

The Committee believes that the fiscal 2005 compensation of the named Executive Officers was aligned with FactSet's performance and returns to shareholders and provided a balanced mix between base pay and incentive compensation.

SUBMITTED BY THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Joseph E. Laird, Jr., Chairman James J. McGonigle

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Employment Agreements

On March 1, 2005, FactSet entered into a resignation, separation of employment and general release agreement with Ernest S. Wong, pursuant to which Mr. Wong will continue to be an employee of the Company until December 30, 2005. During that period he will, pursuant to the agreement, provide advisory and consultative services to the finance department. Under the terms of the agreement, Mr. Wong will receive: (i) a payment of \$112,500 on or before March 4, 2005; (ii) periodic payments totaling approximately \$134,000 on or before December 30, 2005; and (iii) approximately \$5,500 on December 30, 2005. In addition, the agreement provides for a release of claims by Mr. Wong and the Company and other terms and conditions customary for agreements of this nature.

On March 1, 2005, an oral agreement between the FactSet and Mr. Walsh became effective that amended an existing letter agreement with the Company dated September 20, 1999 (the Letter Agreement). Under the terms of the amendment, Mr. Walsh's annual salary increased to \$225,000, his bonus opportunity now ranges from \$250,000 to \$300,000 for fiscal 2005 and he is the fourth ranked officer of the Company. In addition, Mr. Walsh was granted options for FactSet common stock of approximately \$2 million based on the market price of the stock at the date of the grant. Mr. Walsh's option grant was issued at the time of regular option grants for fiscal year 2005, after approval by the Company's board of directors. The amendment reaffirmed the Letter Agreement, which remains in effect and which is to be superseded by a written agreement only if all other officers of the Company ranked more highly than Mr. Walsh also enter into written employment agreements with the Company. The Letter Agreement grants to Mr. Walsh: (i) a payment equal to his compensation in the prior twelve months if his employment is terminated without cause; and (ii) a payment equal to twice his compensation in the prior twelve months and benefits for 24 months in the event of a change of control of the Company.

At the end of fiscal 2005, we did not have employment agreements with Messrs. Hadley, DiChristina, Frankenfield or Thomas.

Performance Graph. Comparison of cumulative total return among FactSet, the S&P 500 Index, and the NASDAQ Computer Index.

At August 31, 2005 the price per common share was \$35.00. At fiscal year-end 2004, 2003, 2002, 2001 and 2000, the price per common share was \$29.69, \$32.37, \$16.53, \$16.90 and \$22.79, respectively. All share prices give retroactive effect to the 3-for-2 stock split that occurred on February 4, 2005. The stock performance graph assumes an investment of \$100 on August 31, 2000 in FactSet Common Stock and an investment of \$100 at that time in both the S&P 500 Index and the NASDAQ Computer Index. This performance graph assumes reinvestment of

dividends for FactSet Common Stock and the S&P 500 Index only.

Equity Compensation Plan Information

The following table provides certain information as of August 31, 2004 with respect to our equity compensation plans:

Thousands, except per share data
At August 31, 2005

Plan category	(a)	(b)	(c)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuances under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	7,020	\$ 21.32	7,981
Equity compensation plans not approved by security holders			
Total	7,020	\$ 21.32	7,981

II. Matters Requiring Shareholder Vote

1. Election of Directors

Shareholders will elect two Directors at the Annual Meeting of Stockholders. Each Director will hold office for a term not exceeding three years or until a successor is elected and qualified. Your proxy will be voted in favor of the following persons to serve as directors, unless you indicate to the contrary on the proxy.

Management expects that the nominees will be available for election. However, if a nominee is not a candidate when the election occurs, your proxy will be voted to elect another nominee to be designated by the Nominating and Corporate Governance Committee of the Board to fill any vacancy. The Board requests that you vote for the following nominees to serve a three-year term expiring in concurrence with the Annual Meeting of Stockholders for fiscal year 2008:

Michael F. DiChristina Refer to page 1 for Mr. DiChristina's biography and pages 4 and 7 through 10 for information about Mr. DiChristina's stock ownership and compensation.

Walter F. Siebecker. Refer to page 2 for Mr. Siebecker's biography and pages 4 and 7 through 10 for information about Mr. Siebecker's stock ownership and compensation.

2. Ratification of Independent Registered Public Accounting Firm

The Board requests that you ratify its selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for FactSet for the fiscal year ending August 31, 2006 subject to the execution of an engagement letter. If you do not ratify the selection of PricewaterhouseCoopers LLP, the Board will select another independent registered public accounting firm.

Representatives of PricewaterhouseCoopers LLP will be present at the Meeting and will have an opportunity to make a statement. They will also be available to respond to appropriate questions.

III. Solicitation of Proxies

The Board solicits the proxy accompanying this Proxy Statement. Officers, directors and regular supervisory and executive employees of FactSet, none of whom will receive any additional compensation for their services, may solicit proxies. Such solicitations may be made personally, or by mail, facsimile, telephone, telegraph or messenger. FactSet will reimburse persons holding shares of Common Stock in their names or in the names of nominees, but not owning such shares beneficially, such as brokerage houses, banks and other fiduciaries, for the expense of forwarding solicitation materials to their principals. FactSet will pay all of the costs of solicitation of proxies, estimated at approximately \$35,000 for the printing and distribution of the proxies, which are mailed along with our annual report.

If you hold your shares through a bank, broker or other holder of record and share a single address and same last name with another stockholder, you may have received notice that only one Proxy Statement and Annual Report will be sent to your address unless you instructed the holder of record to the contrary. This practice, known as "householding", reduces multiple mailings to your household and also reduces our printing and postage costs. However, if you wish to receive additional copies of our Proxy Statement or Annual Report, please contact our Investor Relations Department at 203-810-1000 or write to that department at our corporate headquarters address. If you hold your shares through a bank, broker or other holder of record, you can request householding by contacting the holder of record.

IV. Vote Tabulation

Vote Required. Under the Delaware General Corporation Law, the election of FactSet's Directors requires a plurality of the votes represented in person or by proxy at the Meeting and the ratification of the selection of independent public auditors requires that the votes in favor exceed the votes against. Mellon Investor Services will tabulate votes cast by proxy or in person at the Meeting.

Effect of an Abstention and Broker Non-Votes. If you abstain from voting on any or all proposals you will be included in the number of stockholders present at the Meeting for the purposes of determining the presence of a quorum. Abstentions will not be counted either in favor of or against the election of the nominees or other proposals. Under the rules of the National Association of Securities Dealers, brokers holding stock for the accounts of their clients who have not been given specific voting instructions as to a matter by their clients may vote their clients proxies at their own discretion.

V. Proposals of Stockholders

Proposals of stockholders intended to be presented at the fiscal year 2006 Annual Meeting of Stockholders must be received by us, attention of Ms. Rachel R. Stern, FactSet's Secretary, at our principal executive offices, no later than August 1, 2006, to be included in our fiscal year 2006 Proxy Statement.

VI. Other Matters

The Board does not intend to bring any other business before the Meeting and so far as is known to the Board, no matters are to be brought before the Meeting except as specified in the notice of the Meeting. However, as to any other business, which may properly come before the Meeting, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

Rachel R. Stern
Vice President, General Counsel and Secretary
Norwalk, Connecticut, November 14, 2005

**FACTSET RESEARCH SYSTEMS INC.
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS
DECEMBER 20, 2005
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
OF FACTSET RESEARCH SYSTEMS INC.**

You hereby appoint the Secretary of FactSet Research Systems Inc. with full power of substitution, as your attorneys and proxies to vote the shares of Common Stock of FactSet Research Systems Inc., which you are entitled to vote at the Annual Meeting of stockholders of the Company to be held at 601 Merritt 7, Norwalk, Connecticut 06851, on December 20, 2005, at 2:00 p.m. Eastern Standard Time and at any adjournments and postponements of the Annual Meeting, with all the power you would possess if personally present, as indicated on the reverse side.

This proxy, when properly executed, will be voted in the manner you direct in this proxy. If you make no direction, this proxy will be voted FOR the election of the two nominees listed in proposal 1 and FOR proposal 2. You authorize the proxy holders, in their discretion, to vote upon such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting to the extent authorized by Rule 14a-4(c) promulgated under the Securities Exchange Act of 1934, as amended.

(CONTINUED AND TO BE SIGNED AND DATED ON THE REVERSE SIDE)

Address Change/Comments (Mark the corresponding box on the reverse side)

5 FOLD AND DETACH HERE 5

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE
ELECTION OF THE TWO NOMINEES AND FOR PROPOSAL 2.**

Please Mark
Here for
Address
Change or
Comments
**SEE
REVERSE
SIDE**

	FOR	WITHHELD FOR ALL
1. TO ELECT TWO (2) MEMBERS TO THE BOARD OF DIRECTORS OF FACTSET RESEARCH SYSTEMS INC.	<input type="radio"/>	<input type="radio"/>

Nominees: 01 Michael F. DiChristina
02 Walter F. Siebecker

Withheld for the nominees you list below: (Write that nominee's name in the space provided below.)

-
-
- | | FOR | AGAINST | ABSTAIN |
|---|-----------------------|-----------------------|-----------------------|
| 2. TO RATIFY THE APPOINTMENT OF THE ACCOUNTING FIRM OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2006. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3. TO TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT OF THE ANNUAL MEETING. | | | |

Consenting to receive all future annual meeting materials and shareholder communications electronically is simple and fast! Enroll today at www.melloninvestor.com/isd for secure online access to your proxy materials, statements, tax documents and other important shareholder correspondence.

Signature _____ Signature _____ Date _____

Please sign exactly as your name appears on this card. If shares are registered in more than one name, the signatures of all such persons are required. A corporation should sign in its full corporate name by a duly authorized officer, stating such officer's title. Trustees, guardians, executors and administrators should sign in their official capacity giving their full title as such. A partnership should sign in the partnership name by an authorized person, stating such person's title and relationship to the partnership.

5 FOLD AND DETACH HERE 5
Vote by Internet or Telephone or Mail
24 Hours a Day, 7 Days a Week

Internet and telephone voting is available through 11:59 p.m.
Eastern Standard Time on December 19, 2005.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

Internet
<http://www.proxyvoting.com/fds>

Telephone
1-866-540-5760

Mail

Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site.

OR Use any touch-tone telephone to vote your proxy. **OR** Have your proxy card in hand when you call.

Mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

**If you vote your proxy by Internet or by telephone,
you do NOT need to mail back your proxy card.**

FactSet Research Systems Inc.
