

CALIBRUS, INC.
Form DEF 14A
July 31, 2012

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 []

Check the appropriate box:

- [Preliminary Proxy Statement
]
 [Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
]
 [X] Definitive Proxy Statement
 [Definitive Additional Materials
]
 [Soliciting material pursuant to Rule 14a-11(c) or 14a-12
]

CALIBRUS, INC.
(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- [] No fee required.
 [X] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of N/A
each class
of
securities
to which
transaction
applies:

2. Aggregate N/A
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): The filing fee was determined based on \$3,000,000 total consideration to be paid to Calibus, Inc. in the proposed transaction.
4. Proposed maximum aggregate value of transaction: \$3,000,000, composed of cash payments, subject to adjustment as provided for in the Asset Purchase Agreement.

Total fee paid: \$85.95

Fee paid previously with preliminary materials.

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.

Amount

1. Previously Paid:

Form, Schedule or

2. Registration Statement No.:

Filing

3. Party:

Date

4. Filed:

Calibrus, Inc.
1225 West Washington, Suite 213
Tempe, Arizona 85281

Notice of Special Meeting of Stockholders
To Be Held August 22, 2012

To Our Stockholders:

A Special Meeting of Stockholders of Calibrus, Inc., a Nevada corporation ("Calibrus" or the "Company"), will be held on Wednesday, August 22, 2012 at 10:00 a.m. local time at our offices at 1225 West Washington, Suite 213, Tempe, Arizona 85281, for the following purposes:

1. To consider and vote upon a resolution for the sale of substantially all of the assets of the third party verification business of Calibrus Inc., which may be deemed a sale of substantially all of our assets for purposes of Nevada law;
2. To consider and vote upon a resolution to change the name of the Company from "Calibrus, Inc." to "Fanatic Fans, Inc.";
3. To consider and vote upon the adoption of the 2012 Stock Option and Restricted Stock Plan of the Company; and
4. To transact such other business as may properly come before the Special Meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

Stockholders of record at the close of business on July 13, 2012 are entitled to vote at the meeting and at any adjournment or postponement thereof. Shares can be voted at the meeting only if the holder is present or represented by proxy. A list of stockholders entitled to vote at the meeting will be open for inspection at our corporate headquarters for any purpose germane to the meeting during ordinary business hours for ten days prior to the meeting. If you choose to attend the special meeting, you may still vote your shares in person even though you have previously returned your proxy by mail. If your shares are held in a bank or brokerage account, please refer to the materials provided by your bank or broker for voting instructions. The proxy is revocable at any time prior to its use.

By order of the Board of Directors,

Jeff W. Holmes
Chairman and Chief Executive Officer

Tempe, Arizona
July 31, 2012

IMPORTANT: It is important that your stockholdings be represented at this special meeting. Whether or not you expect to attend the special meeting, please complete, date and sign the enclosed proxy and mail it promptly in the enclosed envelope to assure representation of your shares. No postage need be affixed if mailed in the United States.

Calibrus, Inc.

Proxy Statement for the
Special Meeting of Stockholders
to be held August 22, 2012

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Calibrus, Inc.

1225 West Washington, Suite 213
Tempe, Arizona 85281

Proxy Statement
Special Meeting of Stockholders
To Be Held August 22, 2012

When used in this proxy statement, the terms "Calibrus," the "Company," "we," "our," or "us" refer to Calibrus, Inc. or Calibrus, Inc. and its subsidiaries, as appropriate in the context.

Solicitation, Execution and Revocation of Proxies

Proxies in the accompanying form are solicited on behalf, and at the direction, of the Board of Directors of Calibrus, Inc. for use at the Special Meeting of Stockholders to be held on August 22, 2012 or any adjournment thereof at our offices located at 1225 West Washington, Suite 213, Tempe, Arizona 85281.

You are receiving this communication because you hold shares in Calibrus. We have elected to provide access to our proxy materials by: (i) sending you this full set of proxy materials, including the proxy statement and a proxy card; and (ii) notifying you of the availability of these proxy materials on the internet that you may download and print at www.colonialstock.com/Calibrus2012. We encourage you to review all of the important information contained in the proxy materials contained herein or accessed on website www.colonialstock.com/Calibrus2012 before voting.

All shares represented by properly executed proxies, unless such proxies have previously been revoked, will be voted in accordance with the direction on the proxies. If no direction is indicated on a proxy returned to us, the shares will be voted FOR approval of the proposal to sell substantially all assets of our TPV Business, FOR approval of the amendment of our Articles of Incorporation to change our name to "Fanatic Fans, Inc." and FOR approval of the adoption of the 2012 Stock Option and Restricted Stock Plan. We are not aware of any other matter which may come before the special meeting. If any other matters are properly presented at the special meeting for action, including a question of adjourning the meeting from time to time, the persons named in the proxies and acting thereunder will have discretion to vote on such matters in accordance with their best judgment.

When stock is in the name of more than one person, the proxy is valid only if signed by all such persons. If the stockholder is a corporation, the proxy should be signed in the name of such corporation by the president or other authorized officer. If signed as attorney, executor, administrator, trustee, guardian or in any other representative capacity, the signer's full title should be given and, if not previously furnished, a certificate or other evidence of appointment should be furnished.

This proxy statement and the form of proxy that is enclosed are being mailed to our stockholders commencing on or about August 3, 2012.

A stockholder executing and returning a proxy has the power to revoke it at any time before it is voted. A stockholder who wishes to revoke a proxy can do so by executing a later-dated proxy relating to the same shares and delivering it to our corporate Secretary prior to the vote at the meeting, by written notice of revocation received by the Secretary prior to the vote at the meeting or by appearing in person at the meeting, filing a written notice of revocation and voting in person the shares to which the proxy relates.

In addition to the use of the mails, proxies may be solicited by personal conversations or by telephone, telex, facsimile or telegram by our directors, officers and regular employees. Such persons will receive no additional compensation for such services. Arrangements will also be made with certain brokerage firms and various other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of our common stock held of record by such persons, and such brokers, custodians, nominees and fiduciaries will be reimbursed for their reasonable out-of-pocket expenses incurred in connection therewith. We will bear all expenses incurred in connection with this solicitation.

The mailing address of our principal corporate office is 1225 West Washington, Suite 213, Tempe, Arizona 85281.

Summary of Proposed Asset Sale Terms

The following summary highlights the material terms of the proposed sale of substantially all of the assets of our hosted business solutions business segment (the "TPV Business"), including our third party verification service ("TPV"), which is our principal business, to Calibrus Hosted Business Solutions, LLC, an Arizona limited liability company ("CHBS" or the "Buyer"), and our use of the proceeds. This summary does not contain all of the information that may be important for you to consider in evaluating the proposed sale. We have included cross references to direct you to more complete information that appears elsewhere in this proxy statement. You should read this entire proxy statement, the Asset Purchase Agreement and the other documents attached to this proxy statement in their entirety to fully understand the asset sale and its consequences to you before voting. A copy of the Asset Purchase Agreement between us and the Buyer, dated June 15, 2012, governing the sale of the TPV Business is attached to this proxy statement as Exhibit A.

The Companies

Calibrus, Inc. is a technology based company established in 1999. We have two business segments that leverage our technology capabilities. We have provided hosted business solutions for approximately ten years. Through this business segment, we provide TPV services, hosted call recording services and interactive voice response/voice recognition ("IVR/VRU") services to a number of telecom, cable and insurance companies. In our second business segment, we have developed Fanatic Fans ("Fanatic Fans"), a location-based, social media and networking application for smart phones, and JabberMonkey ("Jabbermonkey.com"), a social networking site. Our website is www.Calibrus.com.

Calibrus Hosted Business Solutions, LLC, (the "Buyer" or "CHBS"), is a newly-formed Arizona limited liability company managed by Calibrus Management, LLC, an Arizona limited liability company, which entity owns an approximate 40% membership interest in CHBS. CHBS was formed to acquire and operate the TPV Business. Neither we nor any of our officers, directors, principal shareholders or employees have any affiliation with CHBS.

Assets Transferred and Liabilities Assumed. We are selling substantially all of the assets of our TPV Business, including substantially all of the related computers, equipment, licenses, customer lists, intellectual property and related agreements and contracts with our customers. CHBS is offering employment to nearly all of the staff of the TPV Business. See "Description of the TPV Business Sale — Assets Transferred and Liabilities Assumed" on page 16.

Purchase Price. If the proposed sale to CHBS is consummated, CHBS has agreed to pay us an aggregate of \$3,000,000, subject to adjustment pursuant to the terms of the Asset Purchase Agreement, of which \$2,000,000 will be paid in cash at the closing, \$500,000 may be paid in cash twelve months after the closing and \$500,000 may be paid in cash eighteen months after the closing, subject to the following conditions:

On the closing date, CHBS will pay us \$2,000,000 in cash, subject to adjustment for any amounts we owe to CHBS under an Amended and Restated Senior Multiple Advance Promissory Note, dated June 15, 2012 we executed in favor of CHBS (the "CHBS Note"), and a Senior Multiple Advance Promissory Note, dated June 15, 2012, we executed in favor of a third party (the "Third Party Note"). The CHBS Note and the Third Party Note are collectively referred to herein as the "Pre-Closing Note." This initial \$2,000,000 payment will be reduced by the amount, if any, outstanding and payable to CHBS under the Pre-Closing Note, which is \$400,000 as of the date hereof, and the Pre-Closing Note will then be cancelled and treated as paid in full.

Within thirty days after the end of the twelve month period immediately following the closing date, CHBS has agreed to pay us \$500,000 in cash (the "Twelve Month Payment"), subject to the adjustment below. Within such thirty-day period, CHBS will calculate the gross revenues received from all of the existing customers of the TPV Business as of

the closing date and from six prospective customers of the TPV Business that we have actively engaged

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or can demonstrate proof of active engagement for new business (collectively, the "Business Customers") for the twelve-month period beginning on the Closing Date and ending on the last day of the twelfth month following the Closing Date (the "Twelve Month Revenue"). If the Twelve Month Revenue is equal to \$3,500,000, then there will be no adjustment to the Twelve Month Payment. If the Twelve Month Revenue is less than \$3,500,000, the Twelve Month Payment will be reduced by the amount of \$1.25 for every \$1.00 the Twelve Month Revenue is less than \$3,500,000. If the Twelve Month Revenue is equal to or less than \$3,100,000, CHBS will not owe the Twelve Month Payment to us. If the Twelve Month Revenue is greater than \$3,500,000, the Twelve Month Payment will be increased by the amount of \$0.20 for every \$1.00 the Twelve Month Revenue is greater than \$3,500,000 until the Twelve Month Revenue equals or exceeds \$5,000,000, at which time no further payments will be due to us by CHBS under the Twelve Month Payment.

Within thirty days after the end of the eighteen month period immediately following the closing date, CHBS has agreed to pay us \$500,000 in cash (the "Eighteen Month Payment"), subject to the adjustment below. Within such thirty-day period, CHBS will calculate the gross revenues received from the Business Customers for the twelve month period beginning on the first day of the seventh month following the closing date and ending at the end of the eighteenth month following the closing date (the "Eighteen Month Revenue"). If the Eighteen Month Revenue is equal to \$3,500,000, then there will be no adjustment to the Eighteen Month Payment. If the Eighteen Month Revenue is less than \$3,500,000, the Eighteen Month Payment will be reduced by the amount of \$1.25 for every \$1.00 the Eighteen Month Revenue is less than \$3,500,000. If the Eighteen Month Revenue is equal to or less than \$3,100,000, CHBS will not owe the Eighteen Month Payment to us. If the Eighteen Month Revenue is greater than \$3,500,000, the Eighteen Month Payment will be increased by the amount of \$0.20 for every \$1.00 the Eighteen Month Revenue is greater than \$3,500,000 until the Eighteen Month Revenue equals or exceeds \$5,000,000, at which time no further payments will be due to us by CHBS under the Eighteen Month Payment.

Certain principal shareholders and officers of the Company have agreed to vote for the transaction at the special meeting of stockholders and to deal only with the Buyer in relation to the sale of the TPV Business. These shareholders represent approximately 38% of the issued and outstanding common stock of the Company.

See "Description of the TPV Business Sale—Consideration to be Received" on page 17.

Conditions to the Transaction. CHBS has the right to terminate the sale if certain conditions are not satisfied prior to closing, including the following:

- our stockholders shall have approved the sale;
- the TPV Business shall not have suffered a material adverse effect, as defined in the Asset Purchase Agreement, such as a major operational failure;
- none of our material customers has terminated its relationship with us or notified us that it intends to do so;
- receipt of all necessary government approvals and consents of all parties, including certain of our major customers, necessary to assign material contracts to CHBS; and
- certain employees will have entered into employment agreements with CHBS.

See "Other Material Terms of the Asset Purchase Agreement — Conditions to the Closing" on page 19.

Representations and Warranties. The Asset Purchase Agreement contains customary representations, warranties and covenants. All representations and warranties will survive the closing and will expire on the second anniversary of the closing, with some customary exceptions. See "Other Material Terms of the Asset Purchase Agreement — Representations and Warranties," on page 19.

Indemnification. We have agreed to indemnify CHBS for losses and claims against it arising from our breach of any covenants or any representations or warranties in the Asset Purchase Agreement and other matters. Our indemnity obligations are capped at the portion of the purchase price we have received under the Asset Purchase Agreement. Our payment obligations only commence after CHBS has incurred the first \$50,000 of claims otherwise eligible for indemnification. CHBS has agreed to similar indemnification obligations in favor of us. The indemnification threshold will not apply to Buyer's right to offset the Twelve Month Payment or the Eighteen Month Payment due to us to the extent we breach any of our representations or warranties in the Asset Purchase Agreement.

See "Other Material Terms of the Asset Purchase Agreement —Indemnification" on page 19.

Termination Fees. We must pay a termination fee of \$250,000, plus all reasonable out of pocket expenses incurred by CHBS (including, without limitation, attorneys' fees) in an amount not to exceed \$100,000, if we fail to close the transaction contemplated by the Asset Purchase Agreement in accordance with its terms after satisfaction or waiver of all required conditions to closing.

Post-Closing Agreements. We have agreed that we will not, for a period of five years following the closing date (the "Restricted Period"), provide TPV services that compete with the TPV Business in any state in which CHBS conducts the TPV Business during the Restricted Period. In addition, during the Restricted Period, we will not (i) hire or attempt to hire away any employee of CHBS or the TPV Business or persuade any such employee to leave employment with CHBS or the TPV Business; (ii) solicit, divert, or take away, or attempt to solicit, divert or take away, the business of any person with whom CHBS or the TPV Business has established, or are actively seeking to establish a business or customer relationship with respect to competing services or products; (iii) accept the business or customer relationship of any person with whom CHBS or the TPV Business has established, or are actively seeking to establish, a business or customer relationship with respect to competing services or products; or (iv) solicit, induce or attempt to induce any salesperson, distributor, supplier, vendor, manufacturer, representative, agent, or other person transacting business with CHBS or the TPV Business to terminate their relationship or association with CHBS or the TPV Business, or to represent, distribute or sell services or products in competition with the business of CHBS or the TPV Business. See "Other Material Terms of the Asset Purchase Agreement — Conditions to the Closing" on page 19 and "Noncompetition and Nonsolicitation Agreements" on page 20.

In connection with the completion of the Asset Purchase Transaction, CHBS will assume the lease for the business premises where the TPV Business is currently operated and it is expected that CHBS will continue operating the TPV Business in such location. Calibrus will relocate its business after the closing.

None of our officers, directors, principal shareholders or employees has any affiliation with CHBS.

After the closing of the proposed transaction, of our four executive officers, only Mr. Tom Harker, our chief technology officer, will become an employee of CHBS and have no affiliation with us. Our other three executive officers, Mr. Jeff Holmes, our Chairman and Chief Executive Officer, Mr. Greg Holmes, our President, and Mr. Kevin Asher, our Chief Financial Officer, will remain our officers and continue in such positions as we transition our operations to social media and Fanatic Fans. They will have no affiliation with CHBS after the closing.

The members of our board of directors will continue as our directors and are not and after the closing, will not be, affiliated with CHBS.

Questions and Answers about these Proxy Materials and Voting

Why am I receiving these materials?

We have sent you this proxy statement and the enclosed proxy card because the Board of Directors is soliciting your proxy to vote at the special meeting of stockholders. You are invited to attend the special meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the special meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

What am I being asked to vote upon?

We are asking each stockholder to vote in favor of a transaction in which we will sell substantially all of the assets of our TPV Business to CHBS for \$3,000,000 in cash, subject to adjustment pursuant to the terms of the Asset Purchase Agreement, less the principal amount of the Pre-Closing Note.

This sale may constitute a sale of substantially all of our assets for the purposes of Nevada law, which governs our corporate matters. Accordingly, the sale is being submitted to stockholders for approval pursuant to §78-565 of the Nevada Corporation Law. See the unaudited financial statements of the TPV Business beginning on page F-1.

In addition, we are asking each stockholder to vote in favor of (i) a change of our name from “Calibrus, Inc.” to “Fanatic Fans, Inc.” to more accurately reflect our new business concentration of developing Fanatic Fans, our social media initiative; and (ii) approval of the adoption of our 2012 Stock Option and Restricted Stock Plan.

Why has the Board decided to sell the TPV Business?

Our Board of Directors decided that it is in the best interests of Calibrus to sell the TPV Business. We are currently devoting our funds and efforts in two lines of business: the TPV Business and Fanatic Fans, our social media initiative. We believe we should focus our efforts solely on developing and commercializing Fanatic Fans and that there is significant opportunity in the social media and mobile social markets. The sale of our TPV Business will help us fund Fanatic Fans, allow us to focus our efforts, resources and management time on Fanatic Fans, as well as allow us to explore complimentary or other opportunities that may arise in the social media market from time to time. See "Proposal One: To Approve the Sale of the TPV Business — Reasons for Engaging in the Sale of the TPV Business" on page 20.

What will Calibrus receive in exchange for the TPV Business?

CHBS will pay us \$3,000,000 in cash, subject to adjustment pursuant to the terms of the Asset Purchase Agreement, less the principal amount of the Pre-Closing Note.

What will the stockholders receive if the asset sale is approved and closes?

We will make no distributions to our stockholders from the proceeds of the sale of the TPV Business. Rather, we will use the sale proceeds primarily to fund Fanatic Fans and pay certain outstanding obligations.

What was the process by which Calibrus chose to sell the TPV Business to CHBS?

We explored a variety of strategic alternatives to continue to fund our social media initiative through the revenue generated by our existing TPV Business. After reviewing our available alternatives, our Board of Directors

directed us to pursue the sale of our TPV Business with the help of our financial advisor, MCA Financial Group. In a process spanning 12 months, during which we approached 25 different potential buyers, we received one indication of interest and, after additional negotiations, our Board of Directors concluded in June 2012 that a transaction with CHBS represented the best value for selling the TPV Business under the circumstances. See "Proposal One: To Approve the Sale of the TPV Business —Reasons for Engaging in the Sale of TPV Business" on page 20.

What will be the management structure of Calibrus after the sale?

Jeff W. Holmes, our Chairman and CEO, Greg Holmes, our President, and Kevin Asher, our Chief Financial Officer, are expected to remain after the sale. All of our other employees who are currently directly involved with the social media program are expected to remain with us immediately after the sale. We expect that immediately after closing we will have approximately five employees. Our administrative staff will report to Greg Holmes. Greg Holmes and Kevin Asher will report to Jeff Holmes, our Chairman and CEO.

What are the risks of the proposed asset sale?

If the stockholders approve the sale of the TPV Business and the sale is consummated, we will be selling our only revenue and cash flow producing business and become less diversified. We will then be a social media company. Fanatic Fans, our social media business, will require a substantial investment. Our investment in Fanatic Fans is high risk, but has the potential for significant return if it is successful. Our available resources, even after the sale of the TPV Business, will not be sufficient to fund completely the development and commercialization of Fanatic Fans. We will require substantial additional funding for it. We do not have any commitments for such funding. Further, even if we do obtain such funding, there can be no assurance that the terms will be favorable to us. See "Risk Factors" on page 12.

What will occur if the sale transaction is not approved?

If our stockholders do not approve the sale of the TPV Business, we will not consummate the sale. We will continue to operate our TPV Business and re-evaluate our strategic alternatives.

What are the federal tax consequences of the asset sale to Calibrus?

Although we will recognize taxable income in connection with our sale of our TPV Business to CHBS, a portion of this taxable income will be offset to the extent of our current year losses from operations plus available net operating loss carry forwards from prior years. As of March 31, 2012, we believe that we have approximately \$6,890,000 of current year losses from operations plus available net operating loss carry forwards from prior years. However, due to certain rules imposing limits on the availability of net operating losses under the federal alternative minimum tax system, a portion of this taxable income may be subject to the federal alternative minimum income tax.

Am I entitled to appraisal or dissenter's rights?

No. Stockholders are not entitled to any dissenter's or appraisal rights with respect to the sale of the TPV Business under Nevada law or our Articles of Incorporation.

Where and when is the special meeting?

The special meeting will be held on Wednesday, August 22, 2012 at 10:00 a.m. local time, at our offices at 1225 West Washington, Suite 213, Tempe, Arizona 85281.

Who can vote at the special meeting?

Only holders of our common stock at the close of business on July 13, 2012, the record date, may vote at the special meeting or any adjournment or postponement of the special meeting. On July 13, 2012, 13,858,580 shares of our common stock were issued and outstanding. Each stockholder is entitled to one vote per share. The presence, in person or by proxy, of a majority of those shares will constitute a quorum at the special meeting.

Stockholder of Record: Shares Registered in Your Name

If on July 13, 2012, your shares were registered directly in your name with our transfer agent, Colonial Stock Transfer, then you are a stockholder of record. As a stockholder of record, you may vote in person at the special meeting or vote by proxy. Whether or not you plan to attend the special meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on July 13, 2012, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the special meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the special meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your broker or other agent.

What is a "quorum"?

To vote on proposals at the special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of the holders of at least a majority of the votes entitled to be cast at the meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when you fail to provide voting instructions to your broker for shares that your broker holds on your behalf in a nominee name, which is commonly referred to as holding your shares in "street name." Under those circumstances, your broker may be authorized to vote for you on some routine items but is prohibited from voting on other items. Those items for which your broker cannot vote result in broker non-votes.

How do I vote?

You may vote by proxy or in person at the special meeting. To vote by proxy, please complete, sign, date and return your proxy card in the postage-prepaid envelope that we have provided. For each of the matters to be voted on at the special meeting, you may vote "For" or "Against" or you may abstain from voting.

The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record, you may vote in person at the special meeting or vote by proxy using the enclosed proxy card. Proxies may also be authorized by telephone or over the internet by following the instructions on the proxy card. If you vote by telephone or internet, you do not have to mail in your proxy card. Whether or not you plan to attend the special meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the special meeting and vote in person even if you have already voted by proxy.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the special meeting, we will vote your shares as you direct.

- To vote by telephone or over the internet, follow the instructions on the proxy card.
- To vote in person, come to the special meeting and we will give you a ballot when you arrive. If you submit your vote in person, any previous votes that were submitted by you will be superseded by the vote that you cast at the special meeting.

Beneficial Owner: Shares Registered in the Name of 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 a proxy card and voting instructions with these proxy materials from that organization rather than from the Company. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the special meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock that you own as of July 13, 2012.

How do proxies work?

Giving your proxy means that you authorize us to vote your shares at the special meeting in the manner you direct. If you sign, date and return the enclosed proxy card but do not specify how to vote, we will vote your shares

- FOR the sale of substantially all of the assets of the TPV Business;
- FOR the change of our name from "Calibrus, Inc." to "Fanatic Fans, Inc." and
- FOR the approval of the adoption of the 2012 Stock Option and Restricted Stock Plan.

We do not know of any other matters that will be brought before the special meeting. If, however, other matters are properly brought before the special meeting, we will vote your proxy on those matters as determined by the person identified on the proxy card as your proxy.

How do I revoke my proxy?

You may revoke your proxy at any time prior to the special meeting by:

- notifying the Secretary of Calibrus at our offices at 1225 West Washington, Suite 213, Tempe, Arizona 85281, in writing that you are revoking your proxy;
- providing another signed proxy that is dated after the proxy you wish to revoke;
- using the telephone or internet voting procedures; or

- attending the special meeting and voting in person. Simply attending the meeting will not, by itself, revoke your proxy.

If you hold shares through a bank or brokerage firm, you must contact that firm to revoke any prior voting instructions.

What happens if I choose not to submit a proxy or to vote?

If you do not submit a proxy and do not vote at the special meeting, it will have the same effect as a vote AGAINST (i) approval of the sale of the assets of the TPV Business, and (ii) the change of our name from "Calibrus, Inc." to "Fanatic Fans, Inc."; and an abstention regarding the adoption of the 2012 Stock Option and Restricted Stock Plan.

How many votes are required to approve the sale of the TPV Business?

The affirmative vote of a majority of the outstanding shares of common stock entitled to vote is necessary for approval of the sale of the TPV Business. For this purpose, if you do not return your proxy or if you vote to "abstain" on this proposal, your action will have the same effect as if you voted AGAINST the proposal. If you return a signed and dated proxy card without making any voting selections, your shares will be voted FOR this proposal. Broker non-votes also will have the same effect as a vote AGAINST the proposal.

How many votes are required to approve the change of our name to "Fanatic Fans"?

The affirmative vote of a majority of the outstanding shares of common stock entitled to vote is necessary to amend our Articles of Incorporation and change our name from "Calibrus, Inc." to "Fanatic Fans, Inc." For this purpose, if you do not return your proxy or if you vote to "abstain" on this proposal, your action will have the same effect as if you voted AGAINST the proposal. If you return a signed and dated proxy card without making any voting selections, your shares will be voted FOR this proposal. Broker non-votes also will have the same effect as a vote AGAINST the proposal.

How many votes are required to approve the adoption of the 2012 Stock Option and Restricted Stock Plan?

The affirmative vote of a majority of the outstanding shares of common stock voted at the meeting is necessary for the approval of the adoption of the 2012 Stock Option and Restricted Stock Plan. If you return a signed and dated proxy card without making any voting selections, your shares will be voted FOR this proposal. Thus, if you are not a record holder, you must provide voting instructions to the record holder of the shares in accordance with its requirements in order for your shares to be properly voted on this matter. If you beneficially own your shares in street name and you do not instruct your bank or b