

FutureFuel Corp.  
Form DEF 14A  
July 27, 2018  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

**Exchange Act of 1934**

Filed by the Registrant

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 Pursuant to §240.14a-12

(Name of Registrant as Specified in its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(iL) (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:

(5) Total fee paid:

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 number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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8235 Forsyth Blvd. Suite 400

Clayton, Missouri 63105

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON SEPTEMBER 6, 2018**

**July 27, 2018**

**TO THE SHAREHOLDERS OF FUTUREFUEL CORP.**

Notice is hereby given that the annual meeting of shareholders of FutureFuel Corp. will be held on Thursday, September 6, 2018 at 8235 Forsyth Blvd., 8<sup>th</sup> Floor, Goldstein Room, Clayton, Missouri 63105 at 10:00 a.m. local time, for the following purposes:

- (1) to elect three directors: Paul A. Novelly, Dale E. Cole, and Alain J. Louvel;
- (2) to ratify the appointment of RubinBrown LLP as our independent auditor for the year ending December 31, 2018;  
and
- (3) to transact such other business as may properly come before the meeting.

The record date for the determination of holders of our common stock entitled to notice of and to vote at the annual meeting of shareholders is July 17, 2018. Only shareholders of record at the close of business on the record date will be entitled to vote at the annual meeting or any adjournment thereof. It is important that your shares be represented at this meeting to help ensure the presence of a quorum and to ensure that your shares are represented.

By Order of the Board of Directors,  
/s/ Rose M. Sparks  
Rose M. Sparks, Chief Financial Officer

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**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON SEPTEMBER 6, 2018.**

The Securities and Exchange Commission (“SEC”) rules allow us to furnish proxy materials to our shareholders on the Internet. We are pleased to take advantage of these rules and believe that they enable us to provide our shareholders with the information that they need, while lowering the cost of delivery and reducing the environmental impact of our Annual Meeting. Additionally, and in accordance with SEC rules, you may access our proxy materials at <http://www.envisionreports.com/ff>, which does not have “cookies” that identify visitors to the site. This notice, the proxy statement attached to this notice, our annual report to shareholders for the year ended December 31, 2017, and our report on Form 10-Q for the quarter ended March 31, 2018 are also available free of charge from the “Investors” tab of our website at [www.futurefuelcorporation.com](http://www.futurefuelcorporation.com).

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**YOUR VOTE IS IMPORTANT, PLEASE VOTE BY TOLL-FREE CALL, VIA THE INTERNET OR BY COMPLETING, SIGNING, DATING AND RETURNING A PROXY CARD.**

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**8235 FORSYTH BLVD., Suite 400**

**CLAYTON, MISSOURI 63105**

## **PROXY STATEMENT**

This Proxy Statement contains information relating to the 2018 annual meeting of shareholders of FutureFuel Corp. (or the Company, we, us, or our). **Through this notice and proxy statement, our board of directors is soliciting proxies for this annual meeting.** Our Annual Report for the year ended December 31, 2017 is also made available with this Proxy Statement, as are proxy cards and our report on Form 10-Q for the quarter ended March 31, 2018. These documents provide important information about our business, including audited financial statements.

### **Date, Time, and Place Information.**

#### **Date, Time, and Place of the Meeting.**

The 2018 annual meeting of our shareholders will be held at 8235 Forsyth Blvd., 8<sup>th</sup> Floor, Goldstein Room, Clayton, Missouri 63105 on Thursday, the 6<sup>th</sup> day of September 2018 at 10:00 a.m., local time, subject to adjournments or postponements.

#### **Approximate Date on Which this Proxy Statement Is First Sent to Security Holders.**

Notice of the 2018 annual meeting of shareholders is first being mailed to shareholders, and this Proxy Statement, the form of proxy included herein, our 2017 Annual Report and our March 31, 2018 Report on Form 10-Q are first being made available electronically to shareholders on or around July 27, 2018.

#### **Shareholder Proposals for the Next Annual Meeting.**

Any shareholder desiring to make a proposal to be acted upon at the 2019 annual meeting of our shareholders and to be considered for inclusion in our proxy statement and form of proxy for that annual meeting, must present such proposal to us at our principal office set forth above by March 29, 2019.

In addition to any other applicable requirements, for business properly to be brought before an annual meeting by a shareholder (including business not to be considered for inclusion in our proxy statement), our bylaws provide that the shareholder must have given timely notice thereof in proper written form to our corporate secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at our principal executive office, 8235 Forsyth Blvd., Suite 400, Clayton, Missouri 63105, not less than 30 days nor more than 60 days prior to the annual meeting; provided, however, that in the event that less than 40 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be received not later than the close of business on the 20<sup>th</sup> day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. To be in proper written form, a shareholder's notice to our corporate secretary must set forth in writing as to each matter the shareholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reason for conducting such business at the annual meeting; (ii) the name and address, as they appear on our books, of the shareholder proposing such business; (iii) the class and number of shares of our stock which are beneficially owned by the shareholder; and (iv) any material interest of the shareholder in such business. If a shareholder desires to submit a proposal to be acted upon at our 2019 annual meeting but not included in our proxy statement and form of proxy for that meeting, such shareholder must satisfy the advance notice provisions of our bylaws described herein.

Shareholder nominations for director must comply with the notice and informational requirements described above for other shareholder proposals, as well as additional information that would be required under applicable United States Securities and Exchange Commission (or SEC) proxy rules and the policies of the nominating/corporate governance committee of our board, particularly appendices A, B, and C of our nominating/corporate governance committee charter. A copy of our nominating/corporate governance committee charter may be found on our internet web site at <http://ffu.client.shareholder.com/corporate-governance.cfm>. In addition, a copy may be obtained free of charge through a written request to us at our principal executive office set forth above, attention corporate secretary.

### **Matters to Be Voted Upon.**

The following matters are to be voted upon at the 2018 annual meeting of our shareholders.

### **PROPOSAL ONE - ELECTION OF DIRECTORS**

Our board has nominated three persons for election to our board at the 2018 annual meeting of our shareholders: Paul A. Novelly, Dale E. Cole, and Alain J. Louvel, each as a Class C director.

*Paul A. Novelly* has been our chairman of the board since inception and chief executive officer since January 2013. Mr. Novelly is chairman and chief executive officer of Apex Oil Company, Inc., a privately-held company based in St. Louis, Missouri engaged in the trading, storage, marketing, and transportation of petroleum products, including liquid terminal facilities in the Midwest and Eastern United States, and towboat and barge operations on the inland waterway system. Mr. Novelly is president and a director of AIC Limited, a Bermuda-based oil trading company, chief executive officer of WPT GP, LLC, a director and the chairman of World Point Terminals, Inc., a Delaware company based in Missouri that, through its operating subsidiaries, owns and operates petroleum storage facilities in the United States, and chief executive officer of St. Albans Global Management, Limited Partnership, LLLP, which provides corporate management services. In the past five years, Mr. Novelly was a director of WPT GP, LLC, a wholly owned subsidiary of World Point Terminals, Inc. and general partner of World Point Terminals, LP. World Point Terminals, LP was a publicly traded master limited partnership listed on the New York Stock Exchange until July 2017. He currently serves on the board of directors at Boss Holdings, Inc., a distributor of work gloves, boots and rainwear, and other consumer products, and FCB Financial Holdings, Inc., a holding company whose material subsidiary is Florida Community Bank. Mr. Novelly previously served on the board of directors of World Point Terminals, Inc., a Canadian and Toronto Stock Exchange company and the predecessor to World Point Terminals, Inc.

Our board believes that Mr. Novelly's experience, knowledge, skills, and expertise as our chairman since 2005 and his knowledge of our operations and effectiveness of our business strategies provide valuable perspective to our board and add significant value. Additionally, Mr. Novelly's experience as the chief executive officer of Apex Oil Company, Inc., AIC Limited, St. Albans Global Management, Limited Partnership, LLLP, and WPT GP, LLC and as the chairman of World Point Terminals, Inc., as well as a number of executive positions with other oil refining, terminalling, storage, and transportation companies, are integral to our board's assessment of our business opportunities and strategic options. Finally, Mr. Novelly's service and experience as a director for other boards, including active involvement in strategic planning for those companies, strengthens the governance and functioning of our board.

**Dale E. Cole** has served on our board since August 2015 and is a graduate of the University of Texas at Austin with an undergraduate degree in business and finance and the Graduate School of Banking at Louisiana State University. Mr. Cole's career in banking began in 1974 with Texas Bank and Trust Company in Dallas, TX. He then worked with First National Bank in Marshal, TX, and became President of Banc Texas McKinney in McKinney, TX in 1983. In 1988, Mr. Cole became Chairman and CEO of Worthen Banking Corporation, with two banks in Batesville and Newark, AR. Mr. Cole founded First Community Bank in 1997. He currently serves as Chairman and CEO of First Community Bank and its holding company. Mr. Cole previously served on the Board of Trustees of the Barret School of Banking in Memphis, TN, the Board of Visitors of the University of Arkansas Community College in Batesville, AR, the Board of the Chamber of Commerce, Economic Development Foundation in Batesville, AR, Lyon College Advisory Counsel, and the board of White River Medical Center in Batesville, AR. Mr. Cole currently serves as a trustee of Lyon College in Batesville. As of December 31, 2017, First Community Bank had 20 branch locations in Northeast Arkansas and Southwest Missouri and maintained assets of \$1,339,893,950.



Mr. Cole's extensive career in banking built in him a strong foundation in business, regulatory environments, and corporate governance. Having served on numerous committees throughout his career, including compensation, trust, executive, asset/liability, investment, and many others, Mr. Cole's well-rounded experience and exposure in banking and regulatory environments will strengthen the governance function of our board. Additionally, Mr. Cole's service and experience as chairman for other boards, including active involvement in strategic planning for those companies, strengthens the governance and functioning of our board.

*Alain J. Louvel*, after receiving an MBA from Columbia University and a Master's in Economics and Political Sciences degree from the Paris University, began his professional career in 1970 as an advisor to the Department of Industry and Trade of the Quebec Government.

In 1972, he joined Bank Paribas and for the next 33 years held numerous positions with Bank Paribas in France, Canada and the United States. From 1985 on, for a period of 10 years, he was responsible for the bank's energy, commodity and derivative activities, first in New York covering the Americas until 1991, and then in the Paris head office as global head. In 1996, Mr. Louvel returned to New York as the bank's head of territory for the Americas and completed his banking career as head of risk Management Americas, with overall responsibilities over credit, market, counterparty and operational risk for the combined operations of Bank Paribas and BNP following the merger that formed BNP Paribas, until his retirement from the bank in 2007.

Mr. Louvel currently serves as a director and/or member of the audit committee of Great West Life Insurance and Annuity, Putnam Investments LLC, and Mountain Asset Management LLC. He is also a trustee of the French Institute Alliance Francaise and a French Foreign Trade Counselor. Mr. Louvel previously served on the board of directors of World Point Terminals Inc., predecessor to World Point Terminals, LP's parent and a Canadian and Toronto Stock Exchange company prior to June 2010.

Mr. Louvel's extensive career in banking and his broad experience including responsibility for credit market and operational risk management built in him a strong foundation in business, regulatory environments, and corporate governance. Mr. Louvel's well-rounded experience will strengthen the governance function of our board. Our nominating/corporate governance committee has determined that if elected, Mr. Louvel has no disqualifying relationships with us or our subsidiaries and will be considered independent of us under applicable SEC and New York Stock Exchange regulations.

Under our certificate of incorporation, our directors are divided into three classes, serving staggered three-year terms. Messrs. Novelty and Cole are standing for reelection, and Mr. Louvel is a new director nominee. Messrs. Novelty and Cole were most recently re-elected as Class C directors at our 2015 annual shareholder meeting. Each nominee has agreed, if elected at the 2018 annual meeting of our shareholders, to serve as a Class C member of our board for a

three-year term expiring in 2021.

The persons named as attorneys-in-fact in the shareholder proxy card electronically available at <http://www.envisionreports.com/ff> will vote for the election of the nominees listed above as director, unless authority to so vote is withheld. Although our board expects that the nominees will be available for election, in the event a vacancy in the slate of nominees occurs, shares of our common stock represented by proxies will be voted for the election of a substitute nominee selected by the persons named as attorneys-in-fact in the accompanying shareholder proxy card.

The names of the nominees for election and the other continuing members of our board, and certain other information with respect to such persons, are set forth below.

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**Nominees for Election as a Class C Director for a Three-Year Term Expiring in 2021**

<b>Name, Age, and Positions with the Company</b>	<b>Director of the Company Since</b>
Paul A. Novelly, 74; Chairman and Chief Executive Officer	2005
Dale E. Cole, 70; Director	2015
Alain J. Louvel, 72, Director Nominee	n/a

**Continuing Directors**

<b>Name, Age, and Positions with the Company</b>	<b>Class</b>	<b>Term Expiring</b>	<b>Director of the Company Since</b>
Donald C. Bedell, 77. Mr. Bedell has been a member of our board since February 26, 2008.	A	2019	2008
Edwin A. Levy, 81. Mr. Levy has been a member of our board since November 26, 2005.	A	2019	2005
Terrance C.Z. Egger, 60. Mr. Egger Has been a member of our board since August 27, 2015	A	2019	2015
Paul M. Manheim, 69. Mr. Manheim has been a member of our board since July 15, 2011.	B	2020	2005
Jeffrey L. Schwartz, 69. Mr. Schwartz has been a member of our board since August 27, 2015.	B	2020	2007

**OUR BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR EACH OF THE NOMINEES FOR ELECTION AS DIRECTOR.**

**PROPOSAL TWO - RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANT**

RubinBrown LLP has been our independent auditor for the fiscal years ending December 31, 2008 through December 31, 2017. Our board seeks shareholder ratification of its appointment of RubinBrown LLP as our independent auditor for the fiscal year ended December 31, 2018. A representative from the firm is expected to be present at the 2018 annual meeting of our shareholders and will have an opportunity to make a statement if the representative desires to do so and to respond to appropriate questions. Additional information regarding our independent auditor is set forth under the caption "Independent Public Accountants" beginning at page 30 below. If our shareholders do not ratify the appointment of RubinBrown LLP, our board will consider the selection of other auditors.

In light of the foregoing, we ask our shareholders to vote on the following resolution at the 2018 annual meeting of our shareholders.

RESOLVED, that the shareholders of the Company ratify the selection of RubinBrown LLP as the Company's independent auditor for the fiscal year ending December 31, 2018.

**OUR BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THIS PROPOSAL.**

**Revocability of Proxy.**

Execution and return of a proxy card will not in any way affect a shareholder's right to attend and to vote in person at the 2018 annual meeting of our shareholders. Any proxy may be revoked by the shareholder giving it, at any time prior to its being voted, by: (i) filing a notice of revocation with our corporate secretary at 8235 Forsyth Blvd., Suite 400, Clayton, Missouri 63105; (ii) executing and delivering a duly executed proxy bearing a later date; or (iii) attending the 2018 annual meeting of our shareholders and voting in person. A notice of revocation need not be on any specific form. Attendance at the 2018 annual meeting of our shareholders will not by itself constitute revocation of a proxy.

**Dissenters Rights of Appraisal.**

There are no rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon at the 2018 annual meeting of our shareholders.

**Persons Making the Solicitation.**

The solicitation in this Proxy Statement is being made by us. We will solicit proxies by mail, email or by telephone, and our directors, officers, and employees also may solicit proxies, without additional compensation, on our behalf. We will not be using any specially engaged employees or paid solicitors. All expenses incurred in this solicitation will be paid by us. Banks, brokerage houses, and other institutions, nominees, and fiduciaries will be requested to forward the proxy materials to beneficial owners and to obtain authorization for the execution of proxies.

None of our directors has informed us in writing that he intends to oppose any action intended to be taken by us at the 2018 annual meeting of our shareholders.

**Interest of Certain Persons in Matters to be Acted Upon.**

None of our directors, executive officers, the nominees for director, or any of their associates has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the 2018 annual meeting of our shareholders.

**Voting Securities and Principal Holders Thereof.**

(Dollars in thousands, except per share amounts)

**Voting Securities.**

We only have one class of voting stock outstanding, and that is our common stock. As of July 17, 2018 (the record date for our 2018 annual shareholder meeting), there were outstanding 43,742,677 shares of our common stock. Each share of our common stock issued and outstanding on the record date is entitled to one vote on each proposal at the 2018 annual meeting of our shareholders.

**Record Date.**

Our board has fixed the close of business on July 17, 2018 as the record date for the determination of our shareholders entitled to receive notice of, and to vote at, the 2018 annual meeting of our shareholders. Accordingly, only holders of record of shares of our common stock at the close of business on the record date are entitled to notice of the 2018 annual meeting of our shareholders and to attend and vote at such meeting.

**No Cumulative Voting Rights.**

Holders of our common stock do not have cumulative voting rights.

**Security Ownership of Certain Beneficial Owners.**

The following table sets forth the number and percentage of shares of our common stock owned by all persons known by us to be the beneficial owners of more than 5% of our shares of common stock as of July 17, 2018.

<u>Name and Address of Beneficial Owner</u>	<b>Amount of Beneficial Ownership</b>	<b>Percent of Common Stock</b>	
Paul A. Novelly, 8235 Forsyth Blvd., Suite 400, Clayton, MO 63105	17,725,100	40.5	%
(a)	Includes 17,078,450 shares of common stock held by St. Albans Global Management, Limited Partnership, LLLP,		
(a)	375,000 shares of common stock held by Apex Holding Co., and 271,650 shares of common stock held by Mr. Novelly personally.		

**Security Ownership of Management.**

The following table sets forth information, as of July 17, 2018, regarding the beneficial ownership of our common stock by each of our directors and executive officers and the executive officers of FutureFuel Chemical Company. Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment

power with respect to all shares of common stock beneficially owned by them and none of such shares have been pledged as security.

<u>Name of Beneficial Owner</u>	<b>Amount of Beneficial Ownership</b>	<b>Percent of Common Stock</b>	
Paul A. Novelly (a)	17,725,100	40.5	%
Edwin A. Levy (b)	280,725	*	
Paul M. Flynn	51,700	*	
Donald C. Bedell (c)	58,650	*	
Rose M. Sparks	13,124	*	
Paul M. Manheim	13,103	*	
Terrance C.Z. Egger	2,000	*	
Dale E. Cole	350	*	
Jeffrey L. Schwartz	0	*	
Tom McKinlay	0	*	
All directors and executive officers	18,144,752	41.48	%

\* Denotes an ownership percentage of less than 1%.

Includes 17,078,450 shares of common stock held by St. Albans Global Management, Limited Partnership, LLLP, 375,000 shares of common stock held by Apex Holding Co., and 271,650 shares of common stock held by (a) Mr. Novelly personally. Mr. Novelly is the chief executive officer of both named entities and thereby has voting and investment power over such shares, but he disclaims beneficial ownership except to the extent of a minor pecuniary interest.

Does not include 2,900 shares of our common stock owned by The Edwin A. Levy Charitable Foundation, Inc., a (b) New York not-for-profit corporation as to which Mr. Levy is a founder and director but not a beneficiary. Mr. Levy disclaims beneficial ownership of shares owned by the Foundation.

Includes 2,400 shares of common stock owned by the Alexandra Nicole Bedell Trust, a trust established by Mr. Bedell for his granddaughter as to which Mr. Bedell serves as trustee but holds no pecuniary interest; Mr. Bedell disclaims beneficial ownership of all shares of our common stock held by this trust. Includes 2,453 shares of common stock owned by the Ashlyn Tate Bedell Trust, a trust established by Mr. Bedell for his granddaughter as to which Mr. Bedell serves as trustee but holds no pecuniary interest; Mr. Bedell disclaims beneficial ownership of all shares of our common stock held by this trust. Includes 2,400 shares of common stock owned by the Hailey (c) Bedell Trust, a trust established by Mr. Bedell for his granddaughter as to which Mr. Bedell serves as trustee but holds no pecuniary interest; Mr. Bedell disclaims beneficial ownership of all shares of our common stock held by this trust. Includes 51,197 shares of our common stock held by the Africa Exempt Trust, of which Mr. Bedell is a beneficiary. Includes 200 shares of common stock owned by the Charlie Cash Bedell Trust, a trust established by Mr. Bedell for his grandson as to which Mr. Bedell serves as trustee but holds no pecuniary interest; Mr. Bedell disclaims beneficial ownership of all shares of our common stock held by this trust.



### **Change in Control.**

We are not aware of any arrangement (including any pledge by any person of any of our securities) the operation of which may at a date subsequent to the date of this Proxy Statement result in a change in control of us. Further, we are not aware that a change in control of us has occurred since the beginning of our last fiscal year.

### **Employment Agreement with Paul M. Flynn**

Paul M. Flynn, FutureFuel Chemical Company's executive vice president of business and marketing is party to an Employment Agreement dated July 2, 2014, which provides that Mr. Flynn would be entitled to certain payments or benefits, as applicable, upon the occurrence of a triggering event. The receipt of each of these payments or benefits is contingent upon Mr. Flynn executing and delivering to the Company a general release.

Upon a termination of Mr. Flynn's employment for death or disability, Mr. Flynn would be entitled to an immediate full vesting of his remaining unvested restricted shares. Had such a termination occurred on December 31, 2017, Mr. Flynn would have been able to receive accelerated vesting of restricted shares worth \$352 based on the closing price of our shares of \$14.07 on January 2, 2018 (the next trading day).

Upon a termination of Mr. Flynn's employment by Mr. Flynn for good reason, as defined in the employment agreement, Mr. Flynn would be entitled to (i) an immediate full vesting of his remaining unvested restricted shares; (ii) payment of his base salary for a period of six months; and (iii) to the extent eligible, reimbursement of COBRA premiums for a period of six months. Had such a termination occurred on December 31, 2017, Mr. Flynn would have been able to receive accelerated vesting of restricted shares worth \$352 based on the closing price of our shares of \$14.07 on January 2, 2018 (the next trading day), \$109 as payment of his base salary for a period of six months, and \$6 as reimbursement for COBRA premiums for a period of six months.

Upon the Company's voluntary termination of Mr. Flynn's employment, as defined in the employment agreement, Mr. Flynn would be entitled to (i) an immediate vesting of 50% of the balance of his remaining unvested restricted shares; (ii) payment of his base salary for a period of six months; and (iii) to the extent eligible, reimbursement of COBRA premiums for a period of six months. Had such a termination occurred on December 31, 2017, Mr. Flynn would have been able to receive accelerated vesting of restricted shares worth \$176 based on the closing price of our shares of \$14.07 on January 2, 2018 (the next trading day), \$109 as payment of his base salary for a period of six months, and \$6 as reimbursement for COBRA premiums for a period of six months.

Upon a change of control, as defined in the employment agreement, Mr. Flynn would be entitled to an immediate full vesting of his remaining unvested restricted shares plus payment of the amount, if any, by which \$2,500 exceeds the value of the restricted shares at the time of the change in control. Had such a termination occurred on December 31, 2017, Mr. Flynn would have been able to receive accelerated vesting of restricted shares worth \$352 based on the closing price of our shares of \$14.07 on January 2, 2018 (the next trading day), plus a cash payment of \$741.

**Directors and Executive Officers.**

**Material Proceedings.**

No director, officer, or affiliate of us, no owner of record or beneficially of more than five percent of any class of our voting securities, and no associate of any such director, officer, affiliate, or owner is a party in any material proceeding adverse to us or to any of our subsidiaries.

**Directors, Executive Officers, Promoters, and Control Persons.****Identification of Directors.**

Our directors are as follows:

Name	Age	Director Term	
		Since	Expires
Paul A. Novelly <sup>(a)</sup> , chairman of the board and chief executive officer	74	2005	2018
Edwin A. Levy	81	2005	2019
Donald C. Bedell	77	2008	2019
Paul M. Manheim	69	2011	2020
Dale E. Cole <sup>(a)</sup>	70	2015	2018
Terrance C.Z. Egger	60	2015	2019
Jeffrey L. Schwartz	69	2015	2020

(a) Messrs. Novelly and Cole are nominated for re-election at the 2018 Annual Shareholders Meeting.

There is no arrangement or understanding between any of the above directors and any other person pursuant to which such person was or is to be selected as a director.

**Identification of Executive Officers.**

The current executive officers of the Company are as follows:

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Officer Since</b>
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