

QUALSTAR CORP  
Form DEF 14A  
April 10, 2015  
**SCHEDULE 14A INFORMATION**

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

**Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

**QUALSTAR CORPORATION**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

**Steven N. Bronson**

**David J. Wolenski**

**Sean M. Leder**

**Dale E. Wallis**

**Nicholas A. Yarymovych**

*Copy to:*

**James A. Prestiano, Esq.**

**The Law Offices of James A. Prestiano, P.C.**

**631 Commack Road, Suite 2A**

**Commack, New York 11725**

**(631) 499-6000**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



April 9, 2015

Dear Shareholder:

Shareholders of record as of March 27, 2015 are cordially invited to attend the 2015 Annual Meeting of Shareholders of Qualstar Corporation, a California corporation (“Qualstar,” the “Company,” or “we”), to be held on May 15, 2015, at the corporate offices of Qualstar, located at 31248 Oak Crest Drive, Suite # 120, Westlake Village, California 91361, beginning at 10:00 a.m. Pacific Time (including any adjournment, postponement, continuation or rescheduling thereof, the “2015 Annual Meeting”). At this meeting you will be asked to vote on each of the three (3) proposals set forth in the attached Notice of 2015 Annual Meeting and Proxy Statement, which contains detailed information about each proposal and other matters related to the 2015 Annual Meeting.

We believe that the five (5) nominees proposed by your Board, with their breadth of relevant and diverse experience, represents the best interests of our shareholders and should be elected. Accordingly, your Board of Directors recommends that you vote **FOR** the following five (5) nominees: Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych, using the enclosed **WHITE** proxy card. Your **VOTE** is important to the future of Qualstar. We appreciate your support and look forward to seeing you at the 2015 Annual Meeting. Whether or not you plan to attend the 2015 Annual Meeting, please vote your shares using the Internet, the phone, or by mail by returning the **WHITE** proxy card enclosed.

If you have any questions or require any assistance with voting your shares, please contact the Company at 31248 Oak Crest Drive Suite 120, Westlake Village, California 91361 or by telephone at 1-800-468-0680 ext. 114.

It is important that your shares be represented. Therefore, even if you presently plan to attend the 2015 Annual Meeting, please complete, sign and date and promptly return the enclosed **WHITE** proxy card in the envelope provided. If you do attend the 2015 Annual Meeting and wish to vote in person, you may withdraw your proxy at that time.

I look forward to seeing you at the 2015 Annual Meeting.

Sincerely,

Steven N. Bronson  
Chief Executive Officer and President

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**QUALSTAR CORPORATION**

**31248 Oak Crest Drive Suite # 120**

**Westlake Village, California 91361**

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**NOTICE OF THE 2015 ANNUAL MEETING OF SHAREHOLDERS**

**To be held on May 15, 2015 at 10:00 A.M. (PDT)**

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NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Shareholders (including any adjournment, postponement, continuation or rescheduling thereof, the “2015 Annual Meeting”) of Qualstar Corporation (“Qualstar,” the “Company,” or “we”) will be held at the corporate offices of Qualstar, located at 31248 Oak Crest Drive Suite # 120, Westlake Village, California 91361, on Friday, May 15, 2015, at 10:00 a.m. Pacific Time, for the following purposes:

1. To elect five directors to serve one-year terms expiring at the 2016 Annual Meeting of Shareholders, or until their successors have been duly elected and qualified;
2. To hold an advisory vote on executive compensation;
3. To approve the appointment of SingerLewak LLP as the independent registered public accounting firm to audit our financial statements for the fiscal year ending June 30, 2015; and
4. To transact any other business as may properly come before the 2015 Annual Meeting and any adjournment thereof.

More information on all of these matters is included in the accompanying Proxy Statement. Shareholders of record at the close of business on March 27, 2015, are entitled to notice of, and to vote at, the 2015 Annual Meeting and any adjournment or postponement thereof. All shareholders are cordially invited to attend the 2015 Annual Meeting in person.

Your Board of Directors recommends that you vote **FOR** the Board’s five (5) nominees: Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych.

By Order of the Board of Directors

*Steven N. Bronson, CEO & President*

Westlake Village, California

April 9, 2015

**YOUR VOTE IS IMPORTANT. THEREFORE, WHETHER OR NOT YOU PLAN TO ATTEND THE 2015 ANNUAL MEETING YOU SHOULD COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD, AND RETURN IT IN THE PREAMBITED ENVELOPE PROVIDED. NO POSTAGE IS NECESSARY IF MAILED IN THE UNITED STATES.**

**IMPORTANT NOTICE regarding the availability of proxy materials for the 2015 Annual Meeting of Shareholders to be held on May 15, 2015: This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2014 are available on Qualstar's website at [www.qualstar.com](http://www.qualstar.com).**

**QUALSTAR CORPORATION**

**31248 Oak Crest Drive, Suite # 120**

**Westlake Village, California 91361**

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**PROXY STATEMENT**

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**2015 ANNUAL MEETING OF SHAREHOLDERS**

**To be held on May 15, 2015 at 10:00 A.M. (PDT)**

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This Proxy Statement (the “Proxy Statement”) is being furnished to all shareholders of record as of March 27, 2015 by the Board of Directors (the “Board”) of Qualstar Corporation, a California corporation (“Qualstar,” the “Company,” or “we”), in connection with the solicitation of proxies for the 2015 Annual Meeting of Shareholders (including any adjournment, postponement, continuation or rescheduling thereof, the “2015 Annual Meeting”) to be held on May 15, 2015 at the corporate offices of Qualstar, located at 31248 Oak Crest Drive, Suite # 120, Westlake Village, California 91361, at 10:00 a.m. Pacific Time. This Proxy Statement contains important information about the business matters that will be voted on at the 2015 Annual Meeting.



## **GENERAL INFORMATION**

### **Why am I receiving these materials?**

We sent you this Proxy Statement because your Board is soliciting your proxy to vote at the 2015 Annual Meeting. This Proxy Statement summarizes the information you need to vote at the 2015 Annual Meeting. You do not need to attend the 2015 Annual Meeting to vote your shares of Qualstar's common stock, no par value (the "Common Shares"). This Proxy Statement, the accompanying **WHITE** proxy card and our annual report on Form 10-K for the fiscal year ended June 30, 2014 are being made available to shareholders beginning on or about April 10, 2015. Please read this Proxy Statement, as it contains important information you need to know to vote at the 2015 Annual Meeting.

### **What proposals will be voted on at the 2015 Annual Meeting?**

At the 2015 Annual Meeting, you will be asked to consider and vote upon the following matters:

Election of five directors to each serve until the 2016 Annual Meeting of Shareholders and until their respective successors shall have been duly elected and qualified (Proposal 1);

Advisory vote to approve the compensation paid to the Company's named executive officers for the fiscal year ended June 30, 2014 (Proposal 2);

Approval of the appointment of SingerLewak LLP as the independent registered public accounting firm for the fiscal year ending June 30, 2015 (Proposal 3); and

Any other matters, if any, as may properly be brought before the 2015 Annual Meeting and any postponement or adjournment of the 2015 Annual Meeting.

### **When and where will the 2015 Annual Meeting be held?**

The 2015 Annual Meeting will be held on May 15, 2015, at 10:00 a.m. Pacific Time, at the corporate offices of Qualstar, located at 31248 Oak Crest Drive, Suite # 120, Westlake Village, California 91361.



**Who is entitled to vote at the 2015 Annual Meeting?**

Your Board of Directors has fixed the close of business on March 27, 2015 as the record date for determining those shareholders entitled to notice of, and to vote on, all matters that may properly come before the 2015 Annual Meeting. As of the record date, Qualstar had 12,253,117 outstanding shares of common stock entitled to notice of, and to vote at, the 2015 Annual Meeting. No other securities are entitled to vote at the 2015 Annual Meeting. Only shareholders of record on the record date are entitled to notice of and to vote at the 2015 Annual Meeting and at any adjournment thereof.

**What are the voting rights of shareholders?**

Each shareholder of record is entitled to one vote for each share held as of the record date on all matters to come before the 2015 Annual Meeting and at any adjournment thereof. Under our Articles of Incorporation, shareholders do not have cumulative voting rights in the election of directors.

**How many votes must be present to hold the 2015 Annual Meeting?**

To conduct business at the 2015 Annual Meeting, a quorum must be present. The presence in person or by proxy of shareholders entitled to cast at least a majority of all votes entitled to be cast at the meeting shall constitute a quorum. We count proxies marked “withhold authority” as to any director nominee or “abstain” as to a particular proposal for purposes of determining the presence or absence of a quorum at the 2015 Annual Meeting for the transaction of business.

**How do I vote my shares?**

In addition to voting in person at the 2015 Annual Meeting or any postponement or adjournment thereof, you may vote by mail, Internet or telephone.

***Voting by Internet or Telephone.*** If you are a registered shareholder (that is, if your stock is registered in your name), you may also vote by Internet or telephone by following the instructions included with your **WHITE** proxy card. You are encouraged to vote electronically by Internet or telephone. The procedures for each of these voting methods is set forth below.

***Vote by Internet.*** Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your **WHITE** proxy card in hand when you log on. You will be prompted to enter your Control Number(s) which is located on your **WHITE** proxy card and then follow the directions given to obtain your records and create a voting instructions form.

***Vote by Telephone.*** Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week. Have your **WHITE** proxy card in hand when you call. You will be prompted to enter your Control Number(s) which is located on your **WHITE** proxy card and then follow the directions given.

If you vote by Internet or telephone, you do not need to return your **WHITE** proxy card.

If your shares are held in “street name” (that is, if your stock is registered in the name of your broker, bank or other nominee), please check your proxy card or contact your broker, bank or other nominee to determine whether you will be able to vote by Internet or telephone.

If you need assistance in revoking your proxy or changing your vote, please call the Company at 1-800-468-0680 ext. 114.

***Voting by Mail.*** To vote by mail, please sign, date and return to Qualstar as soon as possible the enclosed **WHITE** proxy card. An envelope with postage paid, if mailed in the United States, is provided for this purpose. Properly executed proxies that are received in time and not subsequently revoked will be voted as instructed on the proxies. If you vote by Internet or by telephone as described above, you need not also mail a proxy to Qualstar.

***Voting at the 2015 Annual Meeting.*** You may vote by ballot in person at the 2015 Annual Meeting. If you want to vote by ballot, and you hold your shares in street name (that is, through a bank or broker), you must obtain a power of attorney or other proxy authority from that organization and bring it to the 2015 Annual Meeting. Follow the instructions from your bank, broker or other agent or nominee included with these proxy materials, or contact your bank, broker or other agent or nominee to request a power of attorney or other proxy authority. Even if you plan to attend the 2015 Annual Meeting, you are encouraged to submit a **WHITE** proxy card or vote by Internet or telephone to ensure that your vote is received and counted. If you vote in person at the 2015 Annual Meeting, you will revoke any prior proxy you may have submitted.

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

Your Board of Directors recommends that you vote as follows:

“FOR” each of the following five (5) nominees to the Board: Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych (Proposal 1);

“FOR” approval, on an advisory basis, of the compensation paid to the Company’s named executive officers for the fiscal year ended June 30, 2014 (Proposal 2); and

“FOR” approval of the appointment of SingerLewak LLP as the independent registered public accounting firm for the fiscal year ending June 30, 2015 (Proposal 3).

### **What vote is required?**

Directors are elected by a plurality of the votes cast for election of directors and only five directors may be elected at the 2015 Annual Meeting. The directors elected will be the five (5) nominees who receive the highest number of “**FOR**” votes cast at the 2015 Annual Meeting by shareholders present, in person, or by proxy, and entitled to vote. If a shareholder does not vote for the election of directors because the authority to vote is withheld, because a proxy is not returned, because the broker holding the shares does not vote, or because of some other reason, the shares will not count in determining the total number of votes for each nominee. **WHITE** Proxies signed and returned unmarked will be voted **FOR** the Board’s five (5) nominees (Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis,

and Nicholas A. Yarymovych). **Please note that brokers may not vote on the election of directors in the absence of specific client instruction. Those who hold shares in a brokerage account are encouraged to provide voting instructions to their broker.** Votes that are not returned, withheld or broker non-votes will have no effect on the outcome of the election. If any nominee is unable to act as director because of an unexpected occurrence, the proxy holders may vote the proxies for another person or the Board of Directors may reduce the number of directors to be elected. The holders of the proxy for the 2015 Annual Meeting shall be Steven N. Bronson and James A. Prestiano (the “Proxy Holders”).

For Proposal 2 (advisory vote of executive compensation) and Proposal 3 (appointment of SingerLewak LLP), approval will require both: (i) the affirmative vote of a majority of the shares present in person or represented by proxy and voting on the proposal, and (ii) the affirmative vote of a majority of the quorum. For purposes of Proposals 2 and 3, abstentions and broker non-votes will not affect the outcome under clause (i), which recognizes only actual votes for or against the proposal. Abstentions and broker non-votes may affect the outcome under clause (ii) because abstentions and broker non-votes are counted for purposes of determining the quorum and have the effect of a vote against the proposal.

**If I give a proxy, how will my shares be voted?**

**WHITE** proxy cards received by us before the 2015 Annual Meeting that are properly executed and dated will be voted at the 2015 Annual Meeting in accordance with the instructions indicated on the proxy.

If you properly execute and date your **WHITE** proxy card but do not include voting instructions, your **WHITE** proxy card will be voted **FOR** the election of each of the following five (5) director nominees: Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych, and **FOR** Proposal 2, and **FOR** Proposal 3, and in accordance with the best judgment of the Proxy Holders on any other matters that may come before the meeting. Unsigned proxies will not be voted.

If you vote using the website or the telephone number noted on the **WHITE** proxy card, you do not need to return ANY proxy card.

If the 2015 Annual Meeting is postponed or adjourned, a shareholder's proxy will remain valid and may be voted at the postponed or adjourned meeting. A shareholder still will be able to revoke the shareholder's proxy until it is voted.

#### **What if other matters are voted on at the 2015 Annual Meeting?**

With respect to any other matter that properly comes before the 2015 Annual Meeting, the Proxy Holders will vote the proxies in their discretion in accordance with their best judgment and in the manner they believe to be in the best interest of Qualstar. For example, if you do not give instructions on your **WHITE** proxy card or by Internet or telephone, and a nominee for Director listed on the **WHITE** proxy card withdraws before the election (which is not now anticipated), your shares will be voted by the Proxy Holders for any substitute nominee as may be nominated by the Board of Directors. The holders of the proxy for the 2015 Annual Meeting shall be Steven N. Bronson and James A. Prestiano.

On the date we filed this Proxy Statement with the Securities and Exchange Commission, the Board did not know of any other matter to be brought before the 2015 Annual Meeting.

#### **How will my shares be voted if I mark "Abstain" on my proxy card?**

We will count a properly executed **WHITE** proxy card marked "Abstain" as present for purposes of determining whether a quorum is present, but the shares represented by that **WHITE** proxy card will not be voted at the 2015 Annual Meeting for the proposals so marked.

**Will my shares be voted if I do not provide instructions to my broker or nominee?**

When a matter to be voted on at a shareholders meeting is the subject of a contested solicitation, under NASDAQ rules, brokers no longer have discretion to vote shares that they hold in their name on behalf of a third party. Therefore, if you hold your shares in the name of your broker (sometimes called “street name” or “nominee name”) and you do not provide your broker with specific instructions regarding how to vote on any proposal to be voted on at the 2015 Annual Meeting, your broker will not be permitted to vote your shares on that proposal. This is called a “broker non-vote.” For example, if you provide your broker instructions on Proposal No. 1 but not on Proposal No. 2, the broker will vote on Proposal No. 1 as you direct but will not vote your shares on Proposal No. 2

Please remember to give your broker specific instructions when returning your **WHITE** proxy card. If you previously returned a proxy card without specific instructions regarding how your shares are to be voted, please complete and return the enclosed **WHITE** proxy card to your broker with specific voting instructions.

**Can I revoke my proxy or change my vote?**

An executed proxy may be revoked at any time before its exercise by delivering to the Corporate Secretary of Qualstar a written notice of revocation or a duly executed proxy bearing a later date. Prior to the date of the 2015 Annual Meeting, any notice of revocation or subsequent proxy must be delivered to our Corporate Secretary at 31248 Oak Crest Drive, Suite # 120, Westlake Village, California 91361, the principal executive office of Qualstar. On the date of the 2015 Annual Meeting, such notice or subsequent proxy should be delivered in person at the 2015 Annual Meeting prior to the time of the vote. Accordingly, the execution of the enclosed proxy will not affect a shareholder’s right to vote in person should such shareholder find it convenient to attend the 2015 Annual Meeting and desire to vote in person, so long as the shareholder has revoked his or her proxy prior to its exercise in accordance with these instructions. If you have instructed a broker to vote your shares, you must follow your broker’s directions in order to change those instructions.



**What does it mean if I receive more than one WHITE proxy card?**

If you hold your shares in more than one account, you will receive a **WHITE** proxy card for each account. To ensure that all of your shares are voted, please vote using each **WHITE** proxy card you receive or, if you vote by Internet or telephone, you will need to enter each of your Control Numbers. Remember, you may vote by telephone or Internet or by signing, dating and returning the **WHITE** proxy card in the postage-paid envelope provided.

**Who will solicit proxies on behalf of the Board?**

Proxies may be solicited on behalf of the Board, without additional compensation, by Qualstar's directors, officers and regular employees. Such persons are listed in Appendix I to this Proxy Statement.

The original solicitation of proxies by mail may be supplemented by telephone, telegram, facsimile, electronic mail, and personal solicitation by our directors, officers or other regular employees (who will receive no additional compensation for such solicitation activities). You may also be solicited by advertisements in periodicals, press releases issued by us and postings on our corporate website. Unless expressly indicated otherwise, information contained on our corporate website is not part of this Proxy Statement.

**Who will bear the cost of the solicitation of proxies?**

The entire cost of soliciting proxies, including the costs of preparing, assembling, printing and mailing this Proxy Statement, the proxy card and any additional soliciting materials furnished to shareholders, will be borne by Qualstar. Copies of solicitation material will be furnished to banks, brokerage houses, dealers, banks, voting trustees, their respective nominees and other agents holding shares in their names, which are beneficially owned by others, so that they may forward this solicitation material, to beneficial owners. In addition, if asked, we will reimburse these persons for their reasonable expenses in forwarding these materials to the beneficial owners.

**What is Qualstar's Internet address?**

Qualstar's Internet address is <http://www.Qualstar.com>. You can access this Proxy Statement and Qualstar's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 at this Internet address. Qualstar's filings with the Securities and Exchange Commission (the "SEC") are available free of charge via a link from this address. Unless expressly indicated otherwise, information contained on our website is not part of this Proxy Statement. In addition, none of the information on the other websites listed in this Proxy Statement is part of this Proxy Statement. These website addresses are intended to be inactive textual references only.

**Who can answer my questions?**

The Company is available to answer any questions concerning this Proxy Statement, toll free at 1-800-468-0680 ext. 114.

**How can I obtain additional copies of these materials or copies of other documents?**

Complete copies of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2014 are available on our website at <http://www.Qualstar.com>.

Your vote at this year's meeting is especially important, no matter how many or how few shares you own. Please sign and date the enclosed **WHITE** proxy card and return it in the enclosed postage-paid envelope promptly or vote by Internet or telephone.

## ELECTION OF DIRECTORS

### (Proposal 1)

In accordance with Qualstar's bylaws, the number of directors constituting the Board is fixed as of the commencement of voting at the 2015 Annual Meeting at five. All five directors are to be elected at the 2015 Annual Meeting and will hold office until the next Annual Meeting of Shareholders and until their respective successors are elected and have been qualified.

The following five individuals - Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych - have been designated by the Board as the nominees for election as directors. Messrs. Bronson, Wolenski, Leder, Wallis, and Yarymovych currently serve as directors of Qualstar and were all elected to the Board at the 2014 Annual Meeting of Shareholders. Each of these nominees was recommended to the Board by the Nominating and Governance Committee and was approved by the Board. The recommendation of the Board is based on its carefully considered judgment that the experience, record and qualifications of each of its nominees make them the best candidates to serve on the Board. We believe that these five nominees, with their breadth of relevant and diverse experience, represent the best interests of our shareholders and that the five nominees recommended by the Board should be elected.

The nominees of the Board have consented to serving as nominees for election to the Board, to being named in this Proxy Statement and to serving as members of the Board if elected by Qualstar's shareholders. As of the date of this Proxy Statement, Qualstar has no reason to believe that any nominee will be unable or unwilling to serve if elected as a director. However, if for any reason a nominee becomes unable to serve or for good cause will not serve if elected, the Board upon the recommendation of its Nominating and Governance Committee may designate substitute nominees, in which event the shares represented by proxies returned to us will be voted for such substitute nominees. If any substitute nominees are so designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the amended proxy statement and to serve as directors if elected, and includes certain biographical and other information about such nominees required by the applicable rules promulgated by the SEC.

The accompanying **WHITE** proxy card will not be voted for more than five candidates or for anyone other than the Board's nominees or designated substitutes. Unless otherwise instructed, the persons named in the accompanying proxy will vote to elect Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis and Nicholas A. Yarymovych to the Board, unless, by marking the appropriate space on the **WHITE** proxy card, the shareholder instructs that he, she or it withholds authority from the Proxy Holders to vote.

The following table provides information regarding Qualstar’s nominees, their ages, the year in which each first became a director of Qualstar, their principal occupations or employment during the past five years, directorships held with other public companies at any time during the past five years, and other biographical data. Included in the biography of each nominee is a description of the particular experience, qualifications, attributes or skills that led the Board to conclude that the nominee should serve as a director of Qualstar.

<b>Name</b>	<b>Business Experience During Last</b>
<b>and Age</b>	<b>Five Years and Other Directorships</b>

Steven N. Bronson (49)	<p>Steven N. Bronson was elected to the Board on June 30, 2013, and he was appointed CEO and President on July 3, 2013. Mr. Bronson served as Chairman of Qualstar from June 30, 2013 to June 27, 2014. Mr. Bronson may be deemed to beneficially own 26.55% of Qualstar stock. Mr. Bronson has been Chairman and Chief Executive Officer of BKF Capital Group Inc., since September 2008. In July 2010, Mr. Bronson became Chairman and Chief Executive Officer of Interlink Electronics, Inc. and on October 1, 2014, he was appointed President of Interlink Electronics, Inc. Interlink Electronics, Inc. is a global leader in sensor and human-machine interface technologies. Mr. Bronson effected a turnaround at Interlink Electronics, Inc. from a company that reported losses for many years into a company that now reports profits. In addition, Mr. Bronson serves as Chairman and Chief Executive Officer of Ridgefield Acquisition Corp. and 4net Software, Inc., both publicly traded companies.</p>
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David J. Wolenski (53) David J. Wolenski was elected to serve on Board on June 30, 2013 and on June 27, 2014, he was elected as the Chairman of the Board. Mr. Wolenski is the President of Electro-Mechanical Products, Inc. ("EMP"), a privately-held company engaged in the manufacture of precision-machined components and thermal management systems for the Semiconductor, Laser, and Medical Device industries. He has been a director on EMP's board since August 2000, and has served as an officer of the Company since November 2002. From 1996 to 2000, Mr. Wolenski was Chief Executive Officer of OZO Automation, Inc. (OTCBB:OZOA), a publicly-traded company that produced robotic workstations for the electronics industry. As Chief Executive Officer he also managed the sale of OZO's assets to JOT Automation of Olunsalo, Finland, and served as President of their Depaneling subsidiary from 2000 to 2001. From 1983 to 1996, Mr. Wolenski held various positions with Johns Manville Corporation, a worldwide leader in fiberglass insulations and engineered products, which included managerial assignments in manufacturing, business development, and quality assurance. His past board affiliations have included OZO Automation, Inc. where he was a director from 1996-1999, and Bio-Medical Automation, Inc., where he was a director from 1999-2000. Mr. Wolenski holds a BS degree in Mechanical Engineering from the University of Colorado at Boulder (1983), and an MBA from the University of Colorado at Denver (1990).

Sean Leder (44) Sean M. Leder was elected to serve on Board on June 30, 2013. Mr. Leder is currently serving as Chief Executive Officer of Leder Holdings, LLC, Chief Executive Officer of The Leder Group and President of Leder Realty & Management, Inc. He has held the posts of CEO of The Leder Group and President of Leder Realty & Management for the past twenty years. Mr. Leder started his career on Wall Street where, at Chase Manhattan Bank, he worked in mergers and acquisitions. Later, as a Merrill Lynch investment banker, he worked on the real estate investment banking team, raising capital for and advising real estate investment trusts. Mr. Leder received his B.A. in Political Science from Brandeis University in 1993.

Dale E. Wallis (65) Dale E. Wallis was elected to serve on Board on June 30, 2013. Mr. Wallis has over 40 years of business and entrepreneurial experience. In 2011, Mr. Wallis retired after 11 years as Vice President, Chief Financial Officer and Treasurer of The Aerospace Corporation, a \$900 million revenue defense contractor that manages much of the US Government's satellite communications programs. Prior to Aerospace, Mr. Wallis was Chief Financial Officer for a privately held company and in senior financial management for an international, SEC reporting company. Earlier in his career Mr. Wallis was a Senior Manager with Ernst & Young and an auditor with KPMG. Mr. Wallis currently is a consultant, adjunct university professor, and board member. Wallis previously served on the board and as audit committee chair for Financial Executives International, a professional organization of over 12,000 CFOs in the US, Canada, Japan and the UK.

Nicholas A. Yarymovych (50) Nicholas A. Yarymovych was elected to serve on Board on June 23, 2014. Mr. Yarymovych is currently the Senior Vice President of Global Consulting & Operations at NTT Centerstance Inc. and also served as its Managing Partner. Mr. Yarymovych founded Ventus Technology Solutions, Inc. (Ventus) in 2001, one of the first Salesforce.com consulting partners and served as President and Chief Executive Officer. In early 2011, he merged Ventus with Centerstance, Inc. and was then acquired by NTT in late 2012. Throughout his 25-year professional consulting career, he has launched new business units, established professional services practices, developed core business strategies and led numerous operational turnarounds. Prior, Mr. Yarymovych served as Vice President of e-Business Solutions with QuickStart Technologies where he led the companies'

e-business consulting services division. Prior to QuickStart, Mr. Yarymovych served as a Client Partner with Cambridge Technology Partners in their Strategy and Management Consulting Group. Currently, he serves as an advisor for several private equity firms. Mr. Yarymovych earned an M.B.A. in Management and Operations from Pepperdine University, a B.S. in Aerospace Engineering from the University of Southern California, and majored in a Bachelor of Science degree in Astronautical Engineering while attending the U.S. Air Force Academy.

**Our Board of Directors recommends a vote FOR the election of each of the Board's nominees (Steven N. Bronson, David J. Wolenski, Sean M. Leder, Dale E. Wallis, and Nicholas A. Yarymovych) in accordance with the instructions on the enclosed WHITE proxy card or, if you do not receive a proxy card, the voting instruction form provided by your bank or broker.**