

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 13D/A
(Amendment No. 17)**

Under the Securities Exchange Act of 1934

Crown Crafts, Inc.

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

228309100

(CUSIP Number)

Wynnefield Partners Small Cap Value, L.P.
450 Seventh Avenue, Suite 509
New York, New York 10123
Attention: Mr. Nelson Obus

Copy to:

Jeffrey S. Tullman, Esq.
Kane Kessler, P.C.
1350 Avenue of the Americas, 26th Floor
New York, New York 10019
(212) 541-6222

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

August 9, 2011

(Date of Event which requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐ .

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Wynnefield Partners Small Cap Value, L.P.
13-3688497

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
Delaware

**NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH**

7 SOLE VOTING POWER
568,908 (See Item 5)

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
568,908 (See Item 5)

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
568,908 (See Item 5)

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.94%

14 TYPE OF REPORTING PERSON (See Instructions)
PN

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Wynnefield Partners Small Cap Value, L.P. I
13-3953291
- 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
Delaware
- NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH**
- 7** SOLE VOTING POWER
641,030 (See Item 5)
- 8** SHARED VOTING POWER
0
- 9** SOLE DISPOSITIVE POWER
641,030 (See Item 5)
- 10** SHARED DISPOSITIVE POWER
0
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
641,030 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
6.69%
- 14** TYPE OF REPORTING PERSON (See Instructions)
PN
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Wynnefield Small Cap Value Offshore Fund, Ltd.
(No IRS Identification No.)
- 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
350,035 (See Item 5)
- 8** SHARED VOTING POWER
0
- 9** SOLE DISPOSITIVE POWER
350,035 (See Item 5)
- 10** SHARED DISPOSITIVE POWER
0
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
350,035 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.65%
- 14** TYPE OF REPORTING PERSON (See Instructions)
CO
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Wynnefield Capital Management, LLC
13-4018186
- 2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) ☐
(b) ☒
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS (See Instructions)
AF
- 5** CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(E) ☒
- 6** CITIZENSHIP OR PLACE OF ORGANIZATION
New York
- | | | |
|--|-----------|--|
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH | 7 | SOLE VOTING POWER
1,209,938 (See Item 5) |
| | 8 | SHARED VOTING POWER
0 |
| | 9 | SOLE DISPOSITIVE POWER
1,209,938 (See Item 5) |
| | 10 | SHARED DISPOSITIVE POWER
0 |
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,209,938 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
12.63%
- 14** TYPE OF REPORTING PERSON (See Instructions)
OO (Limited Liability Company)
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Wynnefield Capital, Inc.
13-3688495
- 2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) ☐
(b) ☒
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS (See Instructions)
AF
- 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
350,035 (See Item 5)
- 8** SHARED VOTING POWER
0
- 9** SOLE DISPOSITIVE POWER
350,035 (See Item 5)
- 10** SHARED DISPOSITIVE POWER
0
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
350,035 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.65%
- 14** TYPE OF REPORTING PERSON (See Instructions)
CO
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Channel Partnership II, L.P.
22-3215653
- 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
New York
- | | | |
|--|-----------|---|
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH | 7 | SOLE VOTING POWER
11,600 (See Item 5) |
| | 8 | SHARED VOTING POWER
0 |
| | 9 | SOLE DISPOSITIVE POWER
11,600 (See Item 5) |
| | 10 | SHARED DISPOSITIVE POWER
0 |
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
11,600 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.12%
- 14** TYPE OF REPORTING PERSON (See Instructions)
PN
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Nelson Obus
- 2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) ☐
(b) ☒
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS (See Instructions)
AF
- 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
13,600 (See Item 5)
- 8** SHARED VOTING POWER
1,559,973
- 9** SOLE DISPOSITIVE POWER
13,600 (See Item 5)
- 10** SHARED DISPOSITIVE POWER
1,559,973
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,573,573 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
16.42%
- 14** TYPE OF REPORTING PERSON (See Instructions)
IN
-
-

- 1** NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)
Joshua Landes
- 2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) ☐
(b) ☒
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS (See Instructions)
AF
- 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
1,559,973 (See Item 5)
- 9** SOLE DISPOSITIVE POWER
0
- 10** SHARED DISPOSITIVE POWER
1,559,973 (See Item 5)
- 11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,559,973 (See Item 5)
- 12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☒
- 13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
16.28%
- 14** TYPE OF REPORTING PERSON (See Instructions)
IN
-
-

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only) Wynnefield Capital, Inc. Profit Sharing & Money Purchase Plan								
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>								
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) <input checked="" type="checkbox"/>								
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware								
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	<table><tr><td>7</td><td>SOLE VOTING POWER 2,000 (See Item 5)</td></tr><tr><td>8</td><td>SHARED VOTING POWER 0</td></tr><tr><td>9</td><td>SOLE DISPOSITIVE POWER 2,000 (See Item 5)</td></tr><tr><td>10</td><td>SHARED DISPOSITIVE POWER 0</td></tr></table>	7	SOLE VOTING POWER 2,000 (See Item 5)	8	SHARED VOTING POWER 0	9	SOLE DISPOSITIVE POWER 2,000 (See Item 5)	10	SHARED DISPOSITIVE POWER 0
7	SOLE VOTING POWER 2,000 (See Item 5)								
8	SHARED VOTING POWER 0								
9	SOLE DISPOSITIVE POWER 2,000 (See Item 5)								
10	SHARED DISPOSITIVE POWER 0								
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,000 (See Item 5)								
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <input checked="" type="checkbox"/>								
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.02%								
14	TYPE OF REPORTING PERSON (See Instructions) CO								

This Amendment No. 17 (the "Amendment") amends the Statement of Beneficial Ownership on Schedule 13D originally filed with the Securities and Exchange Commission on May 17, 2002, as further amended by Amendment No. 1 filed on January 28, 2003, as further amended by Amendment No. 2 filed on February 20, 2003, as further amended by Amendment No. 3 filed on May 12, 2003, as further amended by Amendment No. 4 filed on June 28, 2007, as further amended by Amendment No. 5 filed on July 31, 2007, as further amended by Amendment No. 6 filed on October 11, 2007, as further amended by Amendment No. 7 filed on December 4, 2007, as further amended by Amendment No. 8 filed on June 30, 2008, as further amended by Amendment No. 9 filed on July 7, 2008, as further amended by Amendment No. 10 filed on August 18, 2009, as further amended by Amendment No. 11 filed on May 3, 2010, as further amended by Amendment No. 12 filed on June 28, 2010, as further amended by Amendment No. 13 filed on January 10, 2011, as further amended by Amendment No. 14 filed on May 26, 2011, as further amended by Amendment No. 15 filed on June 1, 2011 and as further amended by Amendment No. 16 filed on July 18, 2011 (collectively, the "Schedule 13D") by the Wynnefield Reporting Persons (as defined in the Schedule 13D) with respect to shares of common stock, par value \$0.01 (the "Common Shares") of Crown Crafts, Inc. (the "Issuer"), whose principal executive offices are located at 916 South Burnside Avenue, Gonzales, Louisiana 70737. Unless specifically amended hereby, the disclosures set forth in the Schedule 13D shall remain unchanged. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended by the addition of the following:

At the Issuer's Annual Meeting of Shareholders held on August 9, 2011 (the "Meeting"), a representative of the Wynnefield Reporting Persons addressed the Meeting and detailed what the Wynnefield Reporting Persons believe to be significant deficiencies in the Issuer's corporate governance and financial performance, which, in the view of the Wynnefield Reporting Persons, has resulted in stagnant shareholder value. The Wynnefield Reporting Persons suggested the Issuer's Board of Directors (the "Board") take immediate steps to address these deficiencies, including:

1. Adopting and publicly announcing a CEO succession plan;
2. Eliminating the staggered Board and electing all directors annually;
3. Revising the golden parachutes and severance payable to senior executives, upon a change-in-control, which the Wynnefield Reporting Persons believe are excessive;
4. Separating the positions of Chairman and CEO;
5. Appointing newly elected director, Ms. Pat Stensrud, to the Board's Nominating and Governance Committee; and
6. Seeking public assurance from the Board that any contact, oral or written, concerning a possible strategic transaction received by the Issuer's management be communicated promptly to the entire Board for consideration and evaluation.

Given the overwhelming support the Wynnefield Reporting Persons' nominees have received from shareholders the past two years, the Wynnefield Reporting Persons believe that if, contrary to their recommendation to the Board, Ms. Stensrud is not appointed to the Nominating and Governance Committee, the Board will once again have confirmed its desire to maintain the status quo and frustrate the will of shareholders.

The Wynnefield Reporting Persons reiterated their long standing offer to work collaboratively with the Board to address these issues, to facilitate implementation of these changes and to create value for all shareholders. The Wynnefield Reporting Persons hope that the Board will react more positively to rectifying these deficiencies than it has to similar requests in the past.

The full text of the Wynnefield Reporting Persons' address to the Meeting is annexed hereto as Exhibit "13".

Other than as set forth in this Item 4, the Wynnefield Reporting Persons do not have any current plans, proposals or negotiations that relate to or would result in any of the matters referred to in paragraphs (a) through (j) of Item 4 of the Schedule 13D. The Wynnefield Reporting Persons intend to review their investment in the Issuer on a continuing basis, and to the extent permitted by law, may seek to engage in discussions with other stockholders and/or with management and the Board of Directors of the Issuer concerning the business, operations or future plans of the Issuer. Depending on various factors including, without limitation, the Issuer's financial position, the price levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the Wynnefield Reporting Persons may, in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, purchasing additional Common Shares, selling Common Shares, engaging in short selling of or any hedging or similar transaction with respect to the Common Shares, taking any other action with respect to the Issuer or any of its securities in any manner permitted by law or changing its intention with respect to any and all matters referred to in paragraphs (a) through (j) of Item 4.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is hereby amended by the addition of the following:

Exhibit 13 Wynnefield Reporting Persons' address to the Issuer's 2011 Annual Meeting of Shareholders

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule 13D is true, complete and correct.

Date: August 16, 2011

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P.

By: Wynnefield Capital Management, LLC, General Partner

By: /s/ Nelson Obus
Nelson Obus, Co-Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P. I

By: Wynnefield Capital Management, LLC, General Partner

By: /s/ Nelson Obus
Nelson Obus, Co-Managing Member

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND, LTD.

By: Wynnefield Capital, Inc.

By: /s/ Nelson Obus
Nelson Obus, President

CHANNEL PARTNERSHIP II, L.P.

By: /s/ Nelson Obus
Nelson Obus, General Partner

WYNNEFIELD CAPITAL MANAGEMENT, LLC

By: /s/ Nelson Obus
Nelson Obus, Co-Managing Member

WYNNEFIELD CAPITAL, INC.

By: /s/ Nelson Obus
Nelson Obus, President

**WYNNEFIELD CAPITAL, INC. PROFIT SHARING
& MONEY PURCHASE PLAN**

By: /s/ Nelson Obus
Nelson Obus, Portfolio Manager

/s/ Nelson Obus
Nelson Obus, Individually

/s/ Joshua H. Landes
Joshua H. Landes, Individually

Exhibit 13

Ladies and Gentlemen:

Today, at this year's shareholder meeting, as a holder of 1,575,573 shares or approximately 17% of the Company, Wynnefield Capital, the largest owner of Crown Crafts, believes it is important, to share with management, the Board of Directors, and all shareholders the ongoing concerns it has with several issues of critical importance to the future of the Company - its current corporate governance practices;- its business strategies, and - the continued lack of progress to create shareholder value.

The outcomes of the proxy contests and settlements between Wynnefield and the Board over the last five (5) years are the result of the frustration and impatience of the outside shareholders. Wynnefield and a vast majority of the other outside shareholders have repeatedly sent a clear message to the Board that its governance practices and financial performance are unacceptable; yet management, with the acquiescence and approval of the majority of the long term directors, have continued to waste substantial amounts of our money to frustrate the will of the shareholders.

The shareholders of the Company have repeatedly indicated they want more outside voices on the Board and the key committees of the Board to address management's failure to create stockholder value, improve corporate governance and to truly evaluate the Company's strategic alternatives.

We hope that the Board's decision to seat Patricia Stensrud, a highly qualified, industry experienced independent representative nominated by Wynnefield, without a protracted and expensive proxy contest, is confirmation that the Board has at last heard us.

I would like to first address some of our specific concerns regarding corporate governance.

First, as we have repeatedly communicated in the past, one of the most important responsibilities of a board of directors is to provide for succession planning with respect to a company's CEO. It is an abdication of the Board's duty to manage risk for it not to have implemented an effective succession plan. We remain concerned that Crown Crafts has not publicly disclosed any succession plan, nor to our knowledge, have any senior executives been hired to serve under Mr. Chestnut to address the possibility that Mr. Chestnut may be unable to carry out his responsibilities. We believe that it is consistent with best corporate practice and prudent risk management for the Company to immediately implement a viable succession plan, particularly when the CEO also serves as the Company's Chairman and President, and to publicly announce how it is addressing this serious deficiency. Furthermore, as best governance practices dictate that the roles of chairman and CEO should be separate, the Board should explore working with Mr. Chestnut to separate these positions.

We believe that, by creating a vacuum with respect to possible successors to Mr. Chestnut as CEO on the Company's management team, the Board essentially prevents shareholders from challenging the actions of the CEO under threat of either the desire to preserve the status quo or threat of triggering the inappropriate Golden Parachute/Poison Pill leaving the Company leaderless. By not employing a senior industry-experienced executive to serve as either an Executive Vice President or Chief Operating Officer, Mr. Chestnut is able to hold all the cards in his hand and close to his chest, perpetuating his absolute control over the company's operations, relations with its suppliers, and vendors.

This is unacceptable to shareholders, and should be unacceptable to a fair and responsible Board.

We request that the Board provide an annual report to the Company's stockholders setting forth its plans for non-emergency and emergency CEO succession, as is encouraged by the Securities and Exchange Commission, corporate governance experts and proxy advisory firms.

Wynnefield has nominated and the shareholders have elected to the Board Ms. Stensrud, an outstanding candidate with significant industry experience. In order to encourage the development and implementation of a succession plan, we are here to voice our support for Ms. Stensrud's nomination to the Corporate Governance and Nominating Committee, not as an additional member that would effectively dilute her positive influence, but as a replacement of one of two incumbent Committee members – either Mr. Nie or Mr. Ratajczak.

As Mr. Nie already serves in the capacity of Lead Director, Chairman of the Compensation Committee as well as Chairman of the Nominating and Governance Committee, we also recommend that either Mr. Biro or Ms. Stensrud be named chairperson of the Nominating and Governance Committee. Mr. Nie should be the current committee member to be replaced. If Mr. Nie still feels the need to be on two committees in addition to his role as Lead Director, he can should the seat created by the departure of Mr. Kling on the Audit Committee.

Failure of the Board to adopt this fundamental change will once again indicate to shareholders that their will is being disregarded and the primary purpose of the long term members is the continuation of the status quo.

Second, we have also repeatedly challenged the existence of a staggered Board. The Company has failed to join the ever increasing number of companies who have de-staggered their Boards, consistent with current best practices in corporate governance. We believe that a staggered board adversely affects stockholder democracy by primarily serving to entrench incumbent directors. It is time for this Board to reject the staggered board concept and adopt the best practice of electing all Board members annually. This brings us to the third critical governance issue embedded in the Crown Crafts culture.

The third critical governance issue relates to the size of the potential change of control payments payable to the Company's senior executives. In our view, this agreement is outsized, excessive and completely inappropriate. To put these golden parachutes in context, upon a change-in-control, the combined severance payments to senior executives would exceed the Company's entire net income for FY2011. This has the **intended** effect of preventing stockholders from exercising their right to elect additional directors to the Board, in order to prevent triggering these change-in-control payments, that perform in every way like a poison pill. Furthermore, these golden parachutes inhibit the Board from undertaking a comprehensive review of the Company's strategic options, discourages potential suitors, and prevents stockholders from exercising their rights to effect changes in the Board that they may deem appropriate.

We are also extremely dissatisfied with the Company's lagging financial performance. This is reflected in its stagnant long term share price and substantial trading discount to its peers. Management and the long term Board members may be satisfied with the status quo as repeatedly demonstrated but the shareholders of Crown Crafts who are the real owners of Crown Crafts are not.

On a trailing 12 month Enterprise Value/EBITDA multiple, Crown Crafts is trading at 5.5x. Carter's is trading at 7.4x, and Summer Infant is trading at 15x. The investment community, which votes every day has shown they have no faith in Crown Crafts' desire or ability to create meaningful shareholder value.

The strategy of engaging in small tuck-in acquisitions merely masks the Company's declining core infant and juvenile bedding business. Reducing investment in product development as evidenced by the failure of the company to internally develop successful new products, coupled with failure to make any meaningful improvement in the Company's market penetration for its existing core products, are also recipes for maintaining the status quo.

Deficient corporate governance and financial underperformance result in an underperforming stock price. As of August 8, 2011, the share price of Crown Crafts closed at \$4.60. As of the close on January 18, 2007, over four and half years ago, the share price of Crown Crafts closed at \$4.72. This is not shareholder value creation.

Clearly the Company's strategies are not working to enhance shareholder value.

As a result, in order to allay shareholder concerns over a potential conflict between the personal interest of management and the best interests of the Company's shareholders, shareholders desire public assurance from the Board that any inquiry or contact received by management, whether oral or written, from a legitimate source seeking a possible strategic transaction with the Company, must be communicated without qualification to the entire Board for its consideration and evaluation.

As a shareholder for over 15 years, we have repeatedly stated that we are committed to work constructively with the Board to promptly address the critical issues and are willing take whatever steps necessary to create value for all stockholders.

Wynnefield is a long term holder and will continue its efforts until Crown Crafts is governed and operates in a manner consistent with the creation of shareholder value.