FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2010-04-16**
SEC Accession No. 0001359824-10-000022

SUBJECT COMPANY

ALLOY INC

CIK:**1080359**| IRS No.: **043310676** | State of Incorp.:**DE** | Fiscal Year End: **0131**
Type: **SC 13D/A** | Act: **34** | File No.: **005-58053** | Film No.: **10755375**
SIC: **7311** Advertising agencies

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FILED BY

SRB Management, L.P.

CIK:**1346543**| IRS No.: **000000000** | State of Incorp.:**TX** | Fiscal Year End: **1231**
Type: **SC 13D/A**

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300 CRESCENT COURT
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 2)

Under the Securities Exchange Act of 1934

ALLOY, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

019855303

(CUSIP Number)

SRB Management, L.P.
Attn: Steven R. Becker
300 Crescent Court
Suite 1111
Dallas, Texas 75201
(214) 756-6016

With a copy to:

Kleinheinz Capital Partners, Inc.
Attn: Andrew J. Rosell
301 Commerce Street
Suite 1900
Fort Worth, Texas, 76102
(817) 348-8100

With a copy to:

Richard J. Birns, Esq.
Boies, Schiller & Flexner LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
(212) 446-2300

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

April 15, 2010

(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 that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-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 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON SRB Management, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 975,120	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 975,120	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 975,120		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.7%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IA, PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON BD Media Investors LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) WC		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 678,537	
	8	SHARED VOTING POWER 0	
	9	SOLE DISPOSITIVE POWER 678,537	
	10	SHARED DISPOSITIVE POWER 0	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 678,537		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.4%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON SRB Greenway Opportunity Fund, (QP), L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) WC		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 264,369
		8	SHARED VOTING POWER 0
		9	SOLE DISPOSITIVE POWER 264,369
		10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 264,369		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.1%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON. SRB Greenway Opportunity Fund, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) WC		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 32,214
		8	SHARED VOTING POWER 0
		9	SOLE DISPOSITIVE POWER 32,214
		10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 32,214		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.3%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON BC Advisors, LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 975,120	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 975,120	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 975,120		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.7%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IA, OO		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Steven R. Becker		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 975,120	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 975,120	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 975,120		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.7%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN		

CUSIP No. 019855303		
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Matthew A. Drapkin	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions) OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 4,635
	8	SHARED VOTING POWER 975,120
	9	SOLE DISPOSITIVE POWER 4,635
	10	SHARED DISPOSITIVE POWER 975,120
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 979,755	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.8%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN	

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Kleinheinz Capital Partners, Inc.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 402,061	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 402,061	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IA, CO		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Kleinheinz Capital Partners LDC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 402,061	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 402,061	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Global Undervalued Securities Fund, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 402,061
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER 402,061
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Global Undervalued Securities Fund (QP), L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 402,061
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER 402,061
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Global Undervalued Securities Fund, Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 402,061
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER 402,061
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Global Undervalued Securities Master Fund, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) WC		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		**7**	SOLE VOTING POWER 402,061
		8	SHARED VOTING POWER 0
		9	SOLE DISPOSITIVE POWER 402,061
		10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN		

CUSIP No. 019855303			
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON John B. Kleinheinz		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☑ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (See Instructions) OO		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 402,061	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 402,061	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,061		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 3.2%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN		

Item 2. Identity and Background

Item 2 is amended and supplemented to add the following information for updating as of the date hereof:

After giving effect to the Group Termination Agreement described in Item 6 hereof, (i) the Kleinheinz Reporting Persons and the Greenway Reporting Persons shall have terminated their obligations under that certain Joint Filing Agreement entered into by and among the Greenway Reporting Persons and the Kleinheinz Reporting Persons as of December 17, 2009, (ii) the Kleinheinz Reporting Persons and the Greenway Reporting Persons shall no longer be members of the Section 13(d) group and (iii) the Kleinheinz Reporting Persons shall cease to be Reporting Persons immediately following the filing of this Amendment to the Schedule 13D.

The Greenway Reporting Persons shall continue filing as a group (as among themselves) the statements on Schedule 13D with respect to their beneficial ownership of securities of the Issuer to the extent required by applicable law.

Item 4. Purpose of Transaction

Item 4 is amended and supplemented to add the following information for updating as of the date hereof:

On April 15, 2010, the Issuer entered into an agreement (the "Greenway Agreement") with the Greenway Reporting Persons that will avoid a proxy contest for the election of directors at the Issuer's 2010 annual meeting of stockholders (the "2010 Annual Meeting").

The following is a brief description of the terms of the Greenway Agreement, which description is qualified in its entirety by reference to the full text of the Greenway Agreement, which is attached as Exhibit 2 hereto and incorporated by reference herein.

Under the terms of the Greenway Agreement, (a) BD Media has agreed to withdraw its letter to the Secretary of the Issuer dated March 17, 2010, giving notice of the intention of BD Media to nominate persons for election as directors at the 2010 Annual Meeting, (b) the Issuer has agreed, on or before April 23, 2010, (i) to increase the size of the Board by one director, to a total of nine directors, (ii) to elect Mr. Drapkin as a director of the Board to serve as a member of the class of directors scheduled to be next elected at the Issuer's 2012 annual meeting of stockholders (the "2012 Annual Meeting"), (iii) to appoint Mr. Drapkin to both the Compensation Committee and the Corporate Governance and Nominating Committee of the Board and (iv) to revise the powers of the Administrative Committee of the Board to limit the Administrative Committee's power to authorize acquisitions to acquisitions which either individually or combined do not exceed $1 million in purchase price during any fiscal quarter of the Issuer and (c) the Greenway Reporting Persons have agreed to vote or cause to be voted the shares of Common Stock beneficially owned by the Greenway Reporting Persons, as of the record date for the 2010 Annual Meeting or the Issuer's 2011 annual meeting of stockholders (the "2011 Annual Meeting"), in favor of the Issuer's nominees for director at the 2010 Annual Meeting and the 2011 Annual Meeting, respectively, and to abide by certain standstill provisions until the 2012 Annual Meeting (or such earlier date upon the occurrence of certain conditions, as described in the Greenway Agreement).

Furthermore, under the terms of the Greenway Agreement, during the one year period following the 2010 Annual Meeting, the Issuer and the Greenway Reporting Persons have agreed that the Issuer and Mr. Drapkin shall identify a mutually acceptable, qualified, independent and experienced executive with a strong media background (the "Additional Director") to be elected by the Board as a tenth member of the Board, as a member of the class of directors scheduled to be next elected at the 2012 Annual Meeting, and in connection therewith, the Board shall adopt a resolution to increase the size of the Board by one director, to a total of ten directors. In the event that such Additional Director resigns prior to the 2012 Annual Meeting, the Issuer and Mr. Drapkin shall identify a replacement candidate for election to such vacant seat.

Under the terms of the Greenway Agreement, the Issuer has also agreed that prior to the 2012 Annual Meeting, the Board shall only be increased in connection with the appointment of Mr. Drapkin and the Additional Director.

On April 15, 2010, the Issuer entered into an agreement (the "Kleinheinz Agreement") with the Kleinheinz Reporting Persons that will avoid a proxy contest for the election of directors at the 2010 Annual Meeting.

The following is a brief description of the terms of the Kleinheinz Agreement, which description is qualified in its entirety by reference to the full text of the Kleinheinz Agreement which is attached as Exhibit 3 hereto and incorporated by reference herein.

Under the terms of the Kleinheinz Agreement, (a) the Issuer has agreed, on or before April 23, 2010, (i) to increase the size of the Board by one director, to a total of nine directors, (ii) to elect Mr. Drapkin as a director of the Board to serve as a member of the class of directors scheduled to be next elected at the 2012 Annual Meeting and (iii) to revise the powers of the Administrative Committee of the Board to limit the Administrative Committee's power to authorize acquisitions to acquisitions which either individually or

combined do not exceed $1 million in purchase price during any fiscal quarter of the Issuer and (b) the Kleinheinz Reporting Persons have agreed to vote or cause to be voted the shares of Common Stock beneficially owned by the Kleinheinz Reporting Persons, as of the record date for the 2010 Annual Meeting or 2011 Annual Meeting, in favor of the Issuer's nominees for director at the 2010 Annual Meeting and the 2011 Annual Meeting, respectively, and to abide by certain standstill provisions until the 2012 Annual Meeting (or such earlier date upon the occurrence of certain conditions, as described in the Kleinheinz Agreement).

Furthermore, under the terms of the Kleinheinz Agreement, during the one year period following the 2010 Annual Meeting, the Issuer and the Kleinheinz Reporting Persons have agreed that the Issuer and Mr. Drapkin shall identify the Additional Director to be elected by the Board as a tenth member of the Board, as a member of the class of directors scheduled to be next elected at the 2012 Annual Meeting, and in connection therewith, the Board shall adopt a resolution to increase the size of the Board by one director, to a total of ten directors. In the event that such Additional Director resigns prior to the 2012 Annual Meeting, the Issuer and Mr. Drapkin shall identify a replacement candidate for election to such vacant seat.

Under the terms of the Kleinheinz Agreement, the Issuer has also agreed that prior to the 2012 Annual Meeting, the Board shall only be increased in connection with the appointment of Mr. Drapkin and the Additional Director.

On April 15, 2010, in accordance with the Greenway Agreement and the Kleinheinz Agreement, Mr. Drapkin was appointed to the Board, to serve until the 2012 Annual Meeting. Mr. Drapkin was also named to serve as a member of both the Compensation Committee and the Corporate Governance and Nominating Committee.

Item 5. Interest in Securities of the Issuer

Paragraphs (a) through (e) of Item 5 are amended and restated in their entirety as follows:

As of the date hereof, after giving effect to the Group Termination Agreement, the Greenway Reporting Persons may be deemed to own an aggregate of 979,755 shares of Common Stock (the "Greenway Shares"), and the Kleinheinz Reporting Persons may be deemed to own an aggregate of 402,061 shares of Common Stock (the "Global Master Shares"). Based upon a total of 12,611,548 outstanding shares of Common Stock, as reported in the Issuer's annual report on Form 10-K for the year ending January 31, 2010, the Greenway Shares represent approximately 7.769% of the outstanding shares of Common Stock, and the Global Master Shares represent approximately 3.188% of the outstanding shares of Common Stock.

1. The Greenway Reporting Persons.

(a), (b) BD Media beneficially owns 678,537 shares of Common Stock (the "BD Media Shares"), which represent approximately 5.380% of the outstanding shares of Common Stock.

Greenway Opportunity QP owns 264,369 shares of Common Stock (the "Greenway Opportunity QP Shares"), which represent approximately 2.096% of the outstanding shares of Common Stock.

Greenway Opportunity, L.P. owns 32,214 shares of Common Stock (the "Greenway Opportunity, L.P. Shares"), which represent approximately 0.255% of the outstanding shares of Common Stock.

The BD Media Shares, Greenway Opportunity QP Shares and Greenway Opportunity, L.P. Shares are collectively referred to herein as the "Greenway Funds Shares".

BD Media has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the BD Media Shares. BD Media disclaims beneficial ownership of the Greenway Opportunity QP Shares and the Greenway Opportunity, L.P. Shares.

Greenway Opportunity QP has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Greenway Opportunity QP Shares. Greenway Opportunity QP disclaims beneficial ownership of the BD Media Shares and the Greenway Opportunity, L.P. Shares.

Greenway Opportunity, L.P. has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Greenway Opportunity, L.P. Shares. Greenway Opportunity, L.P. disclaims beneficial ownership of the BD Media Shares and the Greenway Opportunity QP Shares.

As general partner of the Greenway Funds, SRB Management may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Greenway Funds Shares. SRB Management does not own any shares of Common Stock directly and disclaims beneficial ownership of the Greenway Funds Shares.

As general partner of SRB Management, BCA may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by SRB Management. BCA does not own any shares of Common Stock directly and disclaims beneficial ownership of any shares of Common Stock beneficially owned by SRB Management.

Mr. Drapkin has the sole power to vote or to direct the vote of (and the power to dispose or direct the disposition of) 4,635 shares of Common Stock (the "Drapkin Shares"), which represent 0.037% of the outstanding shares of Common Stock and consist of restricted stock granted by the Issuer to Mr. Drapkin as a director of the Issuer, pursuant to the Issuer's Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan (the "Stock Incentive Plan"). Each Reporting Person, other than Mr. Drapkin, disclaims beneficial ownership of the Drapkin Shares.

As co-managing members of BCA, each of Mr. Becker and Mr. Drapkin may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by BCA. Mr. Becker does not own any shares of Common Stock directly; Mr. Drapkin owns solely the Drapkin Shares directly; and each disclaims beneficial ownership of any shares of Common Stock beneficially owned by BCA. Furthermore, Mr. Becker disclaims beneficial ownership of any shares of Common Stock beneficially owned by Mr. Drapkin, and Mr. Drapkin disclaims beneficial ownership of any shares of Common Stock beneficially owned by Mr. Becker.

(c) The trading dates, number of shares of Common Stock purchased or sold, and the price per share of Common Stock for transactions by the Reporting Persons in shares of Common Stock since the last amendment of this Schedule 13D, all of which were brokered transactions, are set forth below:

Name of Reporting Person	Date	Number of Shares Purchased/(Sold)	Average Price per Share
BD Media	3/18/2010	2,100	7.9269
BD Media	3/19/2010	6,500	7.9475

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 is amended and supplemented to add the following information for updating as of the date hereof:

On April 16, 2010, the Reporting Persons entered into the Joint Filing Agreement pursuant to which they agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer. A copy of this agreement is attached hereto as Exhibit 1 and is incorporated herein by reference.

On April 15, 2010, the Issuer and the Greenway Reporting Persons entered into the Greenway Agreement, the terms of which are described in Item 4 of this Schedule 13D. A copy of the Greenway Agreement is attached hereto as Exhibit 2 and is incorporated herein by reference.

On April 15, 2010, the Issuer and the Kleinheinz Reporting Persons entered into the Kleinheinz Agreement, the terms of which are described in Item 4 of this Schedule 13D. A copy of the Kleinheinz Agreement is attached hereto as Exhibit 3 and is incorporated herein by reference.

On April 15, 2010, the Issuer and Mr. Drapkin entered into the Restricted Stock Agreement, the terms of which are described in Item 5 of this Schedule 13D. A copy of the Restricted Stock Agreement is attached hereto as Exhibit 4 and is incorporated herein by reference.

On April 15, 2010, Mr. Drapkin received 1,250 options to purchase Common Stock (the "Drapkin Options") granted by the Issuer to Mr. Drapkin as a director of the Issuer and pursuant to the Stock Incentive Plan and a Stock Option Grant Notice dated April 15, 2010, sent to Mr. Drapkin by the Issuer (the "Option Notice"). Pursuant to the terms of the Option Notice, the Drapkin Options (i) are exercisable for an exercise price of $8.63 per share, (ii) will expire on April 15, 2020, (or earlier as described in the Option Notice), and (iii) are subject to vesting with 312 options vesting on April 15, 2011, and April 15, 2012, and 313 options vesting on April 15, 2013, and April 15, 2014. The foregoing description is qualified in its entirety by reference to the full text of the Option Notice, which is attached as Exhibit 5 hereto and incorporated by reference herein.

On April 16, 2010, the Greenway Reporting Persons and the Kleinheinz Reporting Persons entered into a Group Termination Agreement (the "Group Termination Agreement") pursuant to which the Greenway Reporting Persons and the Kleinheinz Reporting

Persons (i) terminated their status as a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934 with respect to the Common Stock and (ii) terminated as of April 16, 2010, that certain Joint Filing Agreement entered into by and among the Greenway Reporting Persons and the Kleinheinz Reporting Persons dated December 17, 2009. A copy of the Group Termination Agreement is attached hereto as Exhibit 7 and is incorporated herein by reference.

Item 7. Material to Be Filed as Exhibits

Exhibit 1	Joint Filing Agreement, dated April 16, 2010, by and among SRB Management, L.P.; BD Media Investors LP; SRB Greenway Opportunity Fund, (QP), L.P.; SRB Greenway Opportunity Fund, L.P.; BC Advisors, LLC; Steven R. Becker; Matthew A. Drapkin; Kleinheinz Capital Partners, Inc.; Kleinheinz Capital Partners LDC; Global Undervalued Securities Fund, L.P.; Global Undervalued Securities Fund (QP), L.P.; Global Undervalued Securities Fund, Ltd.; Global Undervalued Securities Master Fund, L.P.; and John B. Kleinheinz.
Exhibit 2	Agreement, dated April 15, 2010, by and among Alloy, Inc.; SRB Management, L.P.; BD Media Investors LP; SRB Greenway Opportunity Fund, (QP), L.P.; SRB Greenway Opportunity Fund, L.P.; BC Advisors, LLC; Steven R. Becker; and Matthew A. Drapkin.
Exhibit 3	Agreement, dated April 15, 2010, by and among Alloy, Inc.; Kleinheinz Capital Partners, Inc.; Kleinheinz Capital Partners LDC; Global Undervalued Securities Fund, L.P.; Global Undervalued Securities Fund (QP), L.P.; Global Undervalued Securities Fund, Ltd.; Global Undervalued Securities Master Fund, L.P.; and John B. Kleinheinz.
Exhibit 4	Restricted Stock Agreement dated April 15, 2010, by and between Alloy, Inc. and Matthew A. Drapkin.
Exhibit 5	Stock Option Grant Notice dated April 15, 2010, sent by Alloy, Inc. to Matthew A. Drapkin.
Exhibit 7	Group Termination Agreement, dated April 16, 2010, by and among SRB Management, L.P.; BD Media Investors LP; SRB Greenway Opportunity Fund, (QP), L.P.; SRB Greenway Opportunity Fund, L.P.; BC Advisors, LLC; Steven R. Becker; Matthew A. Drapkin; Kleinheinz Capital Partners, Inc.; Kleinheinz Capital Partners LDC; Global Undervalued Securities Fund, L.P.; Global Undervalued Securities Fund (QP), L.P.; Global Undervalued Securities Fund, Ltd.; Global Undervalued Securities Master Fund, L.P.; and John B. Kleinheinz.

SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: April 16, 2010

SRB MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

BD MEDIA INVESTORS LP

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

SRB GREENWAY OPPORTUNITY FUND, (QP), L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

SRB GREENWAY OPPORTUNITY FUND, L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

BC ADVISORS, LLC

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

STEVEN R. BECKER

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

MATTHEW A. DRAPKIN

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

KLEINHEINZ CAPITAL PARTNERS, INC.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

KLEINHEINZ CAPITAL PARTNERS LDC

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Managing Director

GLOBAL UNDERVALUED SECURITIES FUND, L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND (QP), L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND LTD.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Director

GLOBAL UNDERVALUED SECURITIES MASTER FUND, L.P.

By: Global Undervalued Securities, L.P., its general partner:

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

JOHN B. KLEINHEINZ

By: /s/ John B. Kleinheinz

Exhibit 1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, each of the undersigned hereby agrees to the joint filing on behalf of each of them of a statement on Schedule 13D with respect to the Common Stock of Alloy, Inc., and that this Agreement be included as an Exhibit to such joint filing.

Each of the undersigned acknowledges that each shall be responsible for the timely filing of any statement (including amendments) on Schedule 13D, and for the completeness and accuracy of the information concerning him or it contained herein, but shall not be responsible for the completeness and accuracy of the information concerning the other persons making such filings, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

Dated: April 16, 2010

SRB MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

BD MEDIA INVESTORS LP

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

SRB GREENWAY OPPORTUNITY FUND, (QP), L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

SRB GREENWAY OPPORTUNITY FUND, L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

BC ADVISORS, LLC

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

STEVEN R. BECKER

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

MATTHEW A. DRAPKIN

By: /s/ Richard J. Birns
Name: Richard J. Birns
Title: Attorney-in-Fact

KLEINHEINZ CAPITAL PARTNERS, INC.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

KLEINHEINZ CAPITAL PARTNERS LDC

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Managing Director

GLOBAL UNDERVALUED SECURITIES FUND, L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND (QP), L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND LTD.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Director

GLOBAL UNDERVALUED SECURITIES MASTER FUND, L.P.

By: Global Undervalued Securities, L.P., its general partner:

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

JOHN B. KLEINHEINZ

By: /s/ John B. Kleinheinz

Exhibit 2

EXECUTION VERSION

AGREEMENT

This Agreement, dated as of April 15, 2010, is by and among Alloy, Inc., a Delaware corporation (the "Company"), and Matthew A. Drapkin, an individual resident of New York ("Drapkin"), and the other individuals and entities signatories hereto (collectively with Drapkin, the "Drapkin Group").

WHEREAS, the Company and the Drapkin Group have determined that the interests of the Company and its stockholders would be best served by adding Drapkin to the Company's Board of Directors on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Representations and Warranties of the Company. The Company represents and warrants as follows as of the date hereof:

(a) The Company has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly authorized, executed and delivered by the Company, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the rights of creditors and subject to general equity principles.

(c) The execution, delivery and performance of this Agreement by the Company does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to it, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could become a default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which the Company is a party or by which it is bound.

2. Representations and Warranties of the Drapkin Group. Each of the members of the Drapkin Group severally, and not jointly, represent and warrant with respect to himself or itself as follows as of the date hereof:

(a) Such party has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions

contemplated hereby. Such party, if an entity, has the limited partnership or limited liability company power and authority, as applicable, to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly authorized, executed, and delivered by such member of the Drapkin Group, constitutes a valid and binding obligation and agreement of such party, and is enforceable against such party in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the rights of creditors and subject to general equity principles.

(c) Such party is the "beneficial owner" of a number of shares of Common Stock as set forth on the cover page relating to such member in the Schedule 13D filed by the members of the Drapkin Group with the Securities and Exchange Commission (the "SEC") on December 18, 2009, as amended through and including Amendment No. 1 thereto dated March 17, 2010 (the "Schedule 13D"). Except for those Affiliates and Associates of such member with respect to whom a cover page is included in the Schedule 13D, no other Affiliate or Associate of such member beneficially owns any shares of Common Stock.

(d) The execution, delivery and performance of this Agreement by each member of the Drapkin Group does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to him or it, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could become a default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which he or it is a party or by which he or it is bound.

3. Definitions. For purposes of this Agreement:

(a) The terms "Affiliate" and "Associate" have the respective meanings set forth in Rule 12b-2 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provided that neither "Affiliate" nor "Associate" shall include (i) any person that is a publicly held concern and is otherwise an Affiliate or Associate by reason of the fact that a principal of any member of the Drapkin Group serves as a member of the board of directors or similar governing body of such concern, (ii) such member of the board of directors or other similar governing body of such concern or (iii) any entity which is an Associate solely by reason of clause (1) of the definition of Associate in Rule 12b-2; the terms "beneficial owner" and "beneficial ownership" shall have the respective meanings as set forth in Rule 13d-3 promulgated by the SEC under the Exchange Act; and the terms "person" or "persons" shall mean any individual,

corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

(b) "Board" means the Board of Directors of the Company.

(c) "Common Stock" means the Common Stock of the Company, $0.01 par value.

(d) "Compensation Committee" means the Compensation Committee of the Board.

(e) "Corporate Governance and Nominating Committee" means the Corporate Governance and Nominating Committee of the Board.

(f) "Standstill Period" means the period from the date of this Agreement until the earlier of:

(i) the date on which the Corporate Governance and Nominating Committee notifies Drapkin pursuant to Section 4(g) below that it has not resolved to nominate Drapkin or the Additional Director for election to the Board at the 2012 Annual Meeting;

(ii) the date of the 2012 Annual Meeting; or

(iii) such date, if any, as the Company has materially breached any of its commitments or obligations set forth in Sections 1, 4(a), 4(b), 4(e), 4(f) and 4(g) of this Agreement (the "Principal Obligations").

4. Election of Drapkin; Related Matters.

(a) As soon as reasonably practicable but in any event within five business days from the date first listed above (the "Appointment Date"):

(i) In accordance with the Company's amended certificate of incorporation and amended and restated bylaws, the Board shall, if required to meet its obligations pursuant to this Agreement, adopt a resolution increasing the size of the Board by one director, to a total of nine directors, effective as of the Appointment Date;

(ii) In accordance with the Company's amended certificate of incorporation and amended and restated bylaws, the Board shall elect Drapkin as a director of the Company, effective as of the Appointment Date, to serve as a member of the class of directors scheduled to be next elected at the 2012 Annual Meeting of Stockholders;

(iii) The Board shall adopt a resolution appointing Drapkin to serve as a member of both the Compensation Committee and the Corporate Governance and Nominating Committee, effective as of the Appointment Date, and Drapkin shall continue to serve on such Committees so long as he continues to be a member of the Board; and

(iv) The Board shall revise the powers of the Administration Committee to limit the Administration Committee's power to authorize acquisitions to acquisitions which either individually or combined do not exceed $1 million in purchase price during any fiscal quarter of the Company.

(b) After giving effect to Section 4(a) and a readjustment of the class years of certain directors, as of the Appointment Date, the Board shall consist of the following members (or their respective successors duly nominated in accordance with the Company's amended certificate, amended and restated bylaws and Corporate and Governance Committee charter and procedures, and duly elected by the Company's stockholders):

Class of 2010	Class of 2011	Class of 2012
Anthony Fiore	Matthew C. Diamond	Matthew A. Drapkin
Samuel A. Gradess	Peter M. Graham	Jeffrey Jacobowitz*
James K. Johnson, Jr.	Richard Perlman	Edward Monnier
		*Subject to separate agreement

(c) The members of the Drapkin Group who filed the Schedule 13D shall promptly file an amendment to the Schedule 13D reporting the entry into this agreement, amending applicable items to conform to their respective obligations hereunder and appending or incorporating by reference this Agreement as an exhibit thereto. Such amendment shall also reflect the termination of the "group" within the meaning of Section 13(d)(3) of the Exchange Act consisting to the Drapkin Group and John B. Kleinheinz and certain affiliated entities. Such members of the Drapkin Group shall provide to the Company a reasonable opportunity to review and comment on such amendment in advance of filing, and shall consider in good faith the reasonable comments of the Company. The Company and Drapkin shall discuss in good faith whether or not the Company shall issue a press release with respect to the execution and delivery of this Agreement by the parties hereto and the material provisions hereof, which press release, if issued, will be subject to the mutual agreement of the parties; if the Company files a Form 8-K in lieu of a press release, the Company shall provide to Drapkin a reasonable opportunity to review and comment on such Form 8-K in advance of its filing, and shall consider in good faith the reasonable comments of Drapkin.

(d) So long as the Company has complied and is complying with the Principal Obligations, each member of the Drapkin Group shall cause all shares of Common Stock owned of record and shall instruct the record owner, in case of all shares of Common Stock beneficially owned but not of record, by it and their respective Affiliates, as of the record date for the 2010 Annual Meeting of Stockholders or the 2011 Annual Meeting of Stockholders, as the case may be, to be present for quorum purposes and to be voted, and shall cause all shares of Common Stock held by their respective Associates to be present for quorum purposes and to be voted, in favor of all directors nominated by the Board for election at the Company's 2010 and 2011 Annual Meetings of Stockholders.

(e) Within the one year period following the 2010 Annual Meeting of Stockholders, the Company and the Drapkin Group shall agree on a qualified, independent and experienced executive with a strong media background (a "Qualified Executive") to be elected by the Board as a tenth member of the Board in the Class of 2012 (the "Additional Director"), and in connection therewith and in accordance with the Company's amended certificate of incorporation and amended and restated bylaws, the Board shall adopt a resolution increasing the size of the Board by one director, to a total of ten directors, effective as of the appointment date of such Additional Director. If the Additional Director leaves the Board (whether by resignation or otherwise) before the conclusion of the 2012 Annual Meeting of Stockholders, the Company and the Drapkin Group shall agree on a replacement Qualified Executive to be elected within 60 days of such resignation.

(f) The Company agrees that the Board shall only be increased at any time prior to the conclusion of the 2012 Annual Meeting of Stockholders in connection with the appointment of Drapkin and the Additional Director.

(g) At least 15 days prior to the first date upon which a notice to the Secretary of the Company of nominations of persons for election to the Board or the proposal of business at the 2012 Annual Meeting would be considered timely under the bylaws of the Company, the Corporate Governance and Nominating Committee will notify Drapkin whether it has resolved to recommend Drapkin and the Additional Director for re-election to the Board at the 2012 Annual Meeting.

(h) BD Media Investors LP hereby withdraws its letter dated March 17, 2010, to the Secretary of the Company providing notice of its intention to nominate persons for election as directors at the 2010 Annual Meeting of Stockholders and its demand pursuant to Section 220 of the Delaware General Corporation Law.

5. Standstill.

Each of the members of the Drapkin Group agrees that, during the Standstill Period and provided that Company has complied and is complying with the Principal Obligations, he or

it will not, and he or it will cause each of such person's Affiliates or agents or other persons acting on his or its behalf not to, and will cause his or its respective Associates not to:

(a) submit any stockholder proposal (pursuant to Rule 14a-8 promulgated by the SEC under the Exchange Act or otherwise) or any notice of nomination or other business for consideration, or nominate any candidate for election to the Board, other than as expressly permitted by this Agreement ;

(b) form, join in or in any other way participate in a "partnership, limited partnership, syndicate or other group" within the meaning of Section 13(d)(3) of the Exchange Act with respect to the Common Stock or deposit any shares of Common Stock in a voting trust or similar arrangement or subject any shares of Common Stock to any voting agreement or pooling arrangement, other than solely with other members of the Drapkin Group or one or more Affiliates of a member of the Drapkin Group with respect to the Common Stock currently owned as set forth in Section 2(c) of this Agreement or to the extent such a group may be deemed to result with the Company or any of its Affiliates as a result of this Agreement;

(c) solicit proxies or written consents of stockholders, or otherwise conduct any nonbinding referendum with respect to Common Stock, or make, or in any way participate in, any "solicitation" of any "proxy" within the meaning of Rule 14a-1 promulgated by the SEC under the Exchange Act to vote, or advise, encourage or influence any person with respect to voting, any shares of Common Stock with respect to any matter, or become a "participant" in any contested "solicitation" for the election of directors with respect to the Company (as such terms are defined or used under the Exchange Act and the rules promulgated by the SEC thereunder), other than a "solicitation" or acting as a "participant" in support of all of the nominees of the Board at the 2010 and 2011 Annual Meetings of Stockholders;

(d) seek, in any capacity other than as a member of the Board, to call, or to request the call of, a special meeting of the stockholders of the Company, or seek to make, or make, a stockholder proposal at any meeting of the stockholders of the Company or make a request for a list of the Company's stockholders (or otherwise induce, encourage or assist any other person to initiate or pursue such a proposal or request) or otherwise acting alone, or in concert with others, seek to control or influence the governance or policies of the Company, except as expressly permitted by this Agreement;

(e) effect or seek to effect, in any capacity other than as a member of the Board (including, without limitation, by entering into any discussions, negotiations, agreements or understandings with any third person), offer or propose (whether publicly or otherwise) to effect, or cause or participate in, or in any way assist or facilitate any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or cause or participate in (i) any acquisition of any material assets or businesses of the Company or any of its subsidiaries, (ii) any tender offer

or exchange offer, merger, acquisition or other business combination involving the Company or any of its subsidiaries, or (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its subsidiaries;

(f) publicly disclose, or cause or facilitate the public disclosure (including without limitation the filing of any document or report with the SEC or any other governmental agency or any disclosure to any journalist, member of the media or securities analyst) of, any intent, purpose, plan or proposal to obtain any waiver, or consent under, or any amendment of, any of the provisions of Section 4(d) or this Section 5, or otherwise seek (in any manner that would require public disclosure by any of the members of the Drapkin Group or their Affiliates or Associates) to obtain any waiver, consent under, or amendment of, any provision of this Agreement;

(g) publicly disparage any member of the Board or management of the Company;

(h) enter into any arrangements, understandings or agreements (whether written or oral) with, or advise, finance, assist or encourage, any other person that engages, or offers or proposes to engage, in any of the foregoing; or

(i) take or cause or induce or assist others to take any action inconsistent with any of the foregoing.

It is understood and agreed that this Agreement shall not be deemed to prohibit Drapkin from engaging in any lawful act in his capacity as a director of the Company.

6. Codes of Business Conduct and Ethics and Insider Trading Policy. Drapkin has reviewed the Company's Codes of Business Conduct and Ethics and Insider Trading Policy and agrees to abide by the provisions thereof during his service as a director of the Company. The members of the Drapkin Group acknowledge that they are aware that the United States securities laws prohibit any person who has material non-public information about a company from purchasing or selling such securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

7. Questionnaires. Drapkin has accurately completed the form of questionnaire provided by the Company for its use in connection with the preparation of the Company's proxy statement.

8. Compensation. Drapkin shall be compensated for his service as a director and shall be reimbursed for his expenses on the same basis as all other non-employee directors of the Company are compensated and shall be eligible to be granted equity-based compensation on the same basis as all other non-employee directors of the Company.

9. Indemnification and Insurance. Drapkin shall be entitled to the same rights of indemnification as the other directors of the Company as such rights may exist from time to time. The Company shall, promptly after their election, take such action, if any, as may be necessary to add Drapkin to the Company's directors and officers' liability insurance policy as an Insured Person.

10. Non-Disparagement. During the Standstill Period and for a period of one year thereafter the Company shall not publicly disparage any member of the Drapkin Group or any member of the management of the Drapkin Group.

11. Specific Performance. Each party hereto acknowledges and agrees, on behalf of itself and its Affiliates, that irreparable harm would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to specific relief hereunder, including, without limitation, an injunction or injunctions to prevent and enjoin breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any state or federal court in the State of Delaware, in addition to any other remedy to which they may be entitled at law or in equity. Any requirements for the securing or posting of any bond with such remedy are hereby waived.

12. Jurisdiction. Each party hereto agrees, on behalf of itself and its Affiliates, that any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated hereby will be brought solely and exclusively in any state or federal court in the State of Delaware (and the parties agree on behalf of themselves and their respective Affiliates not to commence any action, suit or proceeding relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 16 of this Agreement will be effective service of process for any such action, suit or proceeding brought against any party in any such court. Each party, on behalf of itself and its Affiliates, irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby, in the state or federal courts in the State of Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an improper or inconvenient forum.

13. Applicable Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Delaware applicable to contracts executed and to be performed wholly within such state, without giving effect to the choice of law principles of such state.

14. Counterparts. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement.

15. Entire Agreement; Amendment and Waiver; Successors and Assigns. This Agreement contains the entire understanding of the parties hereto with respect to, and

supersedes all prior agreements relating to, its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the parties other than those expressly set forth herein. This Agreement may be amended only by a written instrument duly executed by the parties hereto or their respective successors or assigns. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors, heirs, executors, legal representatives, and assigns.

16. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be in writing and shall be deemed validly given, made or served, (a) if given by telecopy, when such telecopy is transmitted to the telecopy number set forth below, or to such other telecopy number as is provided by a party to this Agreement to the other parties pursuant to notice given in accordance with the provisions of this Section, and the appropriate confirmation is received, or (b) if given by any other means, when actually received during normal business hours at the address specified in this Section, or at such other address as is provided by a party to this Agreement to the other parties pursuant to notice given in accordance with the provisions of this Section:

if to the Company:

Alloy, Inc.
151 West 26th Street
11th Floor
New York, NY 10001
Facsimile: (212) 244-4311
Attention: Chief Executive Officer

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Facsimile: (212) 715-8000
Attention: Richard H. Gilden

if to the Drapkin Group or any member thereof:

Matthew A. Drapkin
652 Broadway
3rd Floor
New York, NY 10012
Facsimile: (214) 756-6079

Boies, Schiller & Flexner LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
Facsimile: (212) 446-2350
Attention: Richard J. Birns

17. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer on any person other than the parties hereto or their respective successors and assigns, and their respective Affiliates to the extent provided herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

[*Signature page follows*.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the parties as of the date first written above.

ALLOY, INC.

By: /s/ Matthew Diamond
Matthew Diamond
Chief Executive Officer

SRB MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

BD MEDIA INVESTORS LP

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

SRB GREENWAY OPPORTUNITY FUND, (QP), L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

SRB GREENWAY OPPORTUNITY FUND, L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

BC ADVISORS, LLC

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

STEVEN R. BECKER

/s/ Steven R. Becker

MATTHEW A. DRAPKIN

/s/ Matthew A. Drapkin

Exhibit 3

EXECUTION VERSION

AGREEMENT

This Agreement, dated as of April 15, 2010, is by and among Alloy, Inc., a Delaware corporation (the "Company"), and John B. Kleinheinz, an individual resident of New York ("Kleinheinz"), and the entities signatories hereto (collectively with Kleinheinz, the "Kleinheinz Group").

WHEREAS, the Company and the Kleinheinz Group have determined that the interests of the Company and its stockholders would be best served by adding new directors to the Company's Board of Directors on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Representations and Warranties of the Company. The Company represents and warrants as follows as of the date hereof:

(a) The Company has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly authorized, executed and delivered by the Company, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the rights of creditors and subject to general equity principles.

(c) The execution, delivery and performance of this Agreement by the Company does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to it, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could become a default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which the Company is a party or by which it is bound.

2. Representations and Warranties of the Kleinheinz Group. Each of the members of the Kleinheinz Group severally, and not jointly, represent and warrant with respect to himself or itself as follows as of the date hereof:

(a) Such party has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby. Such party, if an entity, has the limited partnership or limited

liability company power and authority, as applicable, to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly authorized, executed, and delivered by such member of the Kleinheinz Group, constitutes a valid and binding obligation and agreement of such party, and is enforceable against such party in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the rights of creditors and subject to general equity principles.

(c) Such party is the "beneficial owner" of a number of shares of Common Stock as set forth on the cover page relating to such member in the Schedule 13D filed by the members of the Kleinheinz Group with the Securities and Exchange Commission (the "SEC") on December 18, 2009, as amended through and including Amendment No. 1 thereto dated March 17, 2010 (the "Schedule 13D"). Except for those Affiliates and Associates of such member with respect to whom a cover page is included in the Schedule 13D, no other Affiliate or Associate of such member beneficially owns any shares of Common Stock.

(d) The execution, delivery and performance of this Agreement by each member of the Kleinheinz Group does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to him or it, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could become a default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which he or it is a party or by which he or it is bound.

3. Definitions. For purposes of this Agreement:

(a) The terms "Affiliate" and "Associate" have the respective meanings set forth in Rule 12b-2 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provided that neither "Affiliate" nor "Associate" shall include (i) any person that is a publicly held concern and is otherwise an Affiliate or Associate by reason of the fact that a principal of any member of the Kleinheinz Group serves as a member of the board of directors or similar governing body of such concern, (ii) such member of the board of directors or other similar governing body of such concern or (iii) any entity which is an Associate solely by reason of clause (1) of the definition of Associate in Rule 12b-2; the terms "beneficial owner" and "beneficial ownership" shall have the respective meanings as set forth in Rule 13d-3 promulgated by the SEC under the Exchange Act; and the terms "person" or "persons" shall mean any individual, corporation (including not-for-profit), general or limited partnership, limited

liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

(b) "Board" means the Board of Directors of the Company.

(c) "Common Stock" means the Common Stock of the Company, $0.01 par value.

(d) "Corporate Governance and Nominating Committee" means the Corporate Governance and Nominating Committee of the Board.

(e) "Standstill Period" means the period from the date of this Agreement until the earlier of:

(i) the date on which the Corporate Governance and Nominating Committee notifies Kleinheinz pursuant to Section 4(g) below that it has not resolved to nominate Matthew A. Drapkin ("Drapkin") or the Additional Director for election to the Board at the 2012 Annual Meeting;

(ii) the date of the 2012 Annual Meeting; or

(iii) such date, if any, as the Company has materially breached any of its commitments or obligations set forth in Sections 1, 4(a), 4(b), 4(e), 4(f) and 4(g) of this Agreement (the "Principal Obligations").

4. Election of Drapkin; Related Matters.

(a) As soon as reasonably practicable but in any event within five business days from the date first listed above (the "Appointment Date"):

(i) In accordance with the Company's amended certificate of incorporation and amended and restated bylaws, the Board shall, if required to meet its obligations pursuant to this Agreement, adopt a resolution increasing the size of the Board by one director, to a total of nine directors, effective as of the Appointment Date;

(ii) In accordance with the Company's amended certificate of incorporation and amended and restated bylaws, the Board shall elect Drapkin as a director of the Company, effective as of the Appointment Date, to serve as a member of the class of directors scheduled to be next elected at the 2012 Annual Meeting of Stockholders; and

(iii) The Board shall revise the powers of the Administration Committee to limit the Administration Committee's power to authorize acquisitions to acquisitions which either individually or combined do not

exceed $1 million in purchase price during any fiscal quarter of the Company.

(b) After giving effect to Section 4(a) and a readjustment of the class years of certain directors, as of the Appointment Date, the Board shall consist of the following members (or their respective successors duly nominated in accordance with the Company's amended certificate, amended and restated bylaws and Corporate and Governance Committee charter and procedures, and duly elected by the Company's stockholders):

Class of 2010	Class of 2011	Class of 2012
Anthony Fiore	Matthew C. Diamond	Matthew A. Drapkin
Samuel A. Gradess	Peter M. Graham	Jeffrey Jacobowitz*
James K. Johnson, Jr.	Richard Perlman	Edward Monnier
		*Subject to separate agreement

(c) The members of the Kleinheinz Group who filed the Schedule 13D shall promptly file an amendment to the Schedule 13D reporting the entry into this agreement, amending applicable items to conform to their respective obligations hereunder, appending or incorporating by reference this Agreement as an exhibit thereto and indicating that the members of Kleinheinz Group have withdrawn from the "group" (within the meaning of Section 13(d)(3) of the Exchange Act) which filed the Schedule 13D . Such members of the Kleinheinz Group shall provide to the Company a reasonable opportunity to review and comment on such amendment in advance of filing, and shall consider in good faith the reasonable comments of the Company.

(d) So long as the Company has complied and is complying with the Principal Obligations, each member of the Kleinheinz Group shall cause all shares of Common Stock owned of record and shall instruct the record owner, in case of all shares of Common Stock beneficially owned but not of record, by it and their respective Affiliates, as of the record date for the 2010 Annual Meeting of Stockholders or the 2011 Annual Meeting of Stockholders, as the case may be, to be present for quorum purposes and to be voted, and shall cause all shares of Common Stock held by their respective Associates to be present for quorum purposes and to be voted, in favor of all directors nominated by the Board for election at the Company's 2010 and 2011 Annual Meetings of Stockholders.

(e) Within the one year period following the 2010 Annual Meeting of Stockholders, the Company and Drapkin shall agree on a qualified, independent and experienced executive with a strong media background (a "Qualified Executive") to be elected by the Board as a tenth member of the Board in the Class of 2012 (the "Additional Director"), and in connection therewith and in accordance with the Company's amended certificate of incorporation and amended and

restated bylaws, the Board shall adopt a resolution increasing the size of the Board by one director, to a total of ten directors, effective as of the appointment date of such Additional Director. If the Additional Director leaves the Board (whether by resignation or otherwise) before the conclusion of the 2012 Annual Meeting of Stockholders, the Company and Drapkin shall agree on a replacement Qualified Executive to be elected within 60 days of such resignation.

(f) The Company agrees that the Board shall only be increased at any time prior to the conclusion of the 2012 Annual Meeting of Stockholders in connection with the appointment of Drapkin and the Additional Director.

(g) At least 15 days prior to the first date upon which a notice to the Secretary of the Company of nominations of persons for election to the Board or the proposal of business at the 2012 Annual Meeting would be considered timely under the bylaws of the Company, the Corporate Governance and Nominating Committee will notify Kleinheinz whether it has resolved to recommend Drapkin and the Additional Director for re-election to the Board at the 2012 Annual Meeting.

5. Standstill.

Each of the members of the Kleinheinz Group agrees that, during the Standstill Period and provided that Company has complied and is complying with the Principal Obligations, he or it will not, and he or it will cause each of such person's Affiliates or agents or other persons acting on his or its behalf not to, and will cause his or its respective Associates not to:

(a) submit any stockholder proposal (pursuant to Rule 14a-8 promulgated by the SEC under the Exchange Act or otherwise) or any notice of nomination or other business for consideration, or nominate any candidate for election to the Board, other than as expressly permitted by this Agreement ;

(b) form, join in or in any other way participate in a "partnership, limited partnership, syndicate or other group" within the meaning of Section 13(d)(3) of the Exchange Act with respect to the Common Stock or deposit any shares of Common Stock in a voting trust or similar arrangement or subject any shares of Common Stock to any voting agreement or pooling arrangement, other than solely with other members of the Kleinheinz Group or one or more Affiliates of a member of the Kleinheinz Group with respect to the Common Stock currently owned as set forth in Section 2(c) of this Agreement or to the extent such a group may be deemed to result with the Company or any of its Affiliates as a result of this Agreement;

(c) solicit proxies or written consents of stockholders, or otherwise conduct any nonbinding referendum with respect to Common Stock, or make, or in any way participate in, any "solicitation" of any "proxy" within the meaning of Rule 14a-1 promulgated by the SEC under the Exchange Act to vote, or advise, encourage or

influence any person with respect to voting, any shares of Common Stock with respect to any matter, or become a "participant" in any contested "solicitation" for the election of directors with respect to the Company (as such terms are defined or used under the Exchange Act and the rules promulgated by the SEC thereunder), other than a "solicitation" or acting as a "participant" in support of all of the nominees of the Board at the 2010 and 2011 Annual Meetings of Stockholders;

(d) seek, in any capacity other than as a member of the Board, to call, or to request the call of, a special meeting of the stockholders of the Company, or seek to make, or make, a stockholder proposal at any meeting of the stockholders of the Company or make a request for a list of the Company's stockholders (or otherwise induce, encourage or assist any other person to initiate or pursue such a proposal or request) or otherwise acting alone, or in concert with others, seek to control or influence the governance or policies of the Company, except as expressly permitted by this Agreement;

(e) effect or seek to effect, in any capacity other than as a member of the Board (including, without limitation, by entering into any discussions, negotiations, agreements or understandings with any third person), offer or propose (whether publicly or otherwise) to effect, or cause or participate in, or in any way assist or facilitate any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or cause or participate in (i) any acquisition of any material assets or businesses of the Company or any of its subsidiaries, (ii) any tender offer or exchange offer, merger, acquisition or other business combination involving the Company or any of its subsidiaries, or (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its subsidiaries;

(f) publicly disclose, or cause or facilitate the public disclosure (including without limitation the filing of any document or report with the SEC or any other governmental agency or any disclosure to any journalist, member of the media or securities analyst) of, any intent, purpose, plan or proposal to obtain any waiver, or consent under, or any amendment of, any of the provisions of Section 4(d) or this Section 5, or otherwise seek (in any manner that would require public disclosure by any of the members of the Kleinheinz Group or their Affiliates or Associates) to obtain any waiver, consent under, or amendment of, any provision of this Agreement;

(g) publicly disparage any member of the Board or management of the Company;

(h) enter into any arrangements, understandings or agreements (whether written or oral) with, or advise, finance, assist or encourage, any other person that engages, or offers or proposes to engage, in any of the foregoing; or

(i) take or cause or induce or assist others to take any action inconsistent with any of the foregoing.

It is understood and agreed that this Agreement shall not be deemed to prohibit Kleinheinz from engaging in any lawful act in his capacity as a director of the Company.

6. Non-public Information. The Company and the Kleinheinz Group agree that the Kleinheinz Group will not receive non-public information from the Company regarding the Company, unless the Company and the Kleinheinz Group have separately entered into a non-disclosure agreement with respect to such information prior to the Kleinheinz Group receiving such information.

7. Non-Disparagement. During the Standstill Period and for a period of one year thereafter the Company shall not publicly disparage any member of the Kleinheinz Group or any member of the management of the Kleinheinz Group.

8. Specific Performance. Each party hereto acknowledges and agrees, on behalf of itself and its Affiliates, that irreparable harm would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to specific relief hereunder, including, without limitation, an injunction or injunctions to prevent and enjoin breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any state or federal court in the State of Delaware, in addition to any other remedy to which they may be entitled at law or in equity. Any requirements for the securing or posting of any bond with such remedy are hereby waived.

9. Jurisdiction. Each party hereto agrees, on behalf of itself and its Affiliates, that any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated hereby will be brought solely and exclusively in any state or federal court in the State of Delaware (and the parties agree on behalf of themselves and their respective Affiliates not to commence any action, suit or proceeding relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 13 of this Agreement will be effective service of process for any such action, suit or proceeding brought against any party in any such court. Each party, on behalf of itself and its Affiliates, irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby, in the state or federal courts in the State of Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an improper or inconvenient forum.

10. Applicable Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Delaware applicable to contracts executed and to be performed wholly within such state, without giving effect to the choice of law principles of such state.

11. Counterparts. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement.

12. Entire Agreement; Amendment and Waiver; Successors and Assigns. This Agreement contains the entire understanding of the parties hereto with respect to, and supersedes all prior agreements relating to, its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the parties other than those expressly set forth herein. This Agreement may be amended only by a written instrument duly executed by the parties hereto or their respective successors or assigns. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors, heirs, executors, legal representatives, and assigns.

13. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be in writing and shall be deemed validly given, made or served, (a) if given by telecopy, when such telecopy is transmitted to the telecopy number set forth below, or to such other telecopy number as is provided by a party to this Agreement to the other parties pursuant to notice given in accordance with the provisions of this Section, and the appropriate confirmation is received, or (b) if given by any other means, when actually received during normal business hours at the address specified in this Section, or at such other address as is provided by a party to this Agreement to the other parties pursuant to notice given in accordance with the provisions of this Section:

if to the Company:

Alloy, Inc.
151 West 26th Street
11th Floor
New York, NY 10001
Facsimile: (212) 244-4311
Attention: Chief Executive Officer

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Facsimile: (212) 715-8000
Attention: Richard H. Gilden

if to the Kleinheinz Group or any member thereof:

Kleinheinz Capital Partners, Inc.
300 Commerce Street, Suite 1900
Fort Worth, Texas 76102
Facsimile: (817) 348-8010
Attention: Andrew J. Rosell

14. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer on any person other than the parties hereto or their respective successors and assigns, and their respective Affiliates to the extent provided herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

[*Signature page follows*.]

- -

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the parties as of the date first written above.

ALLOY, INC.

By: /s/ Matthew Diamond
Matthew Diamond
Chief Executive Officer

KLEINHEINZ CAPITAL PARTNERS, INC.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

KLEINHEINZ CAPITAL PARTNERS LDC

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Managing Director

GLOBAL UNDERVALUED SECURITIES FUND, L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND (QP), L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND LTD.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Director

GLOBAL UNDERVALUED SECURITIES MASTER FUND, L.P.

By: Global Undervalued Securities, L.P., its general partner:

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

JOHN B. KLEINHEINZ

/s/ John B. Kleinheinz

Exhibit 4

RESTRICTED STOCK AGREEMENT

ALLOY, INC.

This AGREEMENT is made effective as of the 15th day of April 2010 (the "Grant Date"), by and between Alloy, Inc. (the "Company"), a Delaware corporation, and MATTHEW DRAPKIN (the **"Participant").**

WHEREAS, the Company has adopted the Amended and Restated Alloy, Inc. 2007 Employee, Director and Consultant Stock Incentive Plan (the "Plan") to promote the interests of the Company by providing an incentive for employees, directors and consultants of the Company or its Affiliates;

WHEREAS, pursuant to the provisions of the Plan, the Company desires to offer to the Participant shares of the Company's common stock, $0.01 par value per shar("Common Stock"), in accordance with the provisions of the Plan, all on the terms and conditions hereinafter set forth;

WHEREAS, Participant wishes to accept said offer; and

WHEREAS, the parties hereto understand and agree that any terms used and not defined herein have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Terms of Grant. The Participant hereby accepts the offer of the Company to issue to the Participant, in accordance with the terms of the Plan and this Agreement, Four Thousand Six Hundred and Thirty-Five (4,635) Shares of the Company's Common Stock (such shares, subject to adjustment pursuant to Section 22 of the Plan and Subsection 2.1 (f) hereof, the "Granted Shares") at a purchase price of $0.01 per share (the "Purchase Price"), receipt of which is hereby acknowledged by the Participant's prior service to the Company and which amount will be reported as income on the Participant's W-2 for this calendar year.

2 .1. Forfeiture Provisions.

(a) Lapsing Forfeiture Right. In the event that for any reason the Participant is no longer an employee, director or consultant of the Company or an Affiliate prior to February 1, 2013 (the "Termination"), the Participant (or the Participant's Survivor) shall, on the date of Termination, immediately forfeit to the Company (or its designee) all of the Granted Shares which have not yet lapsed in accordance with the schedule set forth below (the "Lapsing Forfeiture Right").

The Company's Lapsing Forfeiture Right is as follows:

(i) If the Participant's Termination is prior to February 1, 2011, all of the Granted Shares shall be forfeited to the Company.

(ii) If the Participant's Termination is on or after **February 1, 2011 but prior to February 1, 2012, three thousand ninety (3,090)** of the Granted Shares shall be forfeited to the Company; and,

(iii) If the Participant's Termination is on or after **February 1, 2012 but prior to February 1, 2013, one thousand five hundred forty-five (1,545)** of the Granted Shares shall be forfeited to the Company.

(b) Effect of Termination for Disability or upon Death. The following rules apply if the Participant's Termination is by reason of Disability or death: to the extent the Company's Lapsing Forfeiture Right has not lapsed as of the date of Disability or death, as case may be, the Participant shall forfeit to the Company any or all of the Granted Shares subject to such Lapsing Forfeiture Right; provided, however, that the Company's Lapsing Forfeiture Right shall be deemed to have lapsed to the extent of a pro rata portion of the Granted Shares through the date of Disability or death, as would have lapsed had the Participant not become Disabled or died, as the case may be. The proration shall be based upon the number of days accrued in such current vesting period prior to the Participant's date of Disability or death, as the case may be.

(c) Escrow. The certificates representing all Granted Shares acquired by the Participant hereunder which from time to time are subject to the Lapsing Forfeiture Right shall be delivered to the Company and the Company shall hold such Granted Shares in escrow as provided in this Subsection 2.I(c). The Company shall promptly release from escrow and deliver to the Participant a certificate for the whole number of Granted Shares, if any, as to which the Company's Lapsing Forfeiture Right has lapsed. In the event of forfeiture to the Company of Granted Shares subject to the Lapsing Forfeiture Right, the Company shall release from escrow and cancel a certificate for the number of Granted Shares so forfeited. Any securities distributed in respect of the Granted Shares held in escrow, including, without limitation, shares issued as a result of stock splits, stock dividends or other recapitalizations, shall also be held in escrow in the same manner as the Granted Shares.

(d) Prohibition on Transfer. The Participant recognizes and agrees that all Granted Shares which are subject to the Lapsing Forfeiture Right may not be sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise disposed of, whether voluntarily or by operation of law, other than to the Company (or its designee). However, the Participant, with the approval of the Administrator, may transfer the Granted Shares for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family or to a partnership or limited liability company for one or more members of the Participant's Immediate Family), subject to such limits as the Administrator may establish, and the transferee shall remain subject to all the terms and conditions applicable to this Agreement prior to such transfer and each such transferee shall so acknowledge in writing as a condition precedent to the effectiveness of such transfer. The term "Immediate Family" shall mean the Participant's spouse, former spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, nieces and nephews and grandchildren (and, for this purpose, shall also include the Participant. The Company shall not be required to transfer any Granted Shares on its books which shall have been sold, assigned or otherwise transferred in violation of this Subsection 2.I(d), or to treat as the owner of such Granted Shares, or to accord the right to vote as such owner or to pay dividends to, any person or organization to which any such Granted Shares shall have been so sold, assigned or otherwise transferred, in violation of this Subsection 2.I(d).

(e) Failure to Deliver Granted Shares to be Forfeited. In the event that the Granted Shares to be forfeited to the Company under this Agreement are not in the Company's possession pursuant to Subsection 2.I(d) above or otherwise and the Participant or the Participant's Survivor fails to deliver such Granted Shares to the Company (or its designee), the Company may immediately take such action as is appropriate to transfer record title of such Granted Shares from the Participant to the Company (or its designee) and treat the Participant and such Granted Shares in all respects as if delivery of such Granted Shares had been made as required by this Agreement. The Participant hereby irrevocably grants the Company a power of attorney, which shall be coupled with an interest for the purpose of effectuating the preceding sentence.

(f) Adjustments. The Plan contains provisions covering the treatment of Shares in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to the Granted Shares and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

2.2 General Restrictions on Transfer of Granted Shares.

(a) The Participant acknowledges and agrees that neither the Company nor, its shareholders nor its directors and officers, has any duty or obligation to disclose to the Participant any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a Termination, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

3. Securities Law Compliance. The Participant specifically acknowledges and agrees that any sales of Granted Shares shall be made in accordance with the requirements of the Securities Act of 1933, as amended.

4. Rights as a Stockholder. The Participant shall have all the rights of a stockholder with respect to the Granted Shares, including voting and dividend rights, subject to the transfer and other restrictions set forth herein and in the Plan.

5. Legend. In addition to any legend required pursuant to the Plan, if certificates

representing the Granted Shares are issued to the Participant pursuant to this Agreement, such certificates shall have endorsed thereon a legend substantially as follows:

> "The shares represented by this certificate are subject to restrictions set forth in a Restricted Stock Agreement dated as of April 15, 2010 with this Company, a copy of which Agreement is available for inspection at the offices of the Company or will be made available upon request**."**

6. Incorporation of the Plan. The Participant specifically understands and agrees that the Granted Shares issued under the Plan are being sold to the Participant pursuant to the Plan, a copy of which Plan the Participant acknowledges he or she has read and understands and by which Plan he or she agrees to be bound. The provisions of the Plan are incorporated herein by reference.

7. Tax Liability of the Participant and Payment of Taxes. The Participant acknowledges and agrees that any income or other taxes due from the Participant with respect to the Granted Shares issued pursuant to this Agreement, including, without limitation, the Lapsing Forfeiture Right, shall be the Participant's responsibility. Without limiting the foregoing, the Participant agrees that, to the extent that the lapsing of restrictions on disposition of any of the Granted Shares or the declaration of dividends on any such shares before the lapse of such restrictions on disposition results in the Participant's being deemed to be in receipt of earned income under the provisions of the Code, the Company shall be entitled to immediate payment from the Participant of the amount of any tax required to be withheld by the Company. The Company may withhold such amount from the Granted Shares to be delivered to the Participant as set forth in Section 26 of the Plan.

Upon execution of this Agreement, the Participant may file an election under Section 83 of the Code in substantially the form attached as Exhibit B. The Participant acknowledges that if he does not file such an election, as the Granted Shares are released from the Lapsing Forfeiture Right in accordance with Section 2.1, the Participant will have income for tax purposes equal to the fair market value of the Granted Shares at such date, less the price paid for the Granted Shares by the Participant. The Participant has been given the opportunity to obtain the advice of his or her tax advisors with respect to the tax consequences of the purchase of the Granted Shares and the provisions of this Agreement.

8. Equitable Relief. The Participant specifically acknowledges and agrees that in the event of a breach or threatened breach of the provisions of this Agreement or the Plan, including the attempted transfer of the Granted Shares by the Participant in violation of this Agreement, monetary damages may not be adequate to compensate the Company, and, therefore, in the event of such a breach or threatened breach, in addition to any right to damages, the Company shall be entitled to equitable relief in any court having competent jurisdiction. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such breach or threatened breach.

9. No Obligation to Maintain Relationship. The Company is not by the Plan or this Agreement obligated to continue the Participant as an employee, director or consultant of the Company or an Affiliate. The Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the grant of the Shares is a one-time benefit which does not create any contractual or other right to receive future grants of shares, or benefits in lieu of shares; (iii) that all determinations with respect to any such future grants, including, but not limited to, the times when shares shall be granted, the number of shares to be granted, the purchase price, and the time or times when each share shall be free from a lapsing repurchase or forfeiture right, will be at the sole discretion of the Company; (iv) that the Participant's participation in the Plan is voluntary; (v) that the value of the Shares is an extraordinary item of compensation which is outside the scope of the Participant's employment contract, if any; and (vi) that the Shares are not part of normal or expected compensation for

purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Notices. Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

Alloy, Inc.

151 W. 26th Street 11th Floor

New York, NY 10001

Attention: Chief Executive Officer

If to the Participant at the address set forth on the Company's records or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given on the earliest of receipt, one business day following delivery by the sender to a recognized courier service, or three business days following mailing by registered or certified mail.

11. Benefit of Agreement. Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

12. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For the purpose of litigating any dispute that arises under this Agreement, whether at law or in equity, the parties hereby consent to exclusive jurisdiction in New York and agree that such litigation shall be conducted in the state courts of New York, New York or the federal courts of the United States for the Southern District of New York.

13. Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, then such provision or provisions shall be modified to the extent necessary to make such provision valid and enforceable, and to the extent that this is impossible, then such provision shall be deemed to be excised from this Agreement, and the validity, legality and enforceability of the rest of this Agreement shall not be affected thereby.

14. Entire Agreement. This Agreement, together with the Plan, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict the express terms and provisions of this Agreement provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

15. Modifications and Amendments; Waivers and Consents. The terms and provisions of this Agreement may be modified or amended as provided in the Plan. Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure there from granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

16. Consent of Spouse/Domestic Partner. If the Participant has a spouse or domestic partner as of the date of this Agreement, the Participant's spouse or domestic partner shall execute a Consent of Spouse/Domestic Partner in the form of Exhibit A hereto, effective as of the date hereof. Such consent shall not be deemed to confer or convey to the spouse or domestic partner any rights in the Granted Shares that do not otherwise exist by operation of law or the agreement of the parties. If the Participant subsequent to the date hereof, marries, remarries or applies to the Company for domestic partner benefits, the Participant shall, not later than 60 days thereafter, obtain his or her new spouse/ domestic partner's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by having such spouse/domestic partner execute and deliver a Consent of Spouse/Domestic Partner in the form of Exhibit A.

17. Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. Data Privacy. By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan record keeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of Shares and the administration of the Plan; (ii) waives any data privacy rights he or she may have with respect to such information; and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALLOY, INC

By:/s/Gina DiGioia
Name: Gina DiGioia
Title: Chief Legal Officer, General Counsel

Participant:

/s/Matthew Drapkin
MATTHEW DRAPKIN

Exhibit 5

ALLOY, INC.
Stock Option Grant Notice
Stock Option Grant under the Company's
Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan

1.	Name and Address of Participant	Matthew Drapkin
2.	Date of Grant:	April 15, 2010
3.	Type of Grant:	Non-qualified Options
4.	Maximum Number of Shares for which this Option is exercisable:	1,250
5.	Exercise (purchase) price per share:	$8.63
6.	Option Expiration Date:	April 15, 2020

7. Vesting Schedule: This Option shall become exercisable (and the Shares issued upon exercise shall be vested) as follows:

- **April 15, 2011: 312**
- **April 15, 2012: 312**
- **April 15, 2013: 313**
- **April 15, 2014: 313**

The Company and the Participant acknowledge receipt of this Stock Option Grant Notice and agree to the terms of the Stock Option Agreement attached hereto and incorporated by reference herein, the Company's Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan and the terms of this Option Grant as set forth above.

Unless you provide notice to the Company within 30 days of receipt of this notice, you shall be deemed to have accepted the option grant subject to the terms and conditions in the attached Stock Option Agreement and the Company's Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan.

You may obtain a copy of the Company's Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan and Plan Description by logging in to your Merrill Lynch personal account and visiting https://www9.benefits.ml.com/menu/BOLMenu.asp?MenuListId=10001&&. Also, you may obtain a copy of the Company's most recent Annual Report and other information delivered to Company shareholders by visiting the investor relations pages of www.alloymarketing.com.

ALLOY, INC.

By: /s/ Gina DiGioia
Name: Gina DiGioia

ALLOY, INC.
STOCK OPTION AGREEMENT- INCORPORATED TERMS AND CONDITIONS

AGREEMENT made as of the date of grant set forth in the Stock Option Grant Notice between Alloy, Inc. (the "Company"), a Delaware corporation, and the name of the person who appears on the stock option grant notice (the "Participant").

WHEREAS, the Company desires to grant to the Participant an Option to purchase shares of its common stock, $0.01 par value per share (the "Shares"), under and for the purposes set forth in the Company's Amended and Restated 2007 Employee, Director and Consultant Stock Incentive Plan (the "Plan");

WHEREAS, the Company and the Participant understand and agree that any terms used and not defined herein have the same meanings as in the Plan; and

WHEREAS, the Company and the Participant each intend that the Option granted herein shall be of the type set forth in the Stock Option Grant Notice.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Participant the right and option to purchase all or any part of an aggregate of the number of shares set forth in the Stock Option Grant Notice, on the terms and conditions and subject to all the limitations set forth herein, under United States securities and tax laws, and in the Plan, which is incorporated herein by reference. The Participant acknowledges receipt of a copy of the Plan.

2. EXERCISE PRICE.

The exercise price of the Shares covered by the Option shall be the amount per Share set forth in the Stock Option Grant Notice, subject to adjustment, as provided in the Plan, in the event of a stock split, reverse stock split or other events affecting the holders of Shares after the date hereof (the "Exercise Price"). Payment shall be made in accordance with Paragraph 9 of the Plan.

3. EXERCISABILITY OF OPTION.

Subject to the terms and conditions set forth in this Agreement and the Plan, the Option granted hereby shall become exercisable as set forth in the Stock Option Grant Notice which rights are cumulative and are subject to the other terms and conditions of this Agreement and the Plan.

4. TERM OF OPTION.

This Option shall terminate ten years from the date of this Agreement or, if this Option is designated in the Stock Option Grant Notice as an ISO and the Participant owns as of the date hereof more than 10% of the total combined voting power of all classes of capital stock of the Company or an Affiliate, five years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Participant ceases to be an employee, director or consultant of the Company or of an Affiliate (for any reason other than the death or Disability of the Participant), the Option may be exercised, if it has not previously terminated, within three months after the date the Participant ceases to provide service to the Company or an Affiliate, or within the originally prescribed term of the Option, whichever is earlier, but may not be exercised thereafter except as set forth below. In such event, the Option shall be exercisable only to the extent that the Option has become exercisable and is in effect at the date of such cessation of service**.**

If this Option is designated in the Stock Option Grant Notice as an ISO and the Participant ceases to be an employee of the Company or of an Affiliate but continues after termination of employment to provide service to the Company or an Affiliate as a consultant, this Option shall continue to vest in accordance with Section 3 above as if this Option had not terminated until the Participant is no longer providing services to the Company. In such case, this Option shall automatically convert and be deemed a Non-Qualified Option as of the date that is three months from termination of the Participant's employment and this Option shall continue on the same terms and conditions set forth herein until such Participant is no longer providing service to the Company or an Affiliate.

Notwithstanding the foregoing, in the event of the Participant's Disability or death within three months after the termination of service, the Participant or the Participant's Survivors may exercise the Option within one year after the date of the Participant's termination of service, but in no event after the date of expiration of the term of the Option.

In the event of the Disability of the Participant, as determined in accordance with the Plan, the Option shall be exercisable within one year after the Participant's termination of service or, if earlier, within the term originally prescribed by the Option. In such event, the Option shall be exercisable:

(a) to the extent that the Option has become exercisable but has not been exercised as of the date of Disability; and

(b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of Disability.

In the event of the death of the Participant while providing service to the Company or an Affiliate, the Option shall be exercisable by the Participant's Survivors within one year after the date of death of the Participant or, if earlier, within the originally prescribed term of the Option. In such event, the Option shall be exercisable:

(x) to the extent that the Option has become exercisable but has not been exercised as of the date of death; and

(y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

5. METHOD OF EXERCISING OPTION.

Subject to the terms and conditions of this Agreement, the Option may be exercised online through the Merrill Lynch system at [INSERT WEB ADDRESS]. Alternatively, the Option may be exercised by written notice to the Company or its designee, in substantially the form of Exhibit A attached hereto. Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be signed by the person exercising the Option. Payment of the Exercise Price for such Shares shall be made in accordance with Paragraph 9 of the Plan. The Company shall deliver such Shares as soon as practicable after the notice shall be received, provided, however, that the Company may delay issuance of such Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws). The Shares as to which the Option shall have been so exercised shall be registered in the Company's share register in the name of the person so exercising the Option (or, if the Option shall be exercised by the Participant and if the Participant shall so request in the notice exercising the Option, shall be registered in the Company's share register in the name of the Participant and another person jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person exercising the Option. In the event the Option shall be exercised, pursuant to Section 4 hereof, by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

6. PARTIAL EXERCISE.

Exercise of this Option to the extent above stated may be made in part at any time and from time to time within the above limits, except that no fractional share shall be issued pursuant to this Option.

7. NON-ASSIGNABILITY.

The Option shall not be transferable by the Participant otherwise than by will or by the laws of descent and distribution. If this Option is a Non-Qualified Option then it may also be transferred pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder and the Participant, with the approval of the Administrator, may transfer the Option for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family or to a partnership or limited liability company for one or more members of the Participant's Immediate Family), subject to such limits as the Administrator may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer and each such transferee shall so acknowledge in writing as a condition precedent to the effectiveness of such transfer. The term "Immediate Family" shall mean the Participant's spouse, former spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, nieces, nephews and grandchildren (and, for this purpose, shall also include the Participant.) Except as provided above in this paragraph, the Option shall be exercisable, during the Participant's lifetime, only by the Participant (or, in the event of legal incapacity or incompetency, by the Participant's guardian or representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 7, or the levy of any attachment or similar process upon the Option shall be null and void.

8. NO RIGHTS AS STOCKHOLDER UNTIL EXERCISE.

The Participant shall have no rights as a stockholder with respect to Shares subject to this Agreement until registration of the Shares in the Company's share register in the name of the Participant. Except as is expressly provided in the Plan with respect to certain changes in the capitalization of the Company, no adjustment shall be made for dividends or similar rights for which the record date is prior to the date of such registration.

9. ADJUSTMENTS.

The Plan contains provisions covering the treatment of Options in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to stock subject to Options and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

10. TAXES.

The Participant acknowledges that any income or other taxes due from him or her with respect to this Option or the Shares issuable pursuant to this Option shall be the Participant's responsibility.

If this Option is designated in the Stock Option Grant Notice as an ISO and there is a Disqualifying Disposition (as defined in Section 15 below) or if the Option is converted into a Non-Qualified Option and such Non-Qualified Option is exercised, the Participant agrees that the Company may withhold from the Participant's remuneration, if any, the minimum statutory amount of federal, state and local withholding taxes attributable to such amount that is considered compensation includable in such person's gross income. At the Company's discretion, the amount required to be withheld may be withheld in cash from such remuneration, or in kind from the Shares otherwise deliverable to the Participant on exercise of the Option. The Participant further agrees that, if the Company does not withhold an amount from the Participant's remuneration sufficient to satisfy the Company's income tax withholding obligation, the Participant will reimburse the Company on demand, in cash, for the amount under-withheld.

11. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

(a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon any certificate(s) evidencing the Shares issued pursuant to such exercise:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws;" and

(b) If the Company so requires, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the 1933 Act without registration thereunder. Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

12. RESTRICTIONS ON TRANSFER OF SHARES.

12.1 The Participant agrees that in the event the Company proposes to offer for sale to the public any of its equity securities and such Participant is requested by the Company and any underwriter engaged by the Company in connection with such offering to sign an agreement restricting the sale or other transfer of Shares, then it will promptly sign such agreement and will not transfer, whether in privately negotiated transactions or to the public in open market transactions or otherwise, any Shares or other securities of the Company held by him or her during such period as is determined by the Company and the underwriters, not to exceed 180 days following the closing of the offering, plus such additional period of time as may be required to comply with Marketplace Rule 2711 of the National Association of Securities Dealers, Inc. or similar rules thereto (such period, the "Lock-Up Period"). Such agreement shall be in writing and in form and substance reasonably satisfactory to the Company and such underwriter and pursuant to customary and prevailing terms and conditions. Notwithstanding whether the Participant has signed such an agreement, the Company may impose stop-transfer instructions with respect to the Shares or other securities of the Company subject to the foregoing restrictions until the end of the Lock-Up Period.[1]

12.2 The Participant acknowledges and agrees that neither the Company, its shareholders nor its directors and officers, has any duty or obligation to disclose to the Participant any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a termination of the employment of the Participant by the Company, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

13. NO OBLIGATION TO MAINTAIN RELATIONSHIP.

The Company is not by the Plan or this Option obligated to continue the Participant as an employee, director or consultant of the Company or an Affiliate. The Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (iii) that all determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Company; (iv) that the Participant's participation in the Plan is voluntary; (v) that the value of the Option is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vi) that the Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

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[1] This language was revised because of the changes in the NASD rules requiring the lockup period to be extended in some instances up to an additional 30 days.

14. IF OPTION IS INTENDED TO BE AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO so that the Participant (or the Participant's Survivors) may qualify for the favorable tax treatment provided to holders of Options that meet the standards of Section 422 of the Code then any provision of this Agreement or the Plan which conflicts with the Code so that this Option would not be deemed an ISO is null and void and any ambiguities shall be resolved so that the Option qualifies as an ISO. Nonetheless, if the Option is determined not to be an ISO, the Participant understands that neither the Company nor any Affiliate is responsible to compensate him or her or otherwise make up for the treatment of the Option as a Non-Qualified Option and not as an ISO. The Participant should consult with the Participant's own tax advisors regarding the tax effects of the Option and the requirements necessary to obtain favorable tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements.

Notwithstanding the foregoing, to the extent that the Option is designated in the Stock Option Grant Notice as an ISO and is not deemed to be an ISO pursuant to Section 422(d) of the Code because the aggregate fair market value (determined as of the date hereof) of any of the Shares with respect to which this ISO is granted becomes exercisable for the first time during any calendar year in excess of $100,000, the portion of the Option representing such excess value shall be treated as a Non-Qualified Option and the Participant shall be deemed to have taxable income measured by the difference between the then fair market value of the Shares received upon exercise and the price paid for such Shares pursuant to this Agreement.

15. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION OF AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO then the Participant agrees to notify the Company in writing immediately after the Participant makes a Disqualifying Disposition of any of the Shares acquired pursuant to the exercise of the ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale) of such Shares before the later of (a) two years after the date the Participant was granted the ISO or (b) one year after the date the Participant acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Participant has died before the Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

16. NOTICES.

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

Alloy, Inc.
151 W. 26th Street
11th Floor
New York, NY 10001
Attention: VP/ Human Resources

If to the Participant at the address set forth on the Stock Option Grant Notice.

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

17. GOVERNING LAW.

This Agreement shall be construed and enforced in accordance with the law of the State of Delaware**,** without giving effect to the conflict of law principles thereof. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in New York and agree that such litigation shall be conducted in the state courts of New York, New York or the federal courts of the United States for the Southern District of New York.

18. BENEFIT OF AGREEMENT.

Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. ENTIRE AGREEMENT.

This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement, provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

20. MODIFICATIONS AND AMENDMENTS.

The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

21. WAIVERS AND CONSENTS.

Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

22. DATA PRIVACY.

By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waives any data privacy rights he or she may have with respect to such information; and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Exhibit A

NOTICE OF EXERCISE OF STOCK OPTION

TO: **Alloy, Inc.**

Ladies and Gentlemen:

I hereby exercise my Stock Option to purchase _____ shares (the "Shares") of the common stock, $0.01 par value, of Alloy, Inc. (the "Company"), at the exercise price of $_____ per share, pursuant to and subject to the terms of that Stock Option Grant Notice dated _____, 200_.

I understand the nature of the investment I am making and the financial risks thereof. I am aware that it is my responsibility to have consulted with competent tax and legal advisors about the relevant national, state and local income tax and securities laws affecting the exercise of the Option and the purchase and subsequent sale of the Shares.

I am paying the option exercise price for the Shares as follows:

_____

Please issue the Shares (check one):

☐ to me; or

☐ to me and _____, as joint tenants with right of survivorship, at the following address:

_____

_____

My mailing address for shareholder communications, if different from the address listed above, is:

_____

_____

Very truly yours,

_____
Participant (signature)

_____
Print Name

_____
Date

_____
Social Security Number

Exhibit 7

GROUP TERMINATION AGREEMENT

This Group Termination Agreement (this "Agreement") is made as of April 16, 2010, by and among SRB Management, L.P., a Texas limited partnership; BD Media Investors LP, a Texas limited partnership; SRB Greenway Opportunity Fund, (QP), L.P. a Texas limited partnership; SRB Greenway Opportunity Fund, L.P., a Texas limited partnership; BC Advisors, LLC, a Texas limited liability company; Steven R. Becker; Matthew A. Drapkin; Kleinheinz Capital Partners, Inc., a Texas corporation; Kleinheinz Capital Partners LDC, a Cayman Islands limited duration company; Global Undervalued Securities Fund, L.P., a Delaware limited partnership; Global Undervalued Securities Fund (QP), L.P., a Delaware limited partnership; Global Undervalued Securities Fund, Ltd., a Cayman Islands exempted company; Global Undervalued Securities Master Fund, L.P., a Cayman Islands exempted limited partnership; and John B. Kleinheinz.

WHEREAS, the undersigned entered into a Joint Filing Agreement, dated December 17, 2009 (the "Joint Filing Agreement") whereby the undersigned formed a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") with respect to shares of common stock (the "Common Stock") of Alloy, Inc., a Delaware corporation (the "Company") and agreed to take certain actions as a "group"; and

WHEREAS, the undersigned wish to terminate their status as a "group" and the Joint Filing Agreement as of the date hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The parties hereto hereby terminate their status as a "group" for purposes of Section 13(d)(3) of the Exchange Act with respect to the Common Stock of the Company as of the date hereof.

2. The parties hereto hereby terminate the Joint Filing Agreement as of the date hereof; provided that such termination shall not relieve any party hereto from liability under the Joint Filing Agreement incurred prior to such termination.

3. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

4. This Agreement shall be interpreted in accordance with and governed by the laws of the State of New York.

5. Except as otherwise set forth in this Agreement, this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. No party hereto may assign any of its rights or obligations under this Agreement to any person without the prior written consent of the other parties hereto.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned have executed and delivered this agreement as of the date first written above.

SRB MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

BD MEDIA INVESTORS LP

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

SRB GREENWAY OPPORTUNITY FUND, (QP), L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

SRB GREENWAY OPPORTUNITY FUND, L.P.

By: SRB Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

BC ADVISORS, LLC

By: /s/ Steven R. Becker
Name: Steven R. Becker
Title: Co-managing Member

STEVEN R. BECKER

/s/ Steven R. Becker

MATTHEW A. DRAPKIN

/s/ Matthew A. Drapkin

KLEINHEINZ CAPITAL PARTNERS, INC.

By: /s/ John B. Kleinheinz

Name: John B. Kleinheinz
Title: President

KLEINHEINZ CAPITAL PARTNERS LDC

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Managing Director

GLOBAL UNDERVALUED SECURITIES FUND, L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND (QP), L.P.

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

GLOBAL UNDERVALUED SECURITIES FUND LTD.

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: Director

GLOBAL UNDERVALUED SECURITIES MASTER FUND, L.P.

By: Global Undervalued Securities, L.P., its general partner:

By: Kleinheinz Capital Partners, Inc., its investment manager

By: /s/ John B. Kleinheinz
Name: John B. Kleinheinz
Title: President

JOHN B. KLEINHEINZ

/s/ John B. Kleinheinz