

BRIDGFORD FOODS CORP  
Form DEF 14A  
February 15, 2019

**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**

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 Section 240.14a-12

**Bridgford Foods Corporation**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**BRIDGFORD FOODS CORPORATION**

**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**

**March 13, 2019**

**10:00 a.m. Pacific Time**

To the Shareholders of BRIDGFORD FOODS CORPORATION:

The annual meeting of the shareholders of Bridgford Foods Corporation, a California corporation, will be held at the offices of Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801, on Wednesday, March 13, 2019 at 10:00 a.m. Pacific Time, for the following purposes:

- (1) To elect nine directors to hold office for one year or until their successors are elected and qualified;
- (2) To ratify the appointment of Squar Milner LLP as the Company's independent registered public accountants for the fiscal year ending on November 1, 2019; and
- (3) To transact such other business as may properly come before the meeting, or any postponements or adjournments thereof.

The Board of Directors recommends that you vote "FOR" each of the director nominees referenced in Proposal 1 and "FOR" Proposal 2. Each of the proposals is described in greater detail in the Proxy Statement accompanying this Notice of 2019 Annual Meeting of Shareholders, or this Notice.

Only shareholders of record at the close of business on February 1, 2019 are entitled to notice of and to vote at the meeting or any postponement or adjournment thereof.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on Wednesday, March 13, 2019.**

Pursuant to the rules of the Securities and Exchange Commission, or the SEC, the Company has elected to provide access to its proxy materials both by sending you a full set of proxy materials, including this Notice, the accompanying Proxy Statement and Proxy Card, and the 2018 Annual Report to Shareholders, and by notifying you of the availability of the proxy materials on the Internet. **The Notice, Proxy Statement, Proxy Card and 2018 Annual Report to Shareholders are available at:**

**<https://materials.proxyvote.com/108763>**

**All shareholders are cordially invited to attend the annual meeting. HOWEVER, TO ENSURE YOUR REPRESENTATION AT THE MEETING, THE BOARD OF DIRECTORS RESPECTFULLY URGES YOU TO SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE. If you attend the meeting in person, you may withdraw your proxy and vote your shares at the meeting. Shareholders attending the meeting whose shares are held in the name of a broker or other nominee who desire to vote their shares at the meeting should bring with them a letter or account statement from that firm confirming their ownership of shares.**

**The meeting will be held at the principal offices of Bridgford Foods Corporation, which are located at 1308 North Patt Street, Anaheim, California 92801, one block east of Anaheim Blvd. and just south of the 91 Freeway in the city of Anaheim, California. Driving directions may be obtained by contacting the receptionist at (714) 526-5533.**

**Your vote is extremely important. Please vote as soon as possible to ensure that your vote is recorded promptly even if you plan to attend the annual meeting.**

By order of the Board of Directors

*/s/ Cindy Matthews-Morales*

**Cindy Matthews-Morales**

**Secretary**

Anaheim, California

February 18, 2019

## **BRIDGFORD FOODS CORPORATION**

**1308 North Patt Street, Anaheim, California 92801**

## **2019 ANNUAL MEETING OF SHAREHOLDERS**

**to be held March 13, 2019**

## **PROXY STATEMENT**

## **GENERAL INFORMATION**

The enclosed proxy is solicited by the Board of Directors of Bridgford Foods Corporation, a California corporation, which we refer to as “the Company,” “we,” “us,” or “our,” for use at the 2019 Annual Meeting of Shareholders of the Company, or the Annual Meeting, to be held at the offices of the Company, which are located at 1308 North Patt Street, Anaheim, California 92801, on Wednesday, March 13, 2019 at 10:00 a.m. Pacific Time, and at any postponement or adjournment thereof. All shareholders of record at the close of business on February 1, 2019 are entitled to notice of and to vote at such meeting. This Proxy Statement and the accompanying proxy are being mailed on or about February 18, 2019.

## **QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

*The following questions and answers are intended to briefly address potential questions that our shareholders may have regarding this Proxy Statement and the Annual Meeting. They are also intended to provide our shareholders with certain information that is required to be provided under the rules and regulations of the SEC. These questions and answers may not address all of the questions that are important to you as a shareholder. If you have additional questions about the Proxy Statement or the Annual Meeting, please see “Whom should I contact with other questions?” below.*

### **1. What is the purpose of the Annual Meeting?**

At the Annual Meeting, our shareholders will be asked to consider and vote upon the matters described in this Proxy Statement and in the accompanying Notice, and any other matters that properly come before the Annual Meeting.

## **2. What is a proxy statement and what is a proxy?**

A proxy statement is a document that the SEC regulations require us to give you when we ask you to sign a proxy designating individuals to vote on your behalf. A proxy is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

## **3. Why did I receive these proxy materials?**

We are providing these proxy materials in connection with the solicitation by the Board of Directors of the Company of proxies to be voted at the Annual Meeting, and at any postponement or adjournment thereof. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. You are invited to attend the Annual Meeting in person to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares using one of the other voting methods described in this Proxy Statement. Whether or not you expect to attend the Annual Meeting, please vote your shares as soon as possible in order to ensure your representation at the Annual Meeting and to minimize the cost to the Company of proxy solicitation.

## **4. What am I being asked to vote upon at the Annual Meeting?**

At the Annual Meeting, you will be asked to:

Vote on the election of nine director nominees to serve for one year or until their successors are elected and qualified (Proposal 1);

Ratify the appointment of Squar Milner LLP as the Company's independent registered public accountants for the fiscal year ending on November 1, 2019 (Proposal 2); and

Act upon such other matters as may properly come before the Annual Meeting or any postponement or adjournment thereof.

## **5. Does the Board of Directors recommend voting in favor of the proposals?**

Yes. The Board of Directors unanimously recommends that you vote your shares:

“FOR” each of the director nominees (Proposal 1); and



“FOR” the ratification of the appointment of Squar Milner LLP as the Company’s independent registered public accountants for the fiscal year ending on November 1, 2019 (Proposal 2).

## **6. Who can vote at the Annual Meeting?**

Only our “shareholders of record” at the close of business on February 1, 2019, the Record Date, will be entitled to vote at the Annual Meeting. On the Record Date, there were 9,076,832 shares of our common stock outstanding and entitled to vote. Each share of common stock entitles the holder thereof to one vote on each matter to be voted upon by such shareholders and, upon prior notice, to cumulate votes for the election of directors as discussed in Proposal 1 below.

### *Beneficial Owners*

If, on the Record Date, your shares were held in an account at a bank, broker, dealer, or other nominee, then you are the “beneficial owner” of shares held in “street name” and this Proxy Statement is being forwarded to you by that nominee. The nominee holding your account is considered the “shareholder of record” for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your nominee on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the “shareholder of record,” you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your nominee. Please contact your nominee directly for additional information.

Brokers, banks or other nominees holding shares of record for their respective customers generally are not entitled to vote on the election of directors unless they receive voting instructions from their customers. As used herein, “uninstructed shares” means shares held by a nominee who has not received instructions from its customers on a particular matter. As used herein, “broker non-vote” means the votes that could have been cast on the matter by nominees with respect to uninstructed shares if the nominees had received instructions. The effect of proxies marked “withheld” as to any director nominee or “abstain” as to any other proposal, and the effect of broker non-votes on each of the proposals, is discussed in each proposal below.

## **7. What are the voting requirements to approve the proposals?**

All proxies, which are properly completed, signed and returned to the Company prior to the Annual Meeting, and not revoked, will be voted in accordance with the instructions given in the proxy. Please see each proposal below for voting requirements to approve the proposals.



## **8. What happens if I do not vote?**

Please see each proposal below for the effect of not voting as well as the effect of withholdings, abstentions and broker non-votes.

## **9. What is the quorum requirement for the Annual Meeting?**

The presence at the Annual Meeting of a majority of the outstanding shares, in person or by proxy, relating to any matter to be acted upon at the Annual Meeting, is necessary to constitute a quorum for the Annual Meeting. For purposes of the quorum, shareholders of record who are present at the Annual Meeting in person or by proxy and who abstain or withhold their vote, including brokers, dealers or other nominees holding shares of their respective customers of record who cause abstentions to be recorded at the Annual Meeting, are considered shareholders who are present and entitled to vote and count toward the quorum. If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

## **10. How can I vote my shares?**

Shareholders of record can vote by proxy or by attending the Annual Meeting and voting in person. The persons named as proxies were designated by the Board of Directors. If you vote by proxy, you can vote by mail as described below. If you are the beneficial owner of shares held in “street name,” please refer to the information forwarded by your bank, broker, dealer or other nominee to see which voting options are available to you.

*Vote by Mail.* You can vote by mail pursuant to the instructions provided on the Proxy Card. If you hold shares beneficially in “street name,” you can vote by mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee. If you choose to vote by mail, simply mark, sign, date and return your Proxy Card in the enclosed postage-prepaid envelope provided with this Proxy Statement.

*Vote at the Annual Meeting.* Voting by mail will not limit your right to vote at the Annual Meeting if you decide to attend in person. Nevertheless, to ensure your representation at the Annual Meeting, the Board of Directors respectfully urges you to vote by mail. If you attend the meeting in person, you may withdraw your proxy and vote your shares at the meeting. Shareholders attending the meeting whose shares are held in “street name” by a bank, broker, dealer or other nominee who desire to vote their shares at the meeting should bring with them a letter or account statement from that firm confirming their ownership of shares prior to the Record Date.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting. If you sign and return your Proxy Card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors (as described in each proposal below).

#### **11. How may I attend the Annual Meeting?**

You are entitled to attend the Annual Meeting only if you were a shareholder as of the Record Date or hold a valid proxy for the Annual Meeting. Since seating is limited, admission to the Annual Meeting will be on a first-come, first-served basis. You should be prepared to present valid government-issued photo identification for admittance, such as a passport or driver's license. If your shares are held in "street name," you also will need proof of ownership as of the Record Date to be admitted to the Annual Meeting, such as a letter or account statement from the bank, broker, dealer or other nominee confirming your ownership of shares prior to the Record Date, a copy of the voting instruction card provided by your bank, broker, dealer or other nominee, or similar evidence of ownership. If you do not comply with each of the foregoing requirements, you may not be admitted to the Annual Meeting.

The meeting will be held at the principal offices of the Company, which are located at 1308 North Patt Street, Anaheim, California 92801, one block east of Anaheim Blvd. and just south of the 91 Freeway in the city of Anaheim, California. Driving directions may be obtained by contacting the receptionist at (714) 526-5533.

#### **12. What can I do if I change my mind after I vote my shares?**

Any proxy may be revoked or superseded by (i) executing a later proxy, (ii) giving notice of revocation in writing prior to, or at, the Annual Meeting, or (iii) attending the Annual Meeting, withdrawing the proxy and voting in person. Attendance at the Annual Meeting will not in and of itself constitute revocation of the proxy. If you have instructed your bank, broker, dealer or other nominee to vote your shares, you must follow directions received from your nominee to change those instructions.

#### **13. Could other matters be decided at the Annual Meeting?**

As of the date this Proxy Statement went to press, the Board of Directors did not know of any matters which will be brought before the Annual Meeting other than those specifically set forth in the Notice hereof. However, if any other matter properly comes before the Annual Meeting, it is intended that the proxies, or their substitutes, will vote on such matters in accordance with their best judgment.

#### **14. Who is paying for the cost of this proxy solicitation?**

Solicitation of proxies will be primarily by mail, although some of the officers, directors and employees of the Company may solicit proxies personally or by telephone, facsimile or electronic mail. All expenses incurred in connection with this solicitation will be borne by the Company. The Company will reimburse brokers and others who incur costs to send proxy materials to beneficial owners of stock in the name of a broker or nominee.

**15. I share an address with another shareholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?**

The SEC rules permit brokers and other persons who hold the Company's shares for beneficial owners, to participate in a practice known as "householding," which means that only one copy of the Proxy Statement and annual report will be sent to multiple shareholders who share the same address unless other instructions are provided to the Company. Householding is designed to reduce printing and postage costs and therefore results in cost savings for the Company. If you receive a household mailing this year and would like to have additional copies of this Proxy Statement and/or the 2018 Annual Report mailed to you, or if you would like to opt out of this practice for future mailings, please contact your broker or other nominee record holder, or submit your request to:

Bridgford Foods Corporation

1308 North Patt Street

Anaheim, California 92801

Attention: Corporate Secretary

Phone: (714) 526-5533

Upon receipt of any such request, the Company agrees to promptly deliver a copy of this Proxy Statement and/or the 2018 Annual Report to you. In addition, if you are currently a shareholder sharing an address with another shareholder and wish to receive only one copy of future proxy materials for your household, please contact us using the contact information set forth above.

**16. Where can I find voting results of the Annual Meeting?**

We will announce preliminary voting results with respect to each proposal at the Annual Meeting. In accordance with SEC rules, final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting, unless final results are not known at that time in which case preliminary voting results will be published within four business days of the Annual Meeting and final voting results will be published once they are known by the Company.

**17. What is the deadline to submit shareholder proposals or director nominations for the 2020 Annual Meeting?**

Proposals of shareholders intended to be presented at the 2020 Annual Meeting of Shareholders must be received at the Company's principal office no later than 120 days prior to the first anniversary of the date on which the proxy materials for the 2019 Annual Meeting were first sent to shareholders for inclusion in the Proxy Statement and form of proxy relating to that meeting. However, if the date of the 2020 Annual Meeting of Shareholders has been changed by more than 30 days from the date of the 2019 Annual Meeting, then the deadline is a reasonable time before the Company begins to print and send its proxy materials. Matters pertaining to such proposals, including the number and length thereof, eligibility of persons entitled to have such proposals included and other aspects are regulated by the Securities Exchange Act of 1934 and the rules and regulations of the SEC.

Additionally, any shareholder desiring to submit a proposal for action or to nominate one or more persons for election as directors at our 2020 Annual Meeting of Shareholders must submit a notice of the proposal or nomination including the information required by our bylaws to the Company's Corporate Secretary, c/o Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801, between 60 and 90 days prior to the first anniversary on the date on which the proxy materials for the 2019 Annual Meeting were first sent to shareholders, or else it will be considered untimely and ineligible to be properly brought before the Annual Meeting. However, if our 2020 Annual Meeting of Shareholders is not held within 30 days of the first anniversary of the 2019 Annual Meeting, under our bylaws, this notice must be provided not later than the close of business on the tenth day following the date on which notice of the date of the 2020 Annual Meeting of Shareholders is first mailed to shareholders or otherwise publicly disclosed, whichever first occurs.

**18. Where can I find information about the Annual Report of the Company?**

The Company will furnish without charge to each person whose proxy is being solicited, upon request of any such person, a copy of the Annual Report of the Company on Form 10-K for the fiscal year ended November 2, 2018, as such was filed with the SEC, including financial statements and associated schedules. Such report was filed with the SEC on January 18, 2019 and is available on the SEC's website at [www.sec.gov](http://www.sec.gov), as well as the Company's website at [www.bridgford.com](http://www.bridgford.com). Requests for copies of such report should be directed to:

Bridgford Foods Corporation

1308 North Patt Street

Anaheim, California 92801

Attention: Corporate Secretary

**19. Whom should I contact with other questions?**

If you have additional questions about this Proxy Statement or the Annual Meeting, or if you would like additional copies of this Proxy Statement, please contact:

Bridgford Foods Corporation

1308 North Patt Street

Anaheim, California 92801

Attention: Corporate Secretary

Phone: (714) 526-5533

## **PROPOSAL 1**

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually to serve until the next annual meeting of the shareholders or until their respective successors are elected and duly qualified. At the Annual Meeting, nine directors have been nominated for election. The election of directors shall be by the affirmative vote of the holders of a plurality of the shares voting in person or by proxy at the Annual Meeting. Every shareholder, or his or her proxy, entitled to vote upon the election of directors may cumulate his or her votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his or her shares are entitled, or distribute his or her votes on the same principle among as many candidates as he or she deems appropriate. No shareholder or proxy, however, shall be entitled to cumulate votes unless such candidate or candidates have been nominated prior to the voting and the shareholder has given notice at the meeting, prior to the voting, of the shareholder's intention to cumulate such shareholder's votes. If any shareholder gives such notice, all shareholders may cumulate their votes for candidates in nomination. All nominees are presently directors of the Company. All directors were elected to the Board of Directors by the Company's shareholders at the 2018 Annual Meeting. All current directorships are being filled.

Unless otherwise instructed, shares represented by the proxies will be voted "FOR" the election of each of the nominees listed below. Broker non-votes and proxies marked "WITHHELD" as to one or more of the nominees will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action.

Each nominee has indicated that he is willing and able to serve as director if elected. In the event that any of such nominees shall become unavailable for any reason, an event which management does not anticipate, it is intended that proxies will be voted for substitute nominees designated by management.

### **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED BELOW.**

The following table and biographical summaries set forth, with respect to each nominee for director, his age, his principal occupation and the year in which he first became a director of the Company. Data with respect to the number of shares of the Company's common stock beneficially owned by each of such persons as of February 1, 2019 appears under the caption "PRINCIPAL SHAREHOLDERS AND MANAGEMENT" below.

Name	Age	Principal Occupation	Year First Became Director
William L. Bridgford	64	Chairman of the Board and Member of the Executive Committee of the Company (1)(4)	2004
Allan L. Bridgford, Jr.	60	Retired Executive of the Company (1)(4)	2011
Bruce H. Bridgford	66	President of Bridgford Foods of California (1)(4)	2009
John V. Simmons	63	President and Member of the Executive Committee of the Company (4)	2011
Todd C. Andrews	53	Vice President and Controller of Public Storage (2)(3)(4)	2004
D. Gregory Scott	62	Managing Director of Peak Holdings, LLC (2)(3)(4)	2006
Raymond F. Lancy	65	Chief Financial Officer, Vice President, Treasurer and Member of the Executive Committee of the Company (4)	2013
Keith A. Ross	56	Real Estate Consultant (4)	2016
Paul R. Zippwald	81	Director (2)(3)(4)	1992

(1) William L. Bridgford, Allan L. Bridgford, Jr. and Bruce H. Bridgford are cousins.

(2) Member of the Compensation Committee.

(3) Member of the Audit Committee.

(4) Member of the Nominating Committee.

## Directors

### *William L. Bridgford*

William L. Bridgford has served as Chairman of the Board since March of 2006. He previously served as President of the Company from June of 2004 until March of 2006, and Secretary of the Company for more than five years. Mr. Bridgford has been a full-time employee of the Company since 1981. He has also served as a member of the Executive Committee since 2004. Mr. Bridgford is a graduate of California State University, Fullerton with a degree in Business Management.

Mr. Bridgford is one of the principal owners of Bridgford Industries Incorporated, the Company's majority shareholder. He brings to the Board extensive experience in the operations of the Company and provides strong leadership skills that provide strategic business guidance to the Company. The Board believes his executive managerial experience and Company knowledge base combined with his understanding of corporate values and culture qualify him to serve as a member of the Board.





*Allan L. Bridgford, Jr.*

Allan L. Bridgford, Jr. served as President of Bridgford Foods Processing Corporation, formerly known as Bridgford Foods of Illinois, Inc., a division of the Company, from January 1983 until his retirement in October of 2002. Mr. Bridgford is a graduate of the University of Missouri with a degree in Economics.

Mr. Bridgford is one of the principal owners of Bridgford Industries Incorporated, the Company's majority shareholder. He brings to the Board extensive sales, marketing and distribution experience in the food industry. The Board believes these skills and experiences qualify him to serve as a member of the Board. In addition to his service on the Board, Mr. Bridgford provides business consulting services to the Company.

*Bruce H. Bridgford*

Bruce H. Bridgford has served as President of Bridgford Foods of California, a division of the Company, since March of 1999. Mr. Bridgford has been a full time employee of the Company since 1977 and earned a B.S. degree in Business with a concentration in finance and marketing from the University of Southern California.

Mr. Bridgford is one of the principal owners of Bridgford Industries Incorporated, the Company's majority shareholder. He provides key insight into the direct store delivery operations of the Company as well as strategic direction for the sales management and marketing functions of the Company. The Board believes these skills and experiences qualify him to serve as a member of the Board.

*John V. Simmons*

John V. Simmons has served as President of the Company and member of the Executive Committee since 2006. He previously served as Vice President of the Company for more than five years. Mr. Simmons earned a B.A. degree in Psychology from the University of Wisconsin.

Mr. Simmons has extensive knowledge and experience in the areas of marketing, product research and development, trade relations and operations developed as an employee of the Company since 1979. The Board believes these skills and experiences qualify him to serve as a member of the Board.

*Todd C. Andrews*

Todd C. Andrews is a Certified Public Accountant (inactive) and presently serves as Vice President and Controller of Public Storage, a member of the S&P 500, headquartered in Glendale, California. Mr. Andrews has been employed by Public Storage since 1997. Mr. Andrews graduated cum laude with a Bachelor of Science degree in Business Administration with an emphasis in accounting and finance from California State University, Northridge.

Mr. Andrews has extensive experience in multiple accounting and finance roles over a period of more than 20 years. In particular, Mr. Andrews is experienced in the areas of financial reporting and analysis, treasury management, SEC reporting, internal controls and procedures and operational analysis. In addition, Mr. Andrews brings a diverse set of perspectives to the Board from serving in positions in multiple industries, including public accounting, entertainment, and real estate. The Board believes these skills and experiences qualify him to serve as a member of the Board. Mr. Andrews also qualifies as an audit committee financial expert and is financially sophisticated within the meaning of the NASDAQ Listing Rules.

*D. Gregory Scott*

D. Gregory Scott is a Certified Public Accountant (inactive) and currently serves as the Managing Director of Peak Holdings, LLC, an investment management company based in Beverly Hills, California. Mr. Scott has been with Peak Holdings, LLC for more than the past five years. Peak Holdings, LLC and its affiliates own and manage in excess of three million square feet of office, retail and warehouse space throughout the United States.

Mr. Scott brings to the Board extensive financial and managerial experience, which qualifies him to serve as a member of the Board. Mr. Scott also qualifies as an audit committee financial expert and has financial sophistication as described in the NASDAQ Listing Rules.

*Raymond F. Lancy*

Raymond F. Lancy has served as Treasurer of the Company for more than the past five years. He has also served as a member of the Executive Committee since 2001, Vice President since 2001 and Chief Financial Officer since 2003. Mr. Lancy is a Certified Public Accountant (inactive) and worked for ten years as an auditor at PricewaterhouseCoopers LLP. He earned a Bachelor of Science degree with a major in Administration with high honors from California State University, San Bernardino.

Mr. Lancy has extensive knowledge and experience in the areas of finance and management developed at PricewaterhouseCoopers LLP and as an employee of the Company since July of 1992 and as Chief Financial Officer since 2003. The Board believes these skills and experiences qualify him to serve as a member of the Board.

*Keith A. Ross*

Keith A. Ross is a real estate consultant. From August 2013 to the present, Mr. Ross has served as Executive Vice President of CT Realty, or CTR, a real estate investment, development and management company based in Aliso Viejo, California. At CTR, Mr. Ross is in charge of all development and is responsible for sourcing, evaluating, and closing on all commercial development opportunities. In addition, Mr. Ross serves on CTR's Executive Committee and Investment Committee. CTR was founded in 1994 and has successfully acquired in excess of \$2.5 billion in commercial real estate properties across Northern and Southern California. Prior to joining CTR, from 2001 to 2009, Mr. Ross was Founder and Principal of Centra Realty Corporation and oversaw the company's land acquisitions, capital raises of both equity and debt, architectural design, engineering, construction and sales/leasing efforts. Centra was consistently ranked as one of the most active real estate development companies in Orange County, California. From June 2009 to January 2014, Mr. Ross was Founder, President and CEO of Peligroso Spirits which sold to Diageo in London (the world's largest spirits company).

Mr. Ross began his professional career at the Koll Company and was with Koll for over a decade and served in various roles from project manager to marketing before leading the real estate development efforts of the company in Southern California. Mr. Ross attended San Diego State University. He currently serves on the Board of Directors and is a Co-Founder of Miocean, a nonprofit foundation that applies proven business approaches to curb the harmful effects of urban run-off pollution.

Mr. Ross brings to the Board extensive real estate acquisition and development experience as well as project management and marketing expertise, which the Board believes qualifies him to serve as a member of the Board. In addition to his service on the Board, Mr. Ross continues to provide real estate consulting services to the Company.

*Paul R. Zippwald*

Paul R. Zippwald was Regional Vice President and Head of Commercial Banking for Bank of America NT&SA, North Orange County, California, for more than five years prior to his retirement in July 1992. Mr. Zippwald is currently retired. He is a graduate of the Graduate School of Credit and Financial Management at the Amos Tuck School of Business Administration of Dartmouth College and also holds a graduate degree from the American Institute of Banking.