

UNITY BANCORP INC /NJ/
Form DEF 14A
March 18, 2011

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

UNITY BANCORP, 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):

- x No fee required.
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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| (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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| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party: |
| (4) | Date Filed: |
-

Unity Bancorp, Inc
2011 Proxy

UNITY BANCORP, INC.

64 Old Highway 22

Clinton, New Jersey 08809

March 18, 2011

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders (the Annual Meeting) of Unity Bancorp, Inc. (the Company) to be held on April 28, 2011 at 3:00 p.m. at the Grand Colonial Restaurant, 86 Route 173 West, Perryville (Hampton), New Jersey, (908-735-7889).

At the Annual Meeting, shareholders will be asked to consider and vote upon:

1. The election of the five (5) nominees listed in the attached proxy statement to serve on the Board of Directors for the terms set forth therein for each nominee.
2. The approval of the following advisory (non-binding) proposal: Resolved, that the shareholders approve the compensation of the Company s named executive officers as described in the tabular disclosure regarding named executive officers (together with the accompanying narrative disclosure) in this Proxy Statement.
3. The ratification of the selection of McGladrey & Pullen, LLP, as the Company s independent external auditors for the year ending December 31, 2011.
4. The adoption of the Company s 2011 Stock Option Plan.
5. The adoption of the Company s 2011 Stock Bonus Plan, and
6. Such other business as may properly come before the Annual Meeting and at any adjournments thereof, including whether or not to adjourn the Annual Meeting.

Space is limited for the Annual Meeting. If you plan on attending the Annual Meeting, please mark the appropriate box on the proxy card so we can reserve enough space to accommodate all attendees.

Your cooperation is appreciated since a majority of the outstanding shares of Common Stock of the Company must be represented, either in person or by proxy, to constitute a quorum for the conduct of business. Whether or not you expect to attend, please sign, date and return the enclosed proxy card promptly in the postage-paid envelope provided so that your shares of Company Common Stock will be represented. In addition, please be kind enough to note on the proxy card whether or not you intend to be present at the Annual Meeting.

On behalf of the Board of Directors and all of the employees of the Company, I thank you for your continued interest and support.

Sincerely yours,

DAVID D. DALLAS

Chairman of the Board

UNITY BANCORP, INC.

64 Old Highway 22

Clinton, New Jersey 08809

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 28, 2011

Notice is hereby given that the 2011 Annual Meeting of Shareholders (the "Annual Meeting") of Unity Bancorp, Inc., (the "Company"), will be held at the Grand Colonial Restaurant, 86 Route 173 West, Perryville (Hampton), New Jersey, (908-735-7889), on April 28, 2011 at 3:00 p.m., for the purpose of considering and voting upon the following matters:

1. The election of the five (5) nominees listed in the attached proxy statement to serve on the Board of Directors for the terms set forth therein for each nominee.
2. The approval of the following advisory (non-binding) proposal: Resolved, that the shareholders approve the compensation of the Company's named executive officers as described in the tabular disclosure regarding named executive officers (together with the accompanying narrative disclosure) in this Proxy Statement.
3. The ratification of the selection of McGladrey & Pullen, LLP, as the Company's independent external auditors for the year ending December 31, 2011.
4. The adoption of the Company's 2011 Stock Option Plan.
5. The adoption of the Company's 2011 Stock Bonus Plan, and
6. Such other business as may properly come before the Annual Meeting and at any adjournments thereof, including whether or not to adjourn the Annual Meeting.

Shareholders of record at the close of business on March 4, 2011, are entitled to notice of, and to vote at, the Annual Meeting. If you plan on attending the Annual Meeting, please mark the appropriate box on the proxy card so we can reserve enough space to accommodate all attendees.

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All shareholders are cordially invited to attend the Annual Meeting. Whether or not you contemplate attending the Annual Meeting, please execute the enclosed proxy and return it to the Company. You may revoke your proxy at any time prior to the exercise of the proxy by delivering to the Company a later-dated proxy or by delivering a written notice of revocation to the Company. A return envelope, which does not require postage, if mailed in the United States, is enclosed for your convenience.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD ON APRIL 28, 2011:

You may access the Annual Report, Proxy Statement and Proxy Card at the following website:
<http://www.sn1.com/IRWebLinkX/GenPage.aspx?IID=101233&GKP=205317>

By Order of the Board of Directors

DAVID D. DALLAS

Chairman of the Board

March 18, 2011

Clinton, New Jersey

UNITY BANCORP, INC.

64 Old Highway 22

Clinton, New Jersey 08809

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 28, 2011

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Unity Bancorp, Inc. (the **Company**) of proxies to be voted at the **Company's** 2011 Annual Meeting of Shareholders (the **Annual Meeting**) to be held on April 28, 2011 and at any postponement or adjournment of the Annual Meeting.

You are cordially invited to attend the Annual Meeting, which will begin at 3:00 p.m. local time. The Annual Meeting will be held at the Grand Colonial Restaurant, 86 Route 173 West, Perryville (Hampton), New Jersey, (908-735-7889). Shareholders will be admitted beginning at 2:45 p.m. local time. (Directions: Route 78 West to Exit 12 to end of ramp, turn left onto Route 173 West and proceed to restaurant on right; or Route 78 East to Exit 11 to end of ramp, turn left on Route 614, turn right onto Route 173 East and proceed to restaurant.)

The **Company** is first mailing this proxy statement and proxy card (including voting instructions) on or about March 18, 2011, to persons who were Unity Bancorp, Inc. shareholders at the close of business on March 4, 2011, the record date for the Annual Meeting.

PROXIES AND VOTING PROCEDURES

Who Can Vote?

You are entitled to vote at the Annual Meeting all shares of the **Company's** common stock, no par value per share (the **Common Stock**), that you held as

of the close of business on the record date. Each share of Common Stock is entitled to one vote with respect to each matter properly brought before the Annual Meeting.

On March 4, 2011, there were 7,222,449 shares of Common Stock outstanding.

In accordance with New Jersey law, a list of shareholders entitled to vote at the meeting will be available at the Annual Meeting.

Who Is a Record Holder?

You may own Common Stock either (1) directly in your name, in which case you are the record holder of such shares, or (2) indirectly through a broker, bank or other nominee, in which case such nominee is the record holder.

If your shares of Common Stock are registered directly in your name, the Company is sending these proxy materials directly to you. If the record holder of your shares of Common Stock is a nominee, you will receive proxy materials from such record holder.

How Do I Vote?

Record Holders:

By Mail. If you choose to vote by mail, mark your proxy, date and sign it, and return it in the postage-paid envelope provided. Your vote by mail must be received by the close of voting at the Annual Meeting on April 28, 2011.

By Attending the Annual Meeting. If you attend the Annual Meeting, you can vote your shares of Common Stock in person.

Stock Held by Brokers, Banks and Nominees:

If your Common Stock is held by a broker, bank or other nominee, you will receive instructions from them that you must follow in order to have your shares voted.

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If you plan to attend the Annual Meeting and vote in person, you will need to contact the broker, bank or other nominee to obtain evidence of your ownership

of Common Stock on March 4, 2011.

The method by which you vote will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person.

How Many Votes Are Required?

A quorum is required to transact business at the Annual Meeting. The Company will have a quorum and be able to conduct the business of the Annual Meeting if the holders of a majority of the shares of Common Stock entitled to vote are present at the Annual Meeting, either in person or by proxy.

If a quorum is present, Directors will be elected by a plurality of votes cast at the Annual Meeting. Thus, a Director may be elected even if the Director receives less than a majority of the shares of Common Stock represented at the Annual Meeting. Approval of each of the other proposals requires the vote of a majority of those shares voting at the Annual Meeting.

How Are Votes Counted?

All shares that have been properly voted, and not revoked, will be voted at the Annual Meeting in accordance with the instructions given. If you sign and return your proxy card, but do not specify how you wish your shares to be voted, your shares represented by that proxy will be voted for each of the proposals listed in the notice of meeting and as recommended by the Board of Directors on any other business to be conducted at the Annual Meeting. The Board is not aware of any other business to be conducted at the Annual Meeting.

Proxies marked as abstaining, and any proxies returned by brokers as non-votes on behalf of shares held in street name because beneficial owners' discretion has been withheld as to one or more matters to be acted upon at the Annual Meeting, will be treated as present for purposes of determining whether a quorum is present at the Annual Meeting. However, any shares not voted as a result of a marked abstention or a broker non-vote will not be counted as votes for or against a particular matter. Accordingly, marked abstentions and broker non-votes will have no effect on the outcome of a vote.

How does the Board recommend that I vote my shares?

Unless you give other instructions on your proxy card, the persons named as proxies on the card will vote in accordance with the recommendations of the

Board of Directors. The Board's recommendation is set forth together with the description of each item in this Proxy Statement. In summary, the Board recommends a vote:

FOR the directors' nominees to the Board of Directors;

FOR approval of the advisory proposal on executive compensation;

FOR ratification of McGladrey & Pullen, LLP, as the Company's independent external auditors;

FOR the adoption of the Company's 2011 Stock Option Plan; and

FOR the adoption of the Company's 2011 Stock Bonus Plan.

How Can I Revoke My Proxy or Change My Vote?

You can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy or by voting in person at the Annual Meeting.

Who Will Pay the Expenses of Proxy Distribution?

The Company will pay the expenses of the preparation of the proxy materials and the solicitation of proxies. Proxies may be solicited on behalf of the Company by Directors, officers or employees of the Company, who will receive no additional compensation for soliciting, in person or by telephone, e-mail or facsimile or other electronic means. In accordance with the regulations of the Securities and Exchange Commission and the Financial Industry Regulatory Authority (Finra), the Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of Common Stock.

PROPOSAL 1 - ELECTION OF DIRECTORS

In accordance with the Certificate of Incorporation and the Bylaws of the Company, the Board of Directors must consist of not less than one (1) and not more than fifteen (15) Directors. The Board of Directors of the Company currently has ten (10) members. The Board of Directors is divided into three classes.

Four (4) Directors will be elected at this Annual Meeting to serve for three-year terms expiring at the Company's Annual Meeting in 2014 and until their successors are duly elected and qualified. In order to balance our classes of Directors, Ms. Mary Gross is being nominated for a term expiring in 2013. The Board has nominated David D. Dallas, Robert H. Dallas, II, Wayne Courtright, Peter E. Maricondo and Mary E. Gross. All nominees, with the exception of Ms. Gross, are current members of the Company's Board of Directors.

The following tables set forth, as of the record date, the names of the nominees and the names of those directors whose terms continue beyond the Annual Meeting and their ages, a brief description of their recent business experience, including present occupations and employment, certain directorships held by each, the year in which each became a director of the Company and the year in which their terms (or in the case of the nominees, their proposed terms) as director of the Company expire.

The persons named in the enclosed proxy card will vote such proxy for the election of each of the nominees named above unless you indicate that your vote should be withheld. If elected, each nominee will continue in office until his successor has been duly elected and qualified, or until the earliest of his death, resignation, retirement or removal. Each of the nominees has indicated to the Company that he or she will serve if elected. The Company does not anticipate that any of the nominees will be unable to stand for election, but if that happens, your proxy will be voted in favor of another person nominated by the Board.

The Board of Directors has nominated and recommends a vote FOR the election of David D. Dallas, Robert H. Dallas, II, Wayne Courtright, Peter Maricondo and Mary Gross.

Table I Nominees for 2011 Annual Meeting

Name, Age and Position with Company(1)	Principal Occupation During Past Five Years	Director Since(2)	Term Expires
Wayne Courtright, 63 Director	Consultant; Retired, Former Banker	2004	2014
David D. Dallas(3), 56	Chairman of the Company and the Bank;	1991	2014

Chairman	Chief Executive Officer of Dallas Group of America, Inc. (Chemicals)		
Robert H. Dallas II,(3), 64	President of Dallas Group of America, Inc. (Chemicals)	1991	2014
Peter E. Maricondo, 64 Director	Financial Consultant	2004	2014
Mary E. Gross, 50 Director	Partner, Human Edge Resources, LLC Director of Career Management Services for The Wharton School MBA Program for Executives	2009	2013

**Table II Directors of the Company Whose Terms Continue
Beyond this Annual Meeting**

Name, Age and Position with Company(1)	Principal Occupation During Past Five Years	Director Since(2)	Term Expires
James A. Hughes, 52 President, CEO and Director	President and CEO of the Company and the Bank	2002	2013
Allen Tucker, 84 Vice-Chairman	President, Tucker Enterprises Real Estate Builder and Investor	1995	2013
Dr. Mark S. Brody, 58	V.P. Planned Financial Programs, Inc.;	2002	2012

Director	Managing Member, Financial Planning Analysts, LLC; New York State Licensed Physician		
Charles S. Loring, 69 Director	Owner, Charles S. Loring, Certified Public Accountant	1991	2012
Raj Patel, 55 Director	President/CEO of Raja Group; CEO of Millennium Hospitality; Founder and Board Member of Rainbow Investment Group, and Founder Rainbow Distribution Group.	2007	2012

Each director of the Company is also a director of the Bank.

- (1) Includes prior service on the Board of Directors of the Bank.
- (2) David D. Dallas and Robert H. Dallas, II, are brothers.

No Director of the Company is also a Director of any other company registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Investment Company Act of 1940.

GOVERNANCE OF THE COMPANY

Meetings of the Board of Directors and Committee Meetings

During the fiscal year ended December 31, 2010, the Board of Directors of the Company held twelve (12) meetings. During the fiscal year ended December 31, 2010, no director attended fewer than 75% of the aggregate of (i) the meetings of the Board of Directors, and (ii) meetings of the Committees of the Board of Directors on which such director served. The Board of Directors has determined that each of the following Directors of the Company is independent within

the meaning of the NASDAQ's listing standards: Dr. Mark S. Brody, Wayne Courtright, Charles S. Loring, Peter E. Maricondo, Raj Patel and Allen Tucker, constituting a majority of the Board. In reviewing the independence of these directors, the Board considered that Messrs. Brody, Courtright, Loring, Maricondo, Patel and Tucker engaged in ordinary course banking transactions with the Bank, including loans that were made in accordance with Federal Reserve Regulation O. The Company's policy is to require all Directors to attend annual meetings of shareholders absent extenuating circumstances. All of the Company's Directors attended the Company's 2010 Annual Meeting of Shareholders.

Director Qualifications

Dr. Mark S. Brody: Dr. Mark S. Brody has been a director of the Company and the Bank since 2002. Dr. Brody is also the Vice President of Planned Financial Programs, Inc.; Managing Member, Financial Planning Analysts, LLC, and is a New York State Licensed Physician.

Dr. Brody has extensive experience in the financial markets and is considered to be an Audit Committee financial expert as such term is defined by SEC regulations. Dr. Brody is a prominent businessman in NJ and NY and has many contacts to generate new business.

Wayne Courtright: Wayne Courtright has been a director of the Company and the Bank since 2004. Mr. Courtright is a retired banker, who has served in the capacity as Chief Lending Officer at several institutions. Mr. Courtright has extensive experience in the banking industry. Mr. Courtright is a prominent businessman in NJ and has many contacts to generate new business.

David Dallas: David D. Dallas has been a director of the Company and the Bank since 1991 and is the current Chairman. Mr. Dallas is also the CEO of Dallas Group of America, Inc. Mr. Dallas has extensive experience as a developer/builder of real estate and has extensive knowledge of NJ markets. Mr. Dallas is a prominent businessman in NJ and has many contacts to generate new business.

Robert H. Dallas, II: Robert H. Dallas, II, has been a director of the Company and the Bank since 1991. Mr. Dallas is the President of Dallas Group of America, Inc. Mr. Dallas has extensive experience as a developer/builder of real estate and has extensive knowledge of NJ markets. Mr. Dallas is a prominent businessman in NJ and has many contacts to generate new business.

James A. Hughes: James A. Hughes has been director of the Company and the Bank since 2002. Mr. Hughes has a BS in Accounting from Mount St. Mary's, a Master's degree in Business Administration from Seton Hall University and is a Certified Public Accountant. Prior to Unity Bank, Mr. Hughes was a Senior Vice President at Summit Bancorp and also worked in public accounting for KPMG. The Board believes that it is important that Mr. Hughes, as the

senior managing officer of the Company and the Bank, participate in all Board deliberations and decisions.

Charles S. Loring: Charles S. Loring has been a director of the Company and the Bank since 1991. Mr. Loring is self employed as a Certified Public Accountant. Mr. Loring has extensive financial experience and is considered to be an Audit Committee financial expert as such term is defined by SEC regulations. Mr. Loring is a prominent businessman in NJ and has many contacts to generate new business.

Peter E. Maricondo: Peter E. Maricondo has been a director of the Company and the Bank since 2004. Mr. Maricondo is currently a financial consultant. Prior to financial consulting, Mr. Maricondo served as the Vice President and Corporate Controller at NUI Corp. in Bedminster, New Jersey and was the Vice President/Controller and Chief Accounting Officer at GPU, Inc. Mr. Maricondo holds an MBA degree in Accounting from Seton Hall University, and he is a Certified Public Accountant and is considered to be an Audit Committee financial expert as such term is defined by SEC regulations.

Raj Patel: Raj Patel has been a director of the Company since 2008 and the Bank since 2007. Mr. Patel is currently serving as the President and CEO of the Raja Group, a real estate acquisition company and CEO of Millennium Hospitality, a real estate holding company. Mr. Patel is also the founder of Rainbow Investments, a diverse business investment company. Mr. Patel holds a Bachelors of Engineering from SP University, India. Mr. Patel is a prominent businessman in NJ and has many contacts to generate new business.

Allen Tucker: Allen Tucker has been a director of the Company and the Bank since 1995 and is the current Vice Chairman. Mr. Tucker is also the President of Tucker Enterprises. Mr. Tucker has extensive experience as a developer/builder of real estate and has extensive knowledge of NJ markets. Mr. Tucker is a prominent businessman in NJ and has many contacts to generate new business.

Mary E. Gross: Mary E. Gross has been a director of the Bank since 2009. Ms. Gross is a partner and founder of Human Edge Resources, LLC, a management and human resources consulting firm. She is also currently working for The Wharton School, University of Pennsylvania as the Director of Career Management Services for the Wharton MBA Program for Executives. Ms. Gross holds an MBA from The Wharton School of the University of Pennsylvania and a BS degree in Accounting from the University of Maryland and is considered to be an Audit Committee financial expert as such term is defined by SEC regulations.

Diversity

Diversity in knowledge, skills and experience is considered by the Board of Directors when evaluating nominees. From time to time, the Board of Directors may develop specific additional selection criteria for board membership, taking into consideration current board composition and ensuring that the appropriate knowledge, skills and experience are represented.

Board Leadership

Historically, the Company has separated the positions of CEO and Board Chairman, with the Board Chairman's position being filled by a non-employee member of the Board. The Board believes that this structure has been the most appropriate for the Company because it provides the Board with an additional diversity of views on managing the Company and provides the Board with greater independent leadership.

Risk Oversight

Risk is an inherent part of the business of banking. Risks faced by the Bank include credit risk relating to its loans and interest rate risk to its entire balance sheet. The Board of Directors oversees these risks through the adoption of policies and by delegating oversight to certain Board committees, including the Executive Loan and Risk Management Committees.

Audit Committee

The Company maintains an Audit Committee of the Board of Directors, which consisted of Chairman Peter E. Maricondo, and Directors Mark S. Brody, Wayne Courtright, and Charles S. Loring during the fiscal year ended December 31, 2010. The Audit Committee met four (4) times in 2010, and also held three (3) telephone conference calls with its external auditors in 2010. All Directors who serve on the Audit Committee are independent under the heightened NASDAQ listing standards and Securities and Exchange Commission's rules applicable to audit committees. The Board has determined that each of Messrs. Maricondo, Loring and Brody are considered Audit Committee financial experts as defined in Item 401(h) of Securities and Exchange Commission Regulation S-K.

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Board has adopted a written

charter setting forth the functions of the Audit Committee. The functions of the Audit Committee are to: (i) monitor the integrity of the Company's financial reporting process and systems of internal controls; (ii) monitor the independence and performance of the Company's external audit and internal auditing functions and determine the engagement of the external and internal auditors; (iii) provide avenues of communication among the external and internal auditors and the Board of Directors; (iv) review and monitor compliance with the Company's Bank Secrecy Act (BSA) policy, procedures and practices; and (v) review and monitor compliance with the Company's policies, procedures and practices. The Audit Committee reviews this charter annually in order to assure compliance with current SEC and NASDAQ rule-making and to assure that the Audit Committee's functions and procedures are appropriately defined and implemented. A copy of our Audit Committee charter is available on our website at www.unitybank.com.

The Audit Committee also reviews and evaluates the recommendations of the Company's independent certified public accountant, receives all reports of examination of the Company and the Bank by regulatory agencies, analyzes such regulatory reports and informs the Board of the results of their analysis of the regulatory reports. In addition, the Audit Committee receives reports directly from the Company's internal auditors and recommends any action to be taken in connection therewith.

HR/Compensation Committee

The HR/Compensation Committee consisted of Chairman Mark S. Brody and Director Peter E. Maricondo during the fiscal year ended December 31, 2010. The HR/Compensation Committee met three (3) times in 2010. As of the date hereof, Mark S. Brody and Peter E. Maricondo are considered to be independent for purposes of NASDAQ listing standards.

The HR/Compensation Committee is appointed by the Board of Directors to assist the Board in fulfilling its responsibilities with respect to human resources issues, policies relating to human resources and compensation of employees, including executive compensation. The HR/Compensation Committee performs functions that include monitoring human resources and compensation issues and practices, both internally and in the marketplace, conducting surveys and studies as to these issues, keeping abreast of current developments in the relevant fields, developing compensation ranges/grades, human resources policies and employment manual updates. Based on the results of its activities, the HR/Compensation Committee sets the compensation for our executive officers and for the members of our Board. The HR/Compensation Committee does not delegate its authority regarding compensation. Currently, no consultants are engaged or used by the HR/Compensation Committee for purposes of determining or recommending compensation. The Board of Directors has adopted a written charter for the HR/Compensation Committee which is available on our website at www.unitybank.com.

HR/Compensation Committee Interlocks and Insider Participation

No members of the HR/Compensation Committee are or were officers or employees of the Company.

The Company does not maintain a separate Nominating Committee. The full Board of Directors, which is comprised of a majority of independent directors within the meaning of the NASDAQ listing standards, performs the functions and fulfills the role of a nominating committee. In accordance with NASDAQ listing standards, each nominee selected by the Board must be approved by a majority of the independent Directors. The Company does not believe that a nominating committee is needed in light of the foregoing approval requirement and the fact that the Board consists largely of independent Directors. Although the Board has not adopted a formal written charter relating to its nominating procedures, it has adopted a resolution regarding the nomination process. The Board of Directors carefully considers all director candidates recommended by the Company's shareholders, and the Board does not and will not evaluate such candidate recommendations any differently from the way it evaluates other candidates. In its evaluation of each proposed candidate, the Board considers many factors including, without limitation, the individual's experience, character, demonstrations of judgment and ability, and financial and other special expertise. The Board is also authorized to obtain the assistance of an independent third party to complete the process of finding, evaluating and selecting suitable candidates for director. Candidates must be at least 30 years old. Any shareholder who wishes to recommend an individual as a nominee for election to the Board of Directors should submit such recommendation in writing to the Corporate Secretary of the Company, together with information regarding the experience, education and general background of the individual and a statement as to why the shareholder believes such individual to be an appropriate candidate for Director of the Company. Such recommendation should be provided to the Company no later than the deadline for submission of shareholder proposals with respect to the annual meeting at which such candidate, if nominated by the Board, would be proposed for election.

Communications with the Board of Directors

The Company encourages shareholder communications with the Board of Directors, but does not have a formal process. All such communications should be directed to the Chief Executive Officer of the Company, who will circulate them to the other members of the Board. The Board does not screen shareholder communications through management.

Code of Ethics