

Synthetic Biologics, Inc.
Form DEF 14A
July 06, 2016

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

**SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

SYNTHETIC BIOLOGICS, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**9605 Medical Center Drive, Suite 270
Rockville, MD 20850
(301) 417-4364**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Synthetic Biologics, Inc.:

We hereby notify you that the 2016 Annual Meeting of Stockholders of Synthetic Biologics, Inc., a Nevada corporation, will be held on August 25, 2016 at 9:00 a.m. (Eastern Daylight Time), at our offices located at 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850, for the following purposes:

- (1) to elect the four (4) nominees for director named herein to hold office until our next annual meeting of stockholders and until their successors are duly elected and qualified;
- (2) to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2016;
- (3) to approve an amendment to our 2010 Stock Incentive Plan to increase the number of shares of common stock that we will have authority to grant under the plan from 8,000,000 to 14,000,000;
- (4) to approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement;
- (5) to recommend, on an advisory basis, a three year frequency for holding an advisory vote on executive compensation;
- (6) to approve our reincorporation from the State of Nevada to the State of Delaware;
- (7) to approve an adjournment of the Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposal 6; and
- (8) to transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

The matters listed in this notice of meeting are described in detail in the accompanying Proxy Statement. Our Board of Directors has fixed the close of business on June 28, 2016 as the record date for determining those stockholders who are entitled to notice of and to vote at the meeting or any adjournment or postponement of our 2016 Annual Meeting of Stockholders. The list of the stockholders of record as of the close of business on June 28, 2016 will be made available for inspection at the meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 25, 2016:

THE NOTICE OF ANNUAL MEETING OF STOCKHOLDERS, THE PROXY STATEMENT AND OUR

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING

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ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015 ARE AVAILABLE ELECTRONICALLY AT WWW.SYNTHETICBIOLOGICS.COM.

Along with the attached Proxy Statement, we are sending to you our Annual Report on Form 10-K for the year ended December 31, 2015. Such annual report, which includes our audited financial statements, is not to be regarded as proxy solicitation material.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING

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YOUR VOTE IS IMPORTANT

Even if you plan to attend the meeting, please sign, date, and return the enclosed proxy card in the envelope provided so that your vote will be counted if you later decide not to attend the meeting. No postage is required if the proxy card is mailed in the United States.

By order of the Board of Directors,
/s/ Jeffrey Riley
Chief Executive Officer
Rockville, Maryland
July 6, 2016

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**9605 Medical Center Drive, Suite 270
Rockville, MD 20850
(301) 417-4364**

PROXY STATEMENT

This Proxy Statement is being furnished to holders of shares of common stock, \$0.001 par value per share, of Synthetic Biologics, Inc., a Nevada corporation (we, us, or the Company), in connection with the solicitation of proxies on behalf of our Board of Directors for use at our 2016 Annual Meeting of Stockholders to be held on August 25, 2016 at 9:00 a.m. (Eastern Daylight Time), at our offices located at 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850, and at any adjournment or postponement of our 2016 Annual Meeting of Stockholders.

The purpose of the 2016 Annual Meeting of Stockholders and the matters to be acted on are stated in the accompanying notice of 2016 Annual Meeting of Stockholders. The Board of Directors knows of no other business that will come before the 2016 Annual Meeting of Stockholders.

The notice of our 2016 Annual Meeting of Stockholders, this Proxy Statement, and a proxy card, together with our Annual Report on Form 10-K for the year ended December 31, 2015, are being mailed to our stockholders on or about July 6, 2016. Such annual report, which includes our audited financial statements, is not to be regarded as proxy solicitation material. We will bear the cost of our solicitation of proxies. The original solicitation of proxies by mail may be supplemented by personal interview, telephone, or facsimile by our directors, officers, or employees, who will receive no additional compensation for such services. Arrangements will be made with brokerage houses and other custodians, nominees, and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held by any such persons, and we will reimburse those custodians, nominees, and fiduciaries for the reasonable out-of-pocket expenses incurred by them in doing so.

Our Board of Directors is soliciting votes **FOR** each of the four (4) nominees for election to our Board of Directors; **FOR** the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2016; **FOR** approval of an amendment to our 2010 Stock Incentive Plan to increase the number of shares of common stock that we will have authority to grant from 8,000,000 to 14,000,000; **FOR** the approval, on advisory basis, of the compensation of our named executive officers; for the recommendation, on an advisory basis, of a frequency of **3 YEARS** for holding an advisory vote on executive compensation; **FOR** the reincorporation of the Company from the State of Nevada to the State of Delaware; and **FOR** the adjournment of the 2016 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are insufficient votes in favor of Proposal 6.

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INFORMATION ABOUT VOTING

Q: *Why am I receiving these materials?*

A: The Board of Directors is providing these proxy materials to you in connection with our 2016 Annual Meeting of Stockholders, which is scheduled to take place on August 25, 2016. As a stockholder of record as of June 28, 2016, you are invited to attend the 2016 Annual Meeting of Stockholders and to vote on the items of business described in this Proxy Statement.

Q: *What information is contained in these materials?*

A: The information included in this Proxy Statement relates to the proposals to be voted on at the 2016 Annual Meeting of Stockholders, the voting process, the compensation of our directors and executive officers, and other required information.

Q: *What items of business will be voted on at the 2016 Annual Meeting of Stockholders?*

A: The seven items of business scheduled to be voted on at the 2016 Annual Meeting of Stockholders are: (1) the election of our directors; (2) the ratification of BDO USA, LLP as our independent registered public accounting firm; (3) the amendment to our 2010 Stock Incentive Plan to increase the number of shares of common stock that we will have authority to grant from 8,000,000 to 14,000,000; (4) the approval, on an advisory basis, of the compensation of our named executive officers; (5) the recommendation, on an advisory basis, of a three year frequency for holding an advisory vote on executive compensation; (6) the reincorporation of the Company from the State of Nevada to the State of Delaware; and (7) the adjournment of the 2016 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are insufficient votes in favor of the reincorporation of the Company from the State of Nevada to the State of Delaware.

Q: *How does the Board of Directors recommend that I vote?*

A: The Board of Directors recommends that you vote your shares: (1) **FOR** each of the nominees for election to our Board of Directors named herein; (2) **FOR** the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2016; (3) **FOR** approval of an amendment to our 2010 Stock Incentive Plan to increase the number of shares of common stock that we will have authority to grant from 8,000,000 to 14,000,000; (4) **FOR** the approval, on advisory basis, of the compensation of our named executive officers; (5), **FOR** the recommendation, on an advisory basis, of a frequency of **3 YEARS** for holding an advisory vote on executive compensation; (6) **FOR** the reincorporation of the Company from the State of Nevada to the State of Delaware; and (7) **FOR** the adjournment of the 2016 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are insufficient votes in favor of our reincorporation from the State of Nevada to the State of Delaware.

Q: *What shares can I vote?*

A: You may vote or cause to be voted all shares owned by you as of the close of business on June 28, 2016, the record date. These shares include: (1) shares held directly in your name as a stockholder of record; and (2) shares held for you, as the beneficial owner, through a broker or other nominee, such as a bank.

Q: *What is the difference between holding shares as a stockholder of record and as a beneficial owner?*

A: Most of our stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

If your shares are registered directly in your name with our transfer agent, Corporate Stock Transfer, Inc., you are considered, with respect to those shares, the stockholder of record and these proxy materials are being sent directly to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to Mr. Jeffrey Riley, our Chief Executive Officer, and Mr. Steven Shallcross, our Chief Financial Officer, or either of them, or to vote in person at the meeting. The Board of Directors has enclosed a proxy card for stockholders of record to use to grant a voting proxy.

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If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee together with a voting instruction card. As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to attend the 2016 Annual Meeting of Stockholders. Since you are not the stockholder of record, however, you may not vote these shares in person at the meeting unless you obtain from the broker or nominee that holds your shares a valid proxy from them giving you the right to vote the shares. Your broker or nominee should have enclosed or provided voting instructions for you to use in directing the broker or nominee how to vote your shares. If you hold your shares through a broker and you do not give instructions to the record holder on how to vote, the record holder will be entitled to vote your shares in its discretion on certain matters considered routine, such as the ratification of the appointment of our independent registered public accounting firm. The uncontested election of directors is no longer considered a routine matter. Therefore, brokers do not have the discretion to vote on the election of directors. If you hold your shares in street name and you do not instruct your broker how to vote in the election of directors and other non-routine matters, as further described below, no votes will be cast on your behalf for the non-routine matters. These broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but not as shares entitled to vote on a particular proposal.

Q: *May I attend the 2016 Annual Meeting of Stockholders?*

A: You are entitled to attend the 2016 Annual Meeting of Stockholders only if you were a stockholder as of the close of business on the record date, June 28, 2016, or you hold a valid proxy for the 2016 Annual Meeting of Stockholders. You should be prepared to present photo identification for admittance. If you are not a record holder but hold shares beneficially through a broker or nominee (that is, in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement, a copy of the voting instruction card provided by your broker or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above upon request, you may not be admitted to the 2016 Annual Meeting of Stockholders. The 2016 Annual Meeting of Stockholders will begin promptly at 9:00 a.m. (Eastern Daylight Time). Check-in will begin at 8:30 a.m., and you should allow ample time for the check-in procedures.

Q: *How can I vote my shares in person at the 2016 Annual Meeting of Stockholders?*

A: You may vote by ballot in person at the 2016 Annual Meeting of Stockholders any shares that you hold as the stockholder of record. You may only vote in person shares held in street name if you obtain from the broker or nominee that holds your shares a valid proxy giving you the right to vote the shares.

Q: *How can I vote my shares without attending the 2016 Annual Meeting of Stockholders?*

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may, without attending the meeting, direct how your shares are to be voted.

Stockholder of Record Shares Registered in Your Name: If you are a stockholder of record, in addition to voting in person at the 2016 Annual Meeting of Stockholders, you may vote by proxy through the internet, or vote by proxy using a proxy card. Whether or not you plan to attend the 2016 Annual Meeting of Stockholders, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

Vote by Internet, by going to the web address <https://secure.corporatestock.com/vote.php> and following the instructions for internet voting shown on your proxy card. Your Internet vote must be received by 12:00 a.m., Eastern Daylight Time, on August 25, 2016 to be counted.

Vote by Proxy Card, by completing, signing, dating and mailing the enclosed proxy card in the envelope provided. If you return your signed proxy card to us before the 2016 Annual Meeting of Stockholders, we will vote your shares as you direct. If you vote by internet or telephone, please do not mail your proxy card.

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Beneficial Owner Shares Registered in the Name of a Broker or Bank: If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received an instruction card containing voting instructions from that organization rather than from us. You will be provided with instructions to vote by internet, vote by telephone or to vote by mailing in your instruction card. Simply follow the voting instructions in the voting instruction card to ensure that your vote is counted.

We provide internet proxy voting to allow you to vote your shares online, with procedures designed to ensure authenticity and correctness of your proxy vote instructions. Please be aware, however, that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

Q: *Can I change my vote?*

You may change your vote at any time prior to the final vote at the 2016 Annual Meeting of Stockholders. For shares held directly in your name, you may accomplish this by: (1) sending a written notice of revocation to our Corporate Secretary at Synthetic Biologics, Inc., 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850; (2) granting a new proxy bearing a later date (which automatically revokes the earlier proxy); (3) granting a subsequent proxy through the internet; or (4) by attending the 2016 Annual Meeting of Stockholders and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. ***Even if you plan to attend the 2016 Annual Meeting of Stockholders, we recommend that you also submit your proxy or voting instructions or vote by telephone or through the internet so that your vote will be counted if you later decide not to attend the 2016 Annual Meeting of Stockholders.***

For shares you hold beneficially, you may change your vote by submitting new voting instructions to your broker or nominee or, if you have obtained a valid proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person. You may also change your vote by sending a written notice of revocation to our Corporate Secretary at Synthetic Biologics, Inc., 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850.

Q: *Can I revoke my proxy?*

You may revoke your proxy before it is voted at the 2016 Annual Meeting of Stockholders. To revoke your proxy, notify our Corporate Secretary in writing at Synthetic Biologics, Inc., 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850, or deliver to our Corporate Secretary a duly executed proxy bearing a later date. You may also revoke your proxy by appearing at the 2016 Annual Meeting of Stockholders in person and voting your shares. If you vote by internet, you may also revoke your proxy by granting a subsequent proxy by telephone or internet. Attendance at the 2016 Annual Meeting of Stockholders will not, by itself, revoke a proxy. If your shares are held by your broker or bank as nominee or agent, you should follow the instructions provided by your broker or bank.

Q: *Who can help answer my questions?*

If you have any questions about the 2016 Annual Meeting of Stockholders or how to vote or revoke your proxy, or you need additional copies of this Proxy Statement or voting materials, you should contact our Corporate Secretary at Synthetic Biologics, Inc., 9605 Medical Center Drive, Suite 270, Rockville, Maryland 20850 or by phone at (301) 417-4364.

Q: *How are votes counted?*

In the election of directors, you may vote FOR all of the four (4) nominees or you may direct your vote to be WITHHELD with respect to any one or more of the four (4) nominees.

With respect to Proposals 2, 3, 4, 6 and 7, you may vote FOR, AGAINST, or ABSTAIN. On these proposals, if you vote ABSTAIN, it has the same effect as a vote AGAINST. For Proposal 5, you may vote for a frequency of 1 YEAR, 2 YEARS, 3 YEARS or ABSTAIN. For this proposal, an ABSTAIN vote will have no effect.

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If you provide specific instructions, your shares will be voted as you instruct. If you sign your proxy card or voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the

Board of Directors, namely **FOR** each of the four (4) nominees for election to our Board of Directors; **FOR** the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2016; **FOR** approval of an amendment to our 2010 Stock Incentive Plan to increase the number of shares of common stock that we will have authority to grant from 8,000,000 to 14,000,000; **FOR** the approval, on advisory basis, of the compensation of our named executive officers; for the recommendation, on an advisory basis, of a frequency of **3 YEARS** for holding an advisory vote on executive compensation; **FOR** the reincorporation of the Company from the State of Nevada to the State of Delaware; and **FOR** the adjournment of the Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are insufficient votes in favor of Proposal 6.

Q: *What is a quorum and why is it necessary?*

Conducting business at the Annual Meeting of Stockholders requires a quorum. The presence, either in person or by proxy, of the holders of a majority of our shares of common stock outstanding on June 28, 2016 is necessary to constitute a quorum. On the record date, there were 91,269,586 shares outstanding and entitled to vote. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the 2016 Annual Meeting of Stockholders. Abstentions and broker non-votes (which result when your shares are held in street name and you do not tell the nominee how to vote your shares and are described in detail below) are treated as present for purposes of determining whether a quorum exists. Broker non-votes are relevant in determining whether a quorum is present at the meeting. If there is no quorum, the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

Q: *What are Broker-Non-Votes?*

Under the rules of the NYSE MKT, LLC (NYSE MKT), member brokers who hold shares in street name for their customers that are the beneficial owners of those shares have the authority to only vote on certain routine items in the event that they have not received instructions from beneficial owners. Under NYSE MKT rules, when a proposal is not a routine matter and a member broker has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm may not vote the shares on that proposal since it does not have discretionary authority to vote those shares on that matter. A broker non-vote is submitted when a broker returns a proxy card and indicates that, with respect to particular matters, it is not voting a specified number of shares on that matter, as it has not received voting instructions with respect to those shares from the beneficial owner and does not have discretionary authority to vote those shares on such matters. Broker non-votes are not entitled to vote at the 2016 Annual Meeting of Stockholders with respect to the matters to which they apply; however, broker non-votes will be included for purposes of determining whether a quorum is present at the 2016 Annual Meeting of Stockholders.

Proposals 1, 3, 4, 5 and 6 are considered a non-routine matters. As a result, brokers that do not receive instructions with respect to Proposal 1, 3, 4, 5 or 6 from their customers will not be entitled to vote on such proposal.

Proposals 2 and 7 are considered a routine matter. As a result, brokers that do not receive instructions with respect to Proposal 2 from their customers will be entitled to vote on such proposal.

Q: *What is the voting requirement to approve each of the proposals?*

For Proposal 1, which relates to the election of directors, the four (4) nominees receiving the highest number of FOR votes (from the holders of votes of shares present in person or represented by proxy at the 2016 Annual Meeting of Stockholders and entitled to vote on the election of directors) will be elected. Only votes FOR or WITHHELD will affect the outcome. Abstentions and broker non-votes will have no effect on the outcome of the vote as long as each nominee receives at least one FOR vote.

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To be approved, Proposal 2, which relates to the ratification of the appointment of BDO USA, LLP, as our independent registered public accounting firm for the year ending December 31, 2016, must receive FOR votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote at the 2016 Annual Meeting of Stockholders. Abstentions will have the same effect as an AGAINST vote. Although none are expected to exist in connection with Proposal 2, broker non-votes, if any, will have no effect. This vote is advisory, and therefore is not binding on us, the Audit Committee or our Board of Directors. If our stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.