

FORGENT NETWORKS INC
Form DEF 14A
November 25, 2009

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

Forgent Networks, Inc.
(Name of Registrant as Specified In Its Charter)

Not Applicable
(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.
 - (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

Edgar Filing: FORGENT NETWORKS INC - Form DEF 14A

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:

* Set forth the amount on which the filing fee is calculated and state how it was determined.

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

FORGENT NETWORKS, INC.

d/b/a Asure Software

108 Wild Basin Road

Austin, TX 78746

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD DECEMBER 17, 2009

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders for fiscal 2009 (the Annual Meeting) of Forgent Networks, Inc. d/b/a Asure Software (NASDAQ: ASUR), a Delaware corporation (the Company), to be held at 108 Wild Basin Road, Austin, Texas 78746, on Thursday, December 17, 2009 at 9:30 a.m. local time.

At the Annual Meeting, you will be asked to act on the following matters:

1. To elect five directors to the board of directors to hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified;
2. To ratify the Audit Committee's appointment of Ernst & Young LLP, independent registered public accountants, as our independent auditors for the year ending July 31, 2010;
3. To approve an amendment to the Company's Restated Certificate of Incorporation to change the Company's name from Forgent Networks, Inc. to Asure Software, Inc.;
4. To approve an amendment to the Company's Restated Certificate of Incorporation to effect a 1 for 10 reverse stock split, reduce the number of authorized shares of Common Stock to 6,500,000 shares and reduce the number of authorized shares of Preferred Stock to 1,500,000;

5. To approve the Company's rights plan adopted on October 28, 2009 (the Amended and Restated Rights Agreement);
6. To approve the Company's 2009 Equity Incentive Plan; and
7. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Your Board of Directors has unanimously approved and recommends that an affirmative vote be cast FOR each of our director nominees and FOR the ratification or approval of each of the additional five proposals as set forth on the enclosed proxy card.

All record holders of the Company's common stock, par value \$.01 per share (the Common Stock) at the close of business on November 10, 2009 are eligible to vote at the Annual Meeting or any adjournment thereof.

Stockholders are urged to review carefully the information contained in the Proxy Statement attached hereto prior to deciding how to vote their shares at the Annual Meeting. Your participation in the Annual Meeting, in person or by proxy, is important. We hope you will be able to attend the Annual Meeting. **WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY.** You may also vote by telephone or by Internet by following the instructions on your proxy card. This will not prevent you from voting in person at the meeting, but will assure your vote is counted if you are unable to attend. **YOUR VOTE IS VERY IMPORTANT.**

By order of the Board of Directors

Patrick Goepel

Interim Chief Executive Officer

**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to be Held on December 17, 2009**

This Proxy Statement and our Annual Report to Stockholders are available on-line at <http://www.asuresoftware.com/annual-meeting-proxy/>.

This Proxy Statement, dated November 27, 2009, is first being mailed to stockholders on or about November 27, 2009.

TABLE OF CONTENTS

	<u>Page</u>
THE ANNUAL MEETING OF STOCKHOLDERS	1
ELECTION OF DIRECTORS (ITEM 1)	3
CORPORATE GOVERNANCE INFORMATION	5
INFORMATION CONCERNING EXECUTIVE OFFICERS	8
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	9
EXECUTIVE COMPENSATION	10
PRINCIPAL ACCOUNTANT FEES AND SERVICES	14
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS (ITEM 2)	15
APPROVAL OF AN AMENDMENT TO THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION TO CHANGE THE COMPANY S NAME (ITEM 3)	15
APPROVAL OF AN AMENDMENT TO THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT, REDUCING THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK TO 6,500,000 AND REDUCING THE NUMBER OF AUTHORIZED SHARES OF PREFERRED STOCK TO 1,500,000 (ITEM 4)	15
APPROVAL OF THE COMPANY S AMENDED AND RESTATED RIGHTS AGREEMENT (ITEM 5)	18
APPROVAL OF THE COMPANY S 2009 EQUITY PLAN (ITEM 6)	20
OTHER MATTERS	24
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	24
STOCKHOLDER PROPOSALS	24
APPENDIX A FORM OF AMENDMENT CHANGING THE COMPANY S NAME, EFFECTING A REVERSE STOCK SPLIT, REDUCING THE NUMBER OF AUTHORIZED SHARES OF	

COMMON STOCK TO 6,500,000 AND REDUCING THE NUMBER OF AUTHORIZED SHARES
OF PREFERRED STOCK TO 1,500,000

APPENDIX B AMENDED AND RESTATED RIGHTS AGREEMENT

B-1

APPENDIX C FORGENT NETWORKS, INC. 2009 EQUITY PLAN

C-1

FORGENT NETWORKS, INC.

d/b/a Asure Software

108 Wild Basin Road

Austin, TX 78746

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS FOR FISCAL 2009

This Proxy Statement and the enclosed proxy card are furnished in connection with the solicitation of proxies on behalf of the Board of Directors (the Board of Directors or the Board) of Forgent Networks, Inc. d/b/a Asure Software (NASDAQ: ASUR), a Delaware corporation (the Company), for use at the Company s annual meeting of stockholders for fiscal 2008 (the Annual Meeting), to be held at 9:30 a.m. local time on Thursday, December 17, 2009 at the Company s executive offices located at 108 Wild Basin Road, Austin, Texas 78746, and at any and all adjournments of such Annual Meeting. This Proxy Statement and the accompanying form of proxy are first being mailed to the Company s stockholders on or about November 27, 2009.

We will bear the entire cost of solicitation of proxies on behalf of the Company, including preparation, assembly, printing and mailing of this Proxy Statement, the enclosed proxy card, the enclosed annual report for fiscal 2009, and any additional information furnished to you by the Company. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our Common Stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, internet, or personal solicitation by our directors, officers or other regular employees.

The Company has engaged Investor.com to provide proxy solicitation services and proxy/investor relations services, respectively. The Company will pay Investor.com a base fee of \$6,500 for its services plus reimbursable expenses currently estimated at \$1,500 20,000. As part of such engagement, Investor.com is authorized to accept stockholder votes over the telephone in accordance with the Company's customary procedures.

Some banks, brokers and other record holders have begun the practice of householding proxy statements and annual reports. Householding is the term used to describe the practice of delivering a single set of proxy statements and annual reports to any household at which two or more stockholders reside if a company reasonably believes the stockholders are members of the same family. This procedure reduces the volume of duplicate information stockholders receive and also reduces a company s printing and mailing costs. We will promptly deliver an additional copy of either document to any stockholder who writes or calls us at the following address or phone number: Investor Relations, Forgent Networks, Inc., 108 Wild Basin Road, Austin, Texas 78746, (512) 437-2678. Stockholders may

also use the above contact information for requests from (i) individual stockholders in households currently receiving a single copies of annual reports and proxy statements who wish to receive separate copies in the future and (ii) two or more stockholders in households receiving multiple copies of annual reports and proxy statements who wish to receive a single copy of annual reports and proxy statements in the future.

THE ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is provided in connection with the Annual Meeting and any adjournment thereof. The accompanying proxy card is solicited by our Company and Board. This Proxy Statement and the accompanying form of proxy and annual report for fiscal 2009 are first being sent or given to stockholders beginning on or about November 27, 2009.

Time and Place

The Annual Meeting will be held at 108 Wild Basin Road, Austin, Texas, on Thursday, December 17, 2009 at 9:30 a.m. local time.

Purposes

At the Annual Meeting, you will be asked:

1. To elect five directors to the board of directors to hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified;
2. To ratify the Audit Committee's appointment of Ernst & Young LLP, independent registered public accountants, as our independent auditors for the year ending July 31, 2010;
3. To approve an amendment to the Company's Restated Certificate of Incorporation to change the Company's name from Forgent Networks, Inc. to Asure Software, Inc.;
4. To approve an amendment to the Company's Restated Certificate of Incorporation to effect a 1 for 10 reverse stock split, reduce the number of authorized shares of Common Stock to 6,500,000 shares and reduce the number of authorized shares of Preferred Stock to 1,500,000;
5. To approve the Company's rights plan adopted on October 28, 2009 (the Amended and Restated Rights Agreement);
6. To approve the Company's 2009 Equity Incentive Plan; and
7. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board knows of no other matters to be presented for action at the Annual Meeting. If any other matters properly come before the Annual Meeting, however, the persons named in the proxy will vote on such other matters in accordance with their best judgment.

Record Date; Stockholders Entitled to Vote

Only holders of record of our shares of Common Stock at the close of business on November 10, 2009 will be entitled to vote at the Annual Meeting or any adjournment thereof. Each share of Common Stock will be entitled to one vote. As of November 10, 2009, 31,615,890 shares of Common Stock were outstanding.

Quorum

A majority of the voting power of the outstanding shares of Common Stock entitled to vote, represented in person or by proxy, will be required to constitute a quorum for the Annual Meeting.

Vote Required

Directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. If more than five nominees are properly presented to the stockholders at the Annual Meeting, the five nominees receiving the highest number of affirmative votes of the shares which are present or represented by proxy at the Annual Meeting and entitled to vote for the election of directors will be elected to our Board. Each of the remaining proposals must be approved by a majority of the votes of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon.

Dissenters Rights

No dissenters rights are provided under the Delaware General Corporation Law, our Restated Certificate of Incorporation or our Restated bylaws with respect to any of the proposals described in this Proxy Statement.

Board Recommendation

Your Board of Directors has unanimously approved and recommends that an affirmative vote be cast FOR each of our director nominees and FOR the ratification or approval of each of the additional five proposals as set forth on the enclosed proxy card.

Voting Your Shares

The Board of Directors is soliciting proxies from our stockholders. By completing and returning the enclosed proxy card or by completing the telephone or internet voting procedures, you will be authorizing Patrick Goepel and David Sandberg to vote your shares. If the enclosed proxy card is properly signed and dated, it will be voted as you direct. If you attend the Annual Meeting in person, you may vote your shares by completing a ballot at the Annual Meeting. If you receive more than one proxy statement from the Company, your shares are probably registered in names that are not identical or are held in more than one account. Please vote each proxy card you receive.

Changing Your Vote by Revoking Your Proxy

Your proxy may be revoked at any time before it is voted at the Annual Meeting by giving notice of revocation to the Secretary of the Company, in writing, by execution of a later dated proxy or by attending and voting by ballot at the Annual Meeting. Simply attending the Annual Meeting, however, will not revoke your proxy; you must vote at the Annual Meeting.

How Proxies are Counted

If you return a signed and dated proxy card but do not indicate how your shares are to be voted, those shares will be voted FOR each of the listed proposals. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspectors appointed for the Annual Meeting. Only the latest dated proxy you submit will be counted.

Shares voted as abstentions on any matter will be counted for purposes of determining the presence of a quorum at the Annual Meeting and treated as unvoted, although present and entitled to vote, for purposes of determining the approval of each matter as to which a stockholder has abstained. As a result, abstentions with respect to any proposal, other than the election of directors, will have the same effect as a vote against such proposal. If a broker submits a proxy that indicates the broker does not have discretionary authority as to certain shares to vote on one or more matters, those shares will be counted for purposes of determining the presence of a quorum at the Annual Meeting, but will not be considered as present and entitled to vote with respect to such matters.

Annual Report on Form 10-K

Our Annual Report on Form 10-K for the fiscal year ended July 31, 2009 is enclosed with this Proxy Statement. We will provide copies of the exhibits to our Form 10-K upon request, but we may charge a reasonable fee for providing such exhibits. You may obtain the exhibits by mailing a written request to Adrian Pertierra, Secretary, at the

address appearing on the first page of this Proxy Statement. Our Form 10-K, including exhibits, is also available free of charge on the SEC's website at www.sec.gov.

ELECTION OF DIRECTORS

(ITEM 1)

The first proposal to be voted on at the Annual Meeting is the election of directors. Directors are elected annually and serve a one-year term. The Board has submitted five nominees for election this year. Our Board has nominated each of David Sandberg, Patrick Goepel, Robert Graham, Adrian Pertierra, and Jeffrey Vogel for re-election to service until the next annual stockholder meeting or until each of their respective successors is elected and qualified. Each of our nominees has consented to being named in this Proxy Statement and has consented to serve as a director of the Company if elected.

Director nominees are recommended for selection to the Board by a majority of Company's directors who meet the independence standards of the NASDAQ Stock Market. The full Board then selects and recommends candidates for nomination as directors for stockholders to consider and vote upon at the Annual Meeting. The Board reviews and considers any candidates submitted by a stockholder or stockholder group in the same manner as all other candidates. Each nominee has consented to serve until the next annual stockholder meeting, if elected, or until his or

her successor is elected and qualified. The newly-appointed Nominating Committee, comprised of the Company's four independent directors, will assume these nomination functions going forward.

If any director is unable to stand for re-election after distribution of this Proxy Statement, the Board may reduce its size or designate a substitute. If the Board designates a substitute, proxies voting on the original director candidate will be cast for the substituted candidate. Proxies cannot be voted for a greater number of persons than the number of nominees named on the enclosed form of proxy. A plurality of the votes cast in person or by proxy by the holders of Common Stock represented at the Annual Meeting is required to elect a director. If more than five nominees are properly presented to the stockholders at the Annual Meeting, the five nominees receiving the highest number of affirmative votes of the shares which are present or represented by proxy at the Annual Meeting and entitled to vote for the election of director will be elected to our Board.

The Board of Directors recommends voting FOR each of our five nominees.

Biographical Information Regarding Our Nominees

Nominee	Age	Present Office(s) Held In Our Company	Director Since
David Sandberg (1)(2)(3)(4)	37	Chairman of the Board	2009
Patrick Goepel	47	President and Interim Chief Executive Officer	2009
Robert Graham (1)(2)(3)(4)	60	None	2009
Adrian Pertierra (1)(2)(3)(4)	38	Secretary	2009
Jeffrey Vogel (1)(2)(3)(4)	41	None	2009

(1)
Independent board member as determined by the Board of Directors of the Company

(2)
Audit Committee Member

(3)
Compensation Committee Member

(4)
Governance and Nominating Committee Member

The following information regarding the principal occupations and other employment of the nominees during the past five years and their directorships in certain companies is as reported by the respective nominees.

David Sandberg has served as a director and Chairman of the Board since August 2009. Mr. Sandberg is the managing member, founder, and portfolio manager of Red Oak Partners, LLC, a NY-based hedge fund, since its March 2003 inception and is the portfolio manager of Pinnacle Fund, LLLP, since its September, 2008 inception. Previously, Mr. Sandberg co-managed JH Whitney & Co.'s Green River Fund from 1998-2002. Mr. Sandberg received a BA in Economics and a BS in Industrial Management from Carnegie Mellon University. He presently serves on the Boards of SMTC Corporation and EDCI Holdings, Inc.

Patrick Goepel has served as a director of the Company since August 2009 and was named the Company's Interim CEO in September 2009. Mr. Goepel has over 20 years of progressive leadership positions in the HR outsourcing industry. A frequent speaker and industry expert, Pat most recently served as the COO of Patersons Global HR & Payroll and oversaw its human relations function. Previously, he was the President and CEO of Fidelity Investment's HR Services Division from 2006-2008, President and CEO of Advantec from 2005-2006 and served as the Executive Vice President of Business Development and US Operations at Ceridian from 1994-2005. A former board member of iEmployee, he currently serves on the boards of Patersons Global HR & Payroll and ALLOVER Media.

Robert Graham has served as a director of the Company since August 2009. Mr. Graham has been a Partner at Ridge Partners LLC, a consulting and investment firm, since 2002. He is also the Senior Technology Advisor to Cascadia Capital, a mid market M&A firm. In addition, Mr. Graham is the Manager of Global Accelerator LLC, a Fund that originally invested in iEmployee and still holds shares in ASUR. Previously, Mr. Graham held key

executive roles including Group Manager at Digital Equipment Corporation and Executive Vice President and Division President at Sun Microsystems. He was a Co-Founder and Chief Operating Officer at Manufacturer's Services Limited, the Chairman & CEO of Ridge Technologies, and President at Adaptec. Mr. Graham was also instrumental in the founding and exit of a number of technology companies including Crag Systems and iEmployee, where he served on the Board of Directors prior to its acquisition by ASUR. He presently serves on the boards of Global Accelerator Management and 54th Street Systems.

Adrian Pertierra has served as a director of the Company since August 2009. Mr. Pertierra is the Chief Financial Officer and Head Trader at Red Oak Partners, LLC, a NY-based hedge fund. Prior to joining Red Oak in 2007, Mr. Pertierra served as Vice President of Global Markets at Deutsche Bank Alternative Trading in 2007 and worked at Tradition Asiel Securities, Inc. from 2006-2007. Previously, Mr. Pertierra served as the Vice President of Institutional Equity Sales and Trading at BGC Partners, LP, from 2002-2006. Mr. Pertierra received a BA in Economics from the College of Holy Cross.

Jeffrey Vogel has served as a director of the Company since August 2009. Mr. Vogel has 20 years experience in operating, financing, and advising companies primarily high-tech software companies. Since 2008 Mr. Vogel has been a Partner with Liberty Capital Partners. Additionally, Mr. Vogel has and continues to serve as a Managing Director of Velocity Equity Partners, a \$50 million early stage technology fund, since he co-founded it in 2001. Prior to co-founding Velocity, Mr. Vogel was Chief Technology Officer and Vice President of Research and Development for eBusiness Technologies, a leader in XML Content Management Systems, where he led a team of 100 software professionals. In 1989, Mr. Vogel co-founded Electronic Book Technologies (EBT), a pioneer in SGML and XML information systems. At EBT, Mr. Vogel led R&D until 1996 when he helped sell the company to Inso, a publicly traded company. From 1996-1998, Mr. Vogel was Vice President of Engineering at Inso's Electronic Publishing Solutions business unit and was also very active in the company's corporate development activities where he helped acquire and integrate a half dozen acquisitions. Mr. Vogel graduated from Brown University in 1990 with degrees in Economics and Computer Science. Mr. Vogel serves on the Boards of Rent Marketer, BEZ, and Dynadec.

During the past ten years, none of our nominees has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). No family relationships exist between any of the Company's nominees or executive officers.

CORPORATE GOVERNANCE INFORMATION

Director Independence

The Board of Directors consists of a majority of independent directors as such term is defined under the rules of the NASDAQ Stock Market. The Board of Directors has determined that Messrs. Sandberg, Graham, Pertierra, and Vogel are independent. The Board of Directors has determined that all of the members of the board's working committees are independent as defined under the rules of the NASDAQ Stock Market, including, in the case of all

members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934.

Change in Board

On August 28, 2009, the Company's stockholders voted to entirely replace the Company's prior Board of Directors by newly electing Patrick Goepel, Robert Graham, Jeffrey Vogel, Adrian Pertierra, Cornelius Ferris and David Sandberg. On September 3, 2009, Mr. Ferris announced his resignation from the Board of Directors of the Company to have more time to fulfill other responsibilities and obligations. Information regarding board meetings and attendance for the past fiscal year is given with respect to the old board, and year-to-date meetings and attendance for current board members, who are our nominees, is also given.

Board Meetings and Attendance

The Board of Directors met 24 times during the fiscal year ended July 31, 2009. No director attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of

meetings held by all committees of the Board of Directors on which such director served. The Board of Directors requires that directors make a reasonable effort to attend the Company's annual stockholder meeting. Three board members as of the last annual meeting of stockholders held on August 28, 2009 attended such annual meeting.

From August 28, 2009 to November 13, 2009, the Board met eight times. None of our new Board attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served.

Committees

The Board of Directors uses working committees with functional responsibility in the more complex recurring areas where disinterested oversight is required. Working committees of the Board of Directors include the Compensation Committee, the Governance and Nominating Committee and the Audit Committee, each of which operates under a charter that has been approved by the Board of Directors. Current copies of each of these charters are posted on our website, www.asuresoftware.com.

Compensation Committee

The Compensation Committee is responsible for approving the compensation arrangements of senior management and recommending approval by the Board of Directors of amendments to our benefit plans. The Compensation Committee currently is composed of the Company's four independent directors. Mr. Vogel currently serves as the Compensation Committee's Chairperson. Under its charter, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee. The Compensation Committee did not hold a meeting during the fiscal year ended July 31, 2009. From August 28, 2009 to November 13, 2009, the Compensation Committee has met three times.

Governance and Nominating Committee

The Governance and Nominating Committee, established on June 17, 2009, is currently composed of the Company's four independent directors (as such term is defined under the rules of the NASDAQ Stock market): Messrs. Sandberg, Graham, Pertierra, and Vogel. Mr. Graham currently serves as the Governance and Nominating Committee's Chairperson. Under its charter, the Governance and Nominating Committee will monitor significant developments in the law and practice of corporate governance and of the duties and responsibilities of directors of public companies. The Governance and Nominating Committee also is responsible for identifying and recommending independent nominees for election to the Board. The Governance and Nominating Committee did not hold a meeting during the fiscal year ended July 31, 2009. From August 28, 2009 to November 13, 2009, the Governance and Nominating Committee has met one time.

Audit Committee

The Audit Committee is composed of the Company's four independent directors and operates under a charter adopted by the Board of Directors according to the rules and regulations of the Securities and Exchange Commission (SEC) and the NASDAQ Stock Market. The current members of our Audit Committee are Messrs. Sandberg, Graham, Pertierra, and Vogel. The Board of Directors believes that all of these directors are independent as defined under the rules of the NASDAQ Stock Market. The Board of Directors has determined that Messrs. Sandberg, Graham, Pertierra, and Vogel have the qualifications and experience necessary to serve as an audit committee financial expert, as defined by the SEC. The Audit Committee met five times in the last fiscal year. From August 28, 2009 to November 13, 2009, the Audit Committee has met one time.

The Audit Committee is the communication link between the Board of Directors and our independent auditors. In addition to recommending the appointment of the independent auditors to the Board of Directors, the Audit Committee reviews the scope of the audit, the accounting policies and reporting practices, internal auditing and internal control, compliance with our policies regarding business conduct and other matters as deemed appropriate. The Audit Committee held five meetings in fiscal 2009 with the independent auditors and/or our management.

Report of the Audit Committee

The following is the Report of the Audit Committee with respect to our audited financial statements for fiscal 2009 which include our consolidated balance sheets as of July 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the two years in the period ended July 31, 2009 and the notes thereto. The information contained in this report shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in such filing.

1.

The Audit Committee has reviewed and discussed the above-referenced audited financial statements with management.

2.

The Audit Committee has discussed with Ernst & Young LLP, our independent accountants for fiscal 2009, the matters required to be discussed by SAS 61 (Codification of Statements on Accounting Standards) that includes, among other items, matters related to the conduct of the audit of our above-referenced financial statements.

3.

The Audit Committee has received the letter from Ernst & Young LLP required by Independent Standards Board Standard No. 1 that relates to the accountant's independence from our Company and its related entities, and has discussed with Ernst & Young LLP their independence from the Company.

4.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that our above-referenced audited financial statements be included in our annual report on Form 10-K for fiscal 2009.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers and employees, including the Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. These individuals are required to abide by the Code of Business Conduct and Ethics to insure that its business is conducted in a consistently legal and ethical manner. The Company's Code of Business Conduct and Ethics covers all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of its business. Any waivers of the Code of Business Conduct and Ethics for directors or executive officers must be

approved by the board of directors. The full text of the Company's Code of Business Conduct and Ethics is published on its website, www.asuresoftware.com, under the "Company-Corporate Governance" link. The Company intends to disclose future amendments to, or waivers from, provisions of its Code of Business Conduct and Ethics on its website within four business days following the date of such amendment or waiver.

Stockholder Communication with the Board of Directors

A stockholder who wishes to communicate with the Board of Directors, or specific individual directors, may do so by directing a written request addressed to such directors or director in care of Adrian Pertierra, Secretary of the Company, at the address appearing on the first page of this Proxy Statement. Communications directed to members of the Board of Directors will be relayed to the intended board member(s).

INFORMATION CONCERNING EXECUTIVE OFFICERS

The following table sets forth information as of November 10, 2009 concerning the executive officers of the Company (other than Mr. Goepel, whose biographical information appears in the table under the Election of Directors section above).

Name	Age	Present Office(s) Held In Our Company
Nate Pruitt	34	Vice President of Sales and Marketing
Kirk Norsworthy	56	Vice President of Engineering
Mike Galyen	40	Vice President of Products and Services

There are no family relationships among any of the Company's executive officers and directors.

Nate Pruitt, who has 13 years of sales and marketing experience in high-tech software and hardware, joined the Company in October 2008 as our Vice President of Sales and Marketing. Prior to joining Asure, he held the position of Regional Vice President at Eloqua Corporation, a marketing automation SaaS company, for six years. Nate also spent time as a marketing director at Savvion and is a former industry analyst at Giga Information Group, now part of Forrester Research. Nate holds a BS in Management Information Systems and an AA in Business Administration.

Kirk Norsworthy joined the Company in March 2008 as our Vice President of Engineering and is responsible for Asure Software's Development and IT. Prior to joining Asure, he served as the VP of Engineering at Polycom where he was instrumental in delivering the company's first high-definition video conferencing systems. An executive at numerous startups, Kirk spent his first 21 years at IBM, where he held numerous R&D, Product Planning, Project Office and HQ assignments in RS6000 hardware and software. Kirk holds a BS in Journalism and a MS in Computer Science and was selected by IBM to attend the McCombs School of Business at the University of Texas.

Mike Galyen joined the Company in March 2009 as our Vice President of Products and Services and is responsible for driving the Company's product strategy, implementation and professional services. Prior to joining Asure, Galyen was director of product management for Authoria, where he was responsible for defining and building the company's award-winning talent management solutions. Prior to Authoria, Galyen served as director of product management for Hire.com and led product strategy for a SaaS suite of enterprise recruiting solutions. Galyen also served as director of technology for the Bernard Hodes Group and has also worked as a consultant for several technology and service companies including BakBone Software, Boundless Network, Groom Energy, and Novotus.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to beneficial ownership of our Common Stock by our director nominees as of November 10, 2009. None of the participants owns any shares of our Common Stock of record that such participant does not also own beneficially. As of November 10, 2009, 31,615,890 shares of our Common Stock were issued and outstanding.

The following table sets forth certain information with respect to beneficial ownership of our Common Stock as of November 10, 2009 by:

each person who is known by us to beneficially own more than five percent of our common stock;

each of our directors at that date and nominees and named executive officers; and

all directors and officers as a group.

Name and Address of Beneficial Owner	Shares	
	Number	Percent
Red Oak Partners, LLC, New York, NY	3,201,523 (3)	10.13 %
Renaissance Technologies, Inc. LLC, New York, NY	1,645,600 (4)	5.20 %
David Sandberg	3,201,523 (3)	10.13 %
Patrick Goepel	631,837 (5)	2.00 %
Robert Graham	960,698 (6)	3.07 %
Adrian Pertierra	0	*
Jeffrey Vogel	125,000 (7)	*
All Directors and officers as a group (5 persons)(4)(5)(6)(7)(8)	4,919,058	15.65 %

*
Indicates ownership of less than 1% of our common stock

(1)

Beneficial ownership as reported in the above table has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The persons and entities named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them, except as noted below. Amounts shown include shares of our common stock issuable upon exercise of certain outstanding options within 60 days after November 10, 2009.

(2)

Except for the percentages of certain parties that are based on presently exercisable options which are indicated in the following footnotes to the table, the percentages indicated are based on 31,615,890 shares of our common stock issued and outstanding on November 10, 2009. In the case of parties holding presently exercisable options, the percentage ownership is calculated on the assumption that the shares presently held or purchasable within the next 60 days underlying such options are outstanding.

(3)

Pursuant to Schedule 13D (Amendment No. 8) filed by Red Oak Partners, LLC with the SEC on July 14, 2009.

(4)

Pursuant to Schedule 13G filed by Renaissance Technologies, Inc. with the SEC on February 13, 2009.

(5)

Consists of 621,837 shares held by Mr. Goepel directly.

(6)

Consists of 82,076 shares held by Mr. Graham directly and 878,622 shares which Mr. Graham is deemed to beneficially own as managing partner of Global Accelerator, LLC.

(7)

Consists of 125,000 shares held directly by Mr. Vogel.

EXECUTIVE COMPENSATION

As required by federal securities laws, the tables and related discussion in this section, except as otherwise noted, disclose the compensation of executive officers and directors of the Company during the past fiscal year, although none of those executives officers or directors are currently serving as an executive officer or director of the Company. Ms. Harris, our former Chief Executive Officer since June 18, 2009 resigned effective September 30, 2009. Mr. Snyder, our former Chief Executive Officer before Ms. Harris, was our Executive Chairman of the Board before being voted out as a director in the August 28, 2009 annual meeting. On October 29, 2009, the Company terminated Mr. Peterson's employment. On September 15, 2009, the Company appointed Patrick Goepel as Interim Chief Executive Officer, effective as of October 1, 2009. No Chief Financial Officer has been appointed as of the date of this Proxy Statement.

Summary Compensation Table

The following table summarizes the compensation of the named executive officers listed below during the Company's last two completed fiscal years:

Name and Principal Position	Year	Salary (\$) (c)	Bonus (\$) (d)	Awards (\$) (e)	Awards (\$) (f)	Compensation (\$) (g)	Change in Pension Value and Nonqualified Non-Equity Deferred Incentive Plan Compensation (\$) (h)	All Compensation Other (\$) (i)	Total (\$) (j)
Richard N. Snyder Executive Chairman of the board	2009	287,500	2,719	-0-	-0-	-0-	-0-	9,867	300,086
Board	2008	300,000	2,719	25,480	-0-	-0-	-0-	6,908	335,107

Jay C. Petersen									
Chief Financial Officer and Vice President, Finance	2009	207,287	2,719	-0-	-0-	-0-	-0-	4,367	214,374
	2008	216,300	2,719	11,270	-0-	-0-	-0-	4,352	234,641
Nancy L. Harris									
President and Chief Executive Officer	2009	202,784	2,719	-0-	-0-	-0-	-0-	3,723	209,226
	2008	215,000	2,719	49,320	-0-	-0-	-0-	4,322	271,361

(b)
Fiscal year covered.

(c)
Dollar value of base salary (cash and non-cash) earned by the named executive officer during the fiscal year covered.

(d)
Dollar value of bonus (cash and non-cash) earned by the named executive officer during the fiscal year covered.

(e)
Dollar value of restricted stock awarded to the named executive officer during the fiscal year covered.

(i)
Represents the dollar value of any insurance premiums paid by the Company during the fiscal year covered with respect to term life insurance and long term disability insurance for the benefit of the named executive officer. Also represents the dollar value of any matching contributions made by the Company to the 401(k) account of the named executive officer during the fiscal year covered and cost of annual physical provided by the Company.

	Insurance Premiums	401(k) Matching	<u>Company Paid Physical</u>	
Richard N. Snyder	\$ 6,385	\$ 0	\$	3,482
Jay C. Peterson	\$ 1,655	\$ 2,712	\$	0
Nancy L. Harris	\$ 1,297	\$ 2,426	\$	0

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information concerning unexercised options, stock that has not vested, and equity incentive plan awards for each of the named executive officers listed in the Summary Compensation Table, outstanding as of the end of the Company's last completed fiscal year:

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Value of Shares or Units of Stock That Have Not Vested (\$)	Unearned Shares, Units or Other	Unearned Shares, Units or Other
Richard N. Snyder	216,045	-0-	-0-	0.385	9/27/2009	-0-	-0-	-0-	-0-
	33,955	-0-	-0-	0.385	9/27/2009	-0-	-0-	-0-	-0-
	186,335	-0-	-0-	0.385	9/27/2009	-0-	-0-	-0-	-0-
	6,598	-0-	-0-		8/28/2010	-0-	-0-	-0-	-0-

1.110

Jay C. Petersen	28,000	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	25,000	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	27,606	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	22,993	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	90,776	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	8,125	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
	21,875	-0-	-0-	0.385	11/28/2009	-0-	-0-	-0-	-0-
Nancy L. Harris	50,000	-0-	-0-	0.385	10/30/2009	-0-	-0-	-0-	-0-
	80,168	-0-	-0-	0.385	10/30/2009	-0-	-0-	-0-	-0-
	20,000	-0-	-0-	0.385	10/30/2009	-0-	-0-	-0-	-0-

(b)

The Company's option awards vest on a monthly basis, normally over a 48-month period. All option awards listed above are fully vested.

(e)

Option awards were re-priced to \$0.385 per share during fiscal 2007.

(f)

Options generally expire ten years from relevant grant date. When employees, including officers, are terminated, any vested options expire 30 days from the date of termination. Mr. Snyder, in addition to compensation as an executive officer, also had 6,598 options from his service as a director. These vested options expire one year from the date of termination.

(g)

Unvested restricted shares vest one year from the date of award, with the exception of the 50,000 restricted shares awarded to Nancy Harris on April 1, 2008, which vest over two years from the date of award.

(h)

Unvested restricted shares valued at the July 31, 2008 common share price of \$0.30.

Equity Awards Granted After Fiscal 2009 Year-End

Name	Option Awards				Stock Awards				
	Equity	Incentive	Plan	Awards:	Market	Number of	Value of	Unearned	Unearned
	Number of	Number of	Number of	Number of	Shares or Units of	Shares or Units of	Shares, Units or Other	Shares, Units or Other	
	Underlying Securities	Underlying Securities	Underlying Securities	Option	Stock That Have Not Vested	Stock That Have Not Vested	Rights That Have Not Vested	Rights That Have Not Vested	
	Unexercised	Unexercised	Unexercised	Exercise	Have Not Vested	Have Not Vested	Have Not Vested	Have Not Vested	
	Options	Options	Options	Price	Expiration	Vested	Vested	Vested	Vested
	(#)	(#)	(#)	(\$)	Date	(#)	(\$)	(#)	(\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Patrick Goepel			800,000	0.35	9/20/2019				
Robert Graham			37,500	0.35	9/20/2019				
Adrian Pertierra			37,500	0.35	9/20/2019				
Jeffrey Vogel			37,500	0.35	9/20/2019				

(d)

The Company's option award to Mr. Goepel vests on the following schedule: 25% on September 15, 2010 and 6.25% every three months afterwards. No options will vest, however, unless the Company employs Mr. Goepel as Chief Executive Officer on or prior to January 1, 2010.

The option awards made to Messrs. Graham, Pertierra and Vogel vest semi-annually over a two-year period.

None of the option awards listed above have vested.

(f)

The options reported here expire ten years from the relevant grant date.

Potential Payments due to Change-in-Control

The prior board had entered into parachute agreements with Richard N. Snyder, Nancy L. Harris and Jay C. Peterson. Ms. Harris' parachute agreement terminated on August 20, 2009, and Ms. Harris resigned effective September 30, 2009. Mr. Snyder's parachute agreement terminated upon the payment of \$95,000 to him through a retention agreement entered into with the prior board on August 26, 2009. Under the parachute agreement with Mr. Peterson, the Company agreed to pay a severance payment equal to his then current annual salary plus the yearly average cash bonus received by him in each of the three preceding years if he is terminated within a specified amount of time after a change in control. The definition of change of control included an event whereby the directors who served on the Board for a period of two consecutive years prior to such event cease for any reason to constitute a majority of the Board. On October 29, 2009, the Company terminated Mr. Peterson's employment for reasons the Company believes will not incur change of control payments. If Mr. Peterson disputes this, the Company may incur litigation, settlement and/or other related costs.

Current Interim Chief Executive Officer Compensation

On September 15, 2009, the Company appointed Patrick Goepel as Interim Chief Executive Officer, effective as of October 1, 2009. Mr. Goepel will be entitled to a base salary of \$125,000 per annum, plus the ability to participate in all benefit plans afforded to other officers and employees of the Company. Unless the Company and Mr. Goepel mutually agree prior to January 1, 2010 for Mr. Goepel to become Chief Executive Officer on a more permanent basis, Mr. Goepel's position as interim Chief Executive Officer will end on December 31, 2009. In such event, Mr. Goepel will be entitled to a cash bonus of \$35,000. In the event that Mr. Goepel becomes the Company's Chief Executive Officer, his base salary will remain at \$125,000 per annum; however, he shall also become eligible to receive an annual performance bonus calculated based on the Company's earnings and cash flow growth. Mr. Goepel was also given the right to purchase 500,000 additional shares of the Company's common stock at a price per share equal to

\$.35 through an employment inducement award. In the event of a change in control, Mr. Goepel will be entitled to an additional payment based upon the Company's earnings and cash flow growth. Mr. Goepel was

also awarded stock options as described above in the table entitled Equity Awards Granted After Fiscal 2009 Year End.

Director Compensation Table

The following table sets forth information concerning the compensation of the directors for the Company's last completed fiscal year:

Name	Fees		Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation		All Other Compensation	Total
	Earned or Paid in Cash	Stock Awards			Earnings	Compensation		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Richard Agnich	19,750	-0-	-0-	-0-	-0-	-0-	19,750	
Kathleen Cote	14,500	-0-	-0-	-0-	-0-	-0-	14,500	
Louis J. Mazzucchelli	22,000	-0-	-0-	-0-	-0-	-0-	22,000	
Ray R. Miles	23,000	-0-	-0-	-0-	-0-	-0-	23,000	
James Wells	23,250	-0-	-0-	-0-	-0-	-0-	23,250	

(b) During fiscal 2009, each non-employee director was paid a retainer of \$3,000 for each quarter. Additionally, each non-employee director was paid \$1,000 for the in-person meetings of the Board of Directors that he or she attended and \$250 for participation in each telephonic meeting. Total director fees earned in fiscal 2009 were \$102,500.

(d)

The aggregate number of option awards outstanding at fiscal year end for each director is as follows:

Richard Agnich (35,000)
 Kathleen A. Cote (45,000) (these options expire 6/1/2010)
 Louis J. Mazzucchelli (45,000)
 Ray R. Miles (35,000)
 James Wells (45,000)

All non-employee directors participate in the Company's 1992 Director Stock Option Plan. Non-employee directors receive, upon their initial election or appointment to the Board, stock options to purchase 25,000 shares of our Common Stock, having an exercise price equal to the market price of our Common Stock on the date of grant. Thereafter, each non-employee director will receive options to purchase 10,000 shares of our Common Stock on the anniversary date of his or her election or appointment to the Board. All of these options vest in equal amounts monthly over a three-year period but cease vesting at the time the director ceases to be a director. Any vested options expire 1 year from the date of termination. Currently the 1992 Director Stock Option Plan does not have sufficient options available for the granting of additional options to non-employee directors. In July 2006 each non-employee director was granted 12,772 shares of restricted stock.

Non-Equity Compensation for Current Non-Employee Directors

During the fiscal year ending July 31, 2010, each non-employee director will receive cash compensation as follows:

Base Compensation	\$15,000 per annum
In-Person Attendance	\$500 per meeting
Telephonic Attendance	\$100 per meeting

No non-employee director, however, will be paid more than \$25,000 per annum in aggregate under this compensation structure. David Sandberg, the Company's Chairman and member of the Board, waived his right to receive compensation under this plan for the current fiscal year ending July 31, 2010. Robert Graham, Adrian Pertierra and Jeffrey Vogel, the remaining three non-employee members of the Board, are participating in this compensation structure.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditor.

Prior to engagement of the independent auditor for the next year's audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the Audit Committee for approval. The first category (Audit Services) includes audit work performed in the preparation of financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters, statutory audits, and attest services and consultation regarding financial accounting and/or reporting standards. The second category (Audit-Related Services) includes assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements. The third category (Tax Services) includes all services performed by the independent auditor's tax personnel, except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning, and tax advice. The fourth category (All Other Fees) includes items associated with services not captured in the other categories. We generally do not request such services from the independent auditor.

Prior to engagement, the Audit Committee pre-approves these services by category of service. The fees are budgeted and the Audit Committee requires the independent auditor and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the independent auditor.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

Audit Fees

The Company incurred aggregate fees in the amount of \$163,000 and \$349,400 for professional audit services rendered by Ernst & Young LLP for the audit of the Company's annual financial statements and the reviews of the

financial statements included in the Company's 10-Qs, for the fiscal years ended July 31, 2009 and 2008, respectively. The services included work generally only the independent registered public accounting firm can reasonably be expected to provide, such as those in connection with statutory and regulatory filings.

Audit-Related Fees

The Company incurred aggregate fees in the amount of \$0 and \$73,454 for assurance and related services rendered by Ernst & Young LLP that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees" above. These services related principally to the audits of employee benefit plans, Sarbanes-Oxley compliance and merger and acquisition due diligence, for the fiscal years ended July 31, 2009 and 2008, respectively.

Tax Fees

The Company incurred \$0 and \$0 for professional services rendered by Ernst & Young LLP for tax compliance, tax advice, and tax planning during the fiscal years ended July 31, 2009 and 2008, respectively.

All Other Fees

All fees paid to Ernst & Young LLP by the Company are reported under the fee categories listed above. There were no other products or services provided by Ernst & Young LLP during the fiscal years ended July 31, 2009 and 2008.

The Audit Committee has determined that the provision of services covered by the four preceding paragraphs is compatible with maintaining the independent auditors' independence from the Company.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

(ITEM 2)

The Audit Committee has appointed Ernst & Young LLP, independent registered public accountants, to audit the Company's consolidated financial statements for the fiscal year ending July 31, 2010. We are advised that no member of Ernst & Young LLP has any direct financial interest or material indirect financial interest in the Company or any of its subsidiaries or, during the past three years, has had any connection with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

Stockholder ratification is not required for the selection of Ernst & Young LLP, since the Audit Committee has the responsibility for the selection of the Company's independent auditors. Nonetheless, the selection is being submitted for ratification at the Annual Meeting solely with a view toward soliciting the stockholders' opinion thereon, which opinion will be taken into consideration in future deliberations.

A representative of Ernst & Young LLP will be attending the Annual Meeting and will be available for questions.

The Board of Directors unanimously recommends voting "FOR" ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants.

APPROVAL OF AN AMENDMENT TO THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION TO CHANGE THE COMPANY'S NAME

(ITEM 3)

The Board has adopted a resolution declaring the advisability of amending the Company's Restated Certificate of Incorporation to change the Company's name from Forgent Networks, Inc. to Asure Software, Inc., substantially in the form provided in Appendix A. The Board believes this name change is in the best interests of the Company as the Company moves forward as a pure-play software company because it more accurately reflects the identity and characteristics of our new brand.

The Board of Directors unanimously recommends voting "FOR" approving amendment of the Company's Certificate of Incorporation to change the Company's name to Asure Software, Inc.

APPROVAL OF AN AMENDMENT TO THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT, REDUCE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK TO 6,500,000 AND REDUCE THE NUMBER OF AUTHORIZED SHARES OF PREFERRED STOCK TO 1,500,000

(ITEM 4)

The Board proposes that stockholders authorize the Board to amend the Company's Restated Certificate of Incorporation to effect a reverse stock split of all outstanding shares of the Company's Common Stock at a ratio of 1 for 10, and in connection with the reverse stock split, reduce the number of authorized shares of Common Stock to 6,500,000 and reduce the number of authorized shares of Preferred Stock to 1,500,000, substantially in the form provided in Appendix A (the reverse stock split or reverse split). As of November 10, 2009, the Company had 31,615,890 shares of Common Stock and no shares of Preferred Stock issued and outstanding. The last sale price of Common Stock on NASDAQ on November 10, 2009, was \$0.24.

Reasons for the Reverse Stock Split

On November 18, 2009, the Company received a letter from NASDAQ stating that the Company's Common Stock would be delisted from the NASDAQ Capital Market due to noncompliance with the minimum \$1.00 bid price per share requirement per Listing Rule 5810(c)(3)(A)(i). NASDAQ also granted the Company a hearing request to appeal the NASDAQ staff's position. The hearing is currently scheduled to be held on December 10, 2009, and delisting will be suspended pursuant to the hearing. The Board proposes this reverse stock split to raise our Common Stock price over NASDAQ's bid price requirement. The Board believes that stockholders would be best served by maintaining NASDAQ listing.

Although the exchange ratio of 1 for 10 is expected to increase our Common Stock price enough meet NASDAQ's requirements, there can be no assurance that the price of our Common Stock after a reverse split will increase in proportion to the reduction in the number of shares or will meet NASDAQ's bid price requirement, and some investors may interpret a reverse stock split as a signal that the Company lacks confidence in its ability to increase its stock price naturally. Furthermore, there can be no assurance that NASDAQ will not pursue delisting on grounds other than the minimum bid price requirement.

The Board of Directors unanimously recommends voting "FOR" approving amendment of the Company's Certificate of Incorporation to effect the reverse stock split.

Effects of the Reverse Split

If stockholders approve this proposal, every ten shares of the Company's outstanding Common Stock would be combined into one share of Common Stock. The Company will not issue fractional shares of Common Stock. Where a stockholder would have been entitled to a fractional share, the Company will round up fractional shares to the nearest whole share. The reverse split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interests or proportionate voting power, except for minor differences resulting from the rounding up of fractional shares. Certain stockholders, however, may be left with one or more odd lots, or a number of shares that is less than 100, and therefore may find it difficult to sell such shares and in connection with any sale may have to pay higher commissions and other transaction costs as compared to a sale involving a round lot, or a number that is in even multiples of 100.

The reverse split will reduce the number of shares of Common Stock and Preferred Stock authorized to be issued to 6,500,000 and 1,500,000, respectively. The reverse split will not affect the par value of the Common Stock or Preferred Stock. The aggregate stated capital of our outstanding stock will be reduced, while the aggregate capital surplus in excess of our stated capital attributable to our outstanding stock for statutory and accounting purposes will be correspondingly increased. The amendment to the Restated Certificate of Incorporation will not change the rights, preferences, privileges or priorities of either our outstanding Common Stock or our Preferred Stock. The number of shares of stock subject to any of our outstanding options authorized for issuance pursuant to our stock plans will be

proportionately reduced.

The following table shows the number of shares of Common Stock and Preferred Stock authorized, issued and outstanding, reserved for issuance and authorized but unissued both before and after completion of the reverse stock split.

		Common Stock		Preferred Stock	
		Before the Reverse Split (in 1,000s)	After the Reverse Split	Before the Reverse Split (in 1,000s)	After the Reverse Split
Authorized	400	40,000	6,500,000	10,000	1,500,000
Issued and Outstanding		31,616	3,161,600	0	0
Reserved for Issuance		549	54,900	0	0
Authorized but Unissued		6,594	3,159,400	10,000	1,500,000

Procedure for Effecting the Reverse Stock Split

The reverse stock split will become effective upon the filing and acceptance of the proposed amendment to the Company's Restated Certificate of Incorporation with the Secretary of State of the State of Delaware without any action on the part of our stockholders and without regard to the date or dates old stock certificates formerly representing shares of our stock before the reverse stock split are physically surrendered for new stock certificates representing the number of shares of stock a stockholder is entitled to receive as a result of the reverse stock split.

As soon as practicable after the date the amendment becomes effective, we will send a letter of transmittal to each stockholder of record at the effective time for use in transmitting old stock certificates to our transfer agent, American Stock Transfer & Trust Company, who will be serving as our exchange agent. The letter of transmittal will contain instructions for the surrender of old certificates to the exchange agent in exchange for new certificates representing the number of whole new shares of stock into which such holders' shares represented by the old certificates have been converted as a result of the reverse stock split.

Stockholders should not destroy any stock certificates and should not send their old certificates to the exchange agent until they have received the letter of transmittal. Persons holding their shares in brokerage accounts or street name would not be required to take any further action to effect the exchange of their certificates. Instead, the holder of the certificate will be contacted. Old certificates not presented for surrender as soon as is practicable after the letter of transmittal is sent shall be exchanged for new certificates at the first time they are otherwise presented for transfer or conversion. Until so surrendered, each current certificate representing shares of our stock will be deemed for all corporate purposes after the effective time of the charter amendment to evidence ownership of shares in the appropriately reduced whole number of shares.

Stockholders holding shares in street name through banks, brokers or other nominees should follow the procedures given by such banks, brokers or other nominees. Banks, brokers or other nominees holding shares of Common Stock for stockholders will be instructed to effect the reverse stock split for such beneficial holders. These banks, brokers or other nominees may apply their own specific procedures for processing the reverse stock split. If you hold your shares in street name, please contact your bank, broker or other nominee.

Expected Tax Consequences

The following discussion is a summary of the U.S. federal income tax consequences to a stockholder who exchanges shares pursuant to the reverse stock split. This discussion is for general information only and is not intended to be a complete description of all potential tax consequences to a particular stockholder. Nor does it describe state, local or foreign tax consequences. Any written tax advice contained herein was not written or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code of 1986, as amended (the Code).

This discussion is based on current provisions of the Code, Treasury regulations promulgated under the Code, Internal Revenue Service (IRS) rulings and pronouncements, and judicial decisions now in effect, all of which are subject to change at any time by legislative, judicial or administrative action. Any such changes may be applied retroactively. We have not sought nor will we seek any rulings from the IRS with respect to the U.S. federal income tax consequences discussed below. The discussion below is not in any way binding on the IRS or the courts or in any way constitutes an assurance that the U.S. federal income tax consequences discussed herein will be accepted by the IRS or the courts.

The Company will not recognize any gain or loss for tax purposes as a result of the reverse stock split. Furthermore, the reverse stock split will not result in the recognition of gain or loss to our common stockholders. The holding period for the shares of Common Stock each stockholder receives will include the holding period of the shares exchanged in the reverse stock split. The aggregate adjusted basis of the new shares of Common Stock will be equal to the aggregate adjusted basis of the old shares exchanged in the reverse stock split.

APPROVAL OF THE COMPANY S AMENDED AND RESTATED RIGHTS AGREEMENT

(ITEM 5)

Background of the Amended and Restated Rights Agreement

The Company entered into a Rights Agreement on December 19, 2005 with American Stock Transfer & Trust Company LLC (the Rights Agreement), as previously disclosed on a Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2005.

The Company amended and restated the Rights Agreement as of October 28, 2009 (the Amended and Restated Rights Agreement) to protect the Company's ability to carry forward its net operating losses (the NOLs), which the Company believes are a substantial asset. The previous Rights Agreement imposed a penalty only for a person or group that acquired more than 15% of the Company's then-outstanding Common Stock without prior Board approval and thus did not protect our tax losses. The Amended and Restated Rights Agreement is designed to assist in limiting the number of 5% or more owners and thus reduce the risk of a possible change of ownership under Section 382 of the Code. Any such change of ownership under these rules would limit or eliminate the ability of the Company to use its existing NOLs for federal income tax purposes. However, there is no guaranty that the objective of preserving the value of the NOLs will be achieved. The Amended and Restated Rights Agreement will expire immediately if our net operating losses become impaired for other reasons, as discussed below under the subsection entitled Expiration of Rights.

Summary of the Amended and Restated Rights Agreement

The Amended and Restated Rights Agreement imposes a significant penalty upon any person or group that acquires 4.9% or more (but less than 50%) of the Company's then-outstanding Common Stock without the prior approval of the Board. Stockholders who own 4.9% or more of the Company's then-outstanding Common Stock as of the close of business on the Record Date, will not trigger the Amended and Restated Rights Agreement so long as they do not increase their ownership of the Common Stock after the Record Date by more than one-half of 1% of the then-outstanding Common Stock. A person or group that acquires shares of the Company's common stock in excess of the above-mentioned applicable threshold, subject to certain limited exceptions, is called an Acquiring Person. Any rights held by an Acquiring Person are void and may not be exercised.

The Rights

On October 28, 2009, the Board of Directors amended the rights and preferences of the previously declared dividend of one right (a Right) for each outstanding share of common stock of the Company, par value \$0.01 per share (the Common Stock). The dividend is payable on October 28, 2009 to the stockholders of record at the close of business on that date (the Record Date). Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock of the Company, \$0.01 par value (the Preferred Stock), at a price of \$1.7465 per one thousandth of a share of Preferred Stock, subject to adjustment (the Exercise Price). For example, the exercise price would increase tenfold if the reverse split is approved. The Rights are not exercisable until the Distribution Date referred to below. Until the Rights are exercised, the holders thereof will

not have rights as stockholders of the Company, including, without limitation, the right to vote or to receive dividends. The description and terms of the Rights are set forth in the Amended and Restated Rights Agreement between the Company and American Stock Transfer & Trust Company LLC, dated as of October 28, 2009. All capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Amended and Restated Rights Agreement.

Exercisability of Rights

The Rights will not be exercisable until 10 days after a public announcement by the Company that a person or group has become an Acquiring Person. Until the date that the Rights become exercisable (the Distribution Date), Common Stock certificates will evidence the Rights and will contain a notation to that effect. Any transfer of shares of Common Stock prior to the Distribution Date will constitute a transfer of the associated Rights. If the Rights become exercisable, each Right would allow its holder to purchase from the Company one one-thousandth of a share of Preferred Stock for a purchase price of \$1.7465. Each fractional share of Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as one share of Common Stock. After

the Distribution Date, the Rights will be separated from the Common Stock and be evidenced by a rights certificate, which the Company will mail to all holders of the rights that are not void.

In addition, if a person or group becomes an Acquiring Person after the Distribution Date or already is an Acquiring Person and acquires more shares after the Distribution Date, all holders of Rights, except the Acquiring Person, may exercise their rights to purchase a number of shares of the Common Stock (in lieu of Preferred Stock) with a market value of twice the exercise price, upon payment of the purchase price.

Expiration of Rights

The Rights will expire on the earliest of (a) the Final Expiration Date (defined below), (b) the exchange or redemption of the Rights, (c) consummation of a merger or consolidation or sale of assets resulting in expiration of the Rights, (d) the consummation of a reorganization transaction entered into by the Company that the Board determines will help prevent the Company from experiencing an Ownership Change, as defined in Section 382 of the Code and protect the Company's NOLs, (e) the repeal of Section 382 of the Code or any successor statute, or any other change, if the Board determines the Amended and Restated Rights Agreement is no longer necessary for the preservation of tax benefits, or (f) the beginning of a taxable year of the Company to which the Board determines that no tax benefits may be carried forward.

The Final Expiration Date is October 28, 2019; provided that (i) if the Amended and Restated Rights Agreement shall not have been submitted for approval and approved by the requisite number of the Company's stockholders on or before April 28, 2010, the Final Expiration Date shall be April 28, 2010 and (ii) if the Amended and Restated Rights Agreement is submitted for the approval and not approved by the requisite number of the Company's stockholders, the Final Expiration Date shall be the date of such stockholder determination.

Redemption of Rights

The Company may, at its option and with the approval of the Board, at any time prior to the close of business on the earlier of (i) the tenth day following the first date of public announcement by the Company or an Acquiring Person that an Acquiring Person has become such or such later date as may be determined by action of a majority of the members of the Board of Directors then in office and publicly announced by the Company or (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$0.01 per Right (such redemption price being herein referred to as the Redemption Price). The Redemption Price is subject to adjustment to reflect any stock split, stock dividend or similar transaction occurring after the date of the Amended and Restated Rights Agreement. The Company may, at its option, pay the Redemption Price either in Common Stock (based on the current per share market price thereof, as determined pursuant to Section 11(d) of the Amended and Restated Rights Agreement) or cash; provided, that if the Board of Directors of the Company authorizes redemption of the Rights on or after the time a person becomes an Acquiring Person, then such authorization shall require the concurrence of a majority of the members of the Board then in office.

Exchange of Rights

In addition, after a person becomes an Acquiring Person the Board of the Company may exchange the Rights (other than Rights owned by the Acquiring Person or its affiliates), in whole or in part, at an exchange ratio of one Common Share per Right (subject to adjustment).

Anti-Dilution Adjustments

The Board may adjust the purchase price of the Preferred Stock, the number of shares of the preferred shares issuable and the number of outstanding Rights to prevent dilution that may occur as a result of certain events, including a stock dividend, a stock split or a reclassification of the Preferred Stock or Common Stock.

Amendments

Before the time the Rights cease to be redeemable, the Board may amend or supplement the Amended and Restated Rights Agreement without the consent of the holders of the Rights. At any time thereafter, the Board may

amend or supplement the Amended and Restated Rights Agreement only to cure an ambiguity, to alter time period provisions, to correct inconsistent provisions or to make any additional changes to the Amended and Restated Rights Agreement, but only to the extent that those changes do not impair or adversely affect any Rights holder and do not result in the Rights becoming redeemable.

Other Considerations

The Rights have certain anti-takeover effects. The Rights will cause substantial dilution to a person or group that attempts to acquire the Company on terms not approved by the Board. The Rights should not interfere with any merger or other business combination approved by the Board since the Rights may be redeemed by the Company at the Redemption Price prior to the date ten days after the public announcement that a person or group has become the beneficial owner of 4.9% or more of the Common Stock, and any securities which a person or any of such person's affiliates may be deemed to have the right to acquire pursuant to any merger or other acquisition agreement between the Company and such person may be excluded from the calculation of their beneficial ownership if such agreement has been approved by the Board of Directors of the Company prior to them becoming an Acquiring Person.

The Amended and Restated Rights Agreement, specifying the terms of the Rights and including the form of the Rights Certificate, is attached hereto as Appendix B and is incorporated herein by reference. The foregoing description of the Rights does not purport to be complete and is qualified in its entirety by reference to Appendix B.

The Board of Directors unanimously recommends voting "FOR" approving the Amended and Restated Rights Agreement.

APPROVAL OF THE COMPANY'S 2009 EQUITY PLAN

(ITEM 6)

Background and Summary of Company's 2009 Equity Plan

On September 21, 2009, the Board adopted the Company's 2009 Equity Plan (the "2009 Equity Plan"), a copy of which is attached as Appendix C to this Proxy Statement. The purpose of the 2009 Equity Plan is to enhance the long-term stockholder value of the Company by offering opportunities to directors, officers, employees and eligible consultants of the Company ("Participants") to acquire and maintain stock ownership in the Company in order to give these persons the opportunity to participate in the Company's growth and success, and to encourage them to remain in the service of the Company. As of November 10, 2009, all of the approximately 75 employees (including officers) of the Company and the four non-employee directors would have been eligible to participate in the 2009 Equity Plan.

The following description of the 2009 Equity Plan does not purport to be complete, and is qualified in its entirety by reference to Appendix C to this Proxy Statement. Capitalized terms used in this summary and not otherwise defined will have the same meaning ascribed to such terms in the 2009 Equity Plan.

The Board of Directors unanimously recommends voting "FOR" approving the Company's 2009 Equity Plan.

A total of 2,000,000 shares of the Company's Common Stock are available for issuance under the 2009 Equity Plan. The 2009 Equity Plan provides for the grant of: (i) incentive stock options, (ii) nonstatutory stock options and (iii) stock purchase rights.

Options

Types of Options. Incentive stock options granted under the 2009 Equity Plan are those intended to qualify as incentive stock options as defined under Section 422 of the Code. Incentive stock options may be granted only to employees of the Company or a subsidiary of the Company. The 2009 Equity Plan provides that incentive stock treatment will not be available for options that become first exercisable in any calendar year to the extent the value

of the underlying shares that are the subject of the stock option exceeds \$100,000 (based upon the fair market value of Common Stock on the grant date).

Nonstatutory stock options granted under the 2009 Equity Plan are option grants that do not qualify as incentive stock options under Section 422 of the Code. Nonstatutory stock options and stock purchase plans may be granted to Employees and Consultants (each as defined in the 2009 Equity Plan).

Exercise of Options. The exercise price of options may not be less than 100% of the fair market value on the grant date of the shares of common stock subject to the Award. With respect to any Incentive Stock Options, the exercise price of the options may not be less than 110% of fair market value for any employee, who at the time of the grant is a Ten Percent Holder, as defined in the 2009 Equity Plan.

Options may be exercised by written notice of such exercise to the Company in accordance with the terms of the option by the person entitled to exercise the option along with full payment for the underlying Common Stock. Subject to the relevant stock option agreement and any applicable law, payment may be made by (i) cash; (ii) check; (iii) promissory note; (iv) cancellation of indebtedness; (v) other shares of Common Stock having a fair market value equal to the exercise price if owned by the Participant for more than six months; (vi) cashless brokered exercise program; or (vii) any combination of the foregoing.

The term over which Participants may exercise stock options may not exceed ten years from the date of the grant (five years in the case of incentive stock options granted to employers who were Ten Percent Holders at the time of grant).

Stock Purchase Rights

The Company may offer Participants stock purchase rights at a price determined by the Company, subject to applicable law. The purchase price may not be less than 85% of the fair market value on the grant date (if the employee is a Ten Percent Holder, the price must not be less than 100% of the fair market value on the grant date). Generally, the Company will retain the right to repurchase the shares upon the voluntary or involuntary termination of the purchaser's employment with the Company.

Taxes; Withholding

As a condition for the issuance of Common Shares pursuant to awards, the 2009 Equity Plan requires satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with the

award or issuance of Common Shares.

Non-Transferability of Awards

Awards may not be sold, pledged, assigned, hypothecated, transferred, or disposed of other than by will or by the laws of descent and distribution; provided, however, that the Company may, in its discretion, grant nonstatutory stock options that may be transferred by instrument to an inter vivos or testamentary trust in which the options will pass to beneficiaries upon death or by gift or pursuant to certain domestic relation orders.

Adjustments Upon Changes in Capitalization, Merger, or Certain Other Transactions

The number of shares of Common Stock covered by outstanding awards, the maximum aggregate number of shares that may be sold, and the number of shares of Common Stock authorized but not issued (or returned upon cancellation or expiration of an award), and the price per share covered by each outstanding award shall be proportionately adjusted for any increase or decrease in the number of shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares other than for consideration received or conversion of convertible securities.

If the Company dissolves or liquidates, each award will terminate immediately prior to the consummation of such action unless otherwise determined by the Administrator.

In the event of Corporate Transaction, each outstanding award shall be assumed or an equivalent award shall be substituted by the successor corporation, or its parent or subsidiary, unless otherwise agreed, in which case the award shall terminate on the consummation of the transaction. In the event of a Change in Control, each award shall accelerate on the terms of the related award agreement.

Plan Termination and Amendment

If approved by the Company's stockholders at the Annual Meeting and if not sooner terminated by the Board, the 2009 Equity Plan shall continue in effect for a term of (10) years. The Board may at any time amend the 2009 Equity Plan; provided, however, that no amendment that would materially and adversely affect the rights of award recipients shall be made without his or her consent. To the extent required by law, the Company shall obtain stockholder approval of any amendment to the 2009 Equity Plan.

Expected Tax Consequences

The following is a brief summary of certain tax consequences of certain transactions under the 2009 Equity Plan. This summary is not intended to be complete and does not describe state, local or foreign tax consequences.

United States Tax Laws

Under the Code, the Company (or its applicable U.S. subsidiaries) will generally be entitled to a deduction for federal income tax purposes at the same time and in the same amount as the ordinary income that Participants recognize pursuant to awards (subject to the Participant's overall compensation being reasonable, and to the discussion below with respect to Code Section 162(m)) here in the United States. For Participants, the expected U.S. tax consequences of awards are as follows:

Incentive stock options. A Participant will not recognize income upon the grant of an incentive stock option. There are generally no tax consequences to the Participant upon exercise of an incentive stock option (except the amount by which the fair market value of the shares at the time of exercise exceeds the option exercise price is a tax preference item possibly giving rise to an alternative minimum tax). If the shares of Common Stock are not disposed of within two years from the date the incentive stock option was granted or within one year after the incentive stock option was exercised, any gain realized upon the subsequent disposition of the shares will be characterized as long-term capital gain and any loss will be characterized as long-term capital loss. If both of these holding period requirements are not met, then a disqualifying disposition occurs and (i) the Participant recognizes gain in the amount by which the fair market value of the shares at the time of exercise exceeded the exercise price for the incentive stock option and (ii) any remaining amount realized on disposition (except for certain wash sales, gifts or sales to related persons) will be characterized as capital gain or loss.

Nonstatutory stock options and stock purchase rights. A Participant will not recognize income at the time a nonstatutory stock option or stock purchase rights are granted. At the time a nonstatutory stock option or stock purchase rights are exercised, the Participant will recognize ordinary income in an amount equal to the excess of (i) the fair market value of the Common Stock issued to the Participant on the exercise date over (ii) the exercise price paid for the shares. At the time of sale of shares acquired pursuant to the exercise of a nonstatutory stock option, the appreciation (or depreciation) in value of the shares after the date of exercise will be treated either as short-term or long-term capital gain (or loss) depending on how long the shares have been held.

General Tax Law Considerations

The preceding paragraphs are intended to be merely a summary of certain important tax law consequences concerning a grant of stock options under the 2009 Equity Plan and the disposition of shares issued thereunder in existence as of the date of this Proxy Statement. Special rules may apply to the Company's officers, directors or greater than ten percent stockholders. Participants in the 2009 Equity Plan should review the current tax treatment with their individual tax advisors at the time of grant, exercise or any other transaction relating to an award or the underlying shares.

New Plan Benefits

No grants were made in the last fiscal year. The following grants of stock options were made following the last fiscal year:

2009 Equity Plan

Name and position	Dollar Value	Number of Options
	(\$)	(\$)
Richard N. Snyder, Former Chief Executive Officer	-	-0- (1)
Nancy L. Harris, Former Chief Executive Officer	-	-0- (1)
Jay C. Peterson, Former Chief Financial Officer	-	-0- (1)
Patrick Goepel, Interim Chief Executive Officer	-	800,000 (2)
Non-Executive Director Group	-	112,500 (3)
Non-Executive Officer Employee Group		-0-

(1)

None of Mr. Snyder, Ms. Harris or Mr. Peterson is currently employed at the Company.

(2)

These incentive stock options, subject to stockholder approval, were granted under the 2009 Equity Plan on September 21, 2009. The option vests with respect to 25% of the shares on September 15, 2010 and an additional 6.25% each three month period thereafter. The exercise price of such options was set at \$.35 per share of common stock, a price which the Board determined was a premium over the then current fair market value of such stock. These options expire ten years from the grant date. The issuance of shares related to this grant is contingent upon stockholder approval.

(3)

Non-qualified stock options under the 2009 Equity Plan to purchase 37,500 shares of Common Stock were granted to each of Robert Graham, Adrian Pertierra and Jeffrey Vogel on September 21, 2009. Each such option vest at a rate of 25% of the amount of shares granted under such option each six month period following issuance, such that the options shall each be fully vested on the second anniversary of issuance. The exercise price of such options was set as \$.35 per share of common stock, a price which the Board determined was a premium over the then current fair market value of such stock. These options expire ten years from the grant date. The issuance of shares related to this grant is contingent upon stockholder approval.

In the event of the termination of one of the aforementioned parties' relationship with the Company as a result of disability or death, such party (or his estate) may exercise the option, to the extent he is vested, within six months from the termination date. In the event such party's relationship with the Company is terminated for cause, as such term is defined in the Company's 2009 Equity Plan, the option shall terminate immediately upon such termination for cause. If such party's relationship terminates for any other reason other than those listed above, the option may be exercised for ninety days (90) after termination.

The above description of the options granted under 2009 Equity Plan does not purport to be complete, and is qualified in its entirety by reference to the full Form of Stock Option Agreement, which is attached as Appendix D to this Proxy Statement. Future awards are not determinable at this time.

Equity Compensation Plan Information

The following table provides information as of July 31, 2009 with respect to the shares of the Company's common stock that may be issued under the Company's existing equity compensation plans.

	A	B	C
Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Stockholders (1)	1,131,305 (3)	\$ 0.76 (3)	21,317 (4)
Equity Compensation Plans Not Approved by Stockholders (2)	-0-	N/A	-0-
Total	1,131,305	\$ 0.76	21,317

(1)
Consists of the 1989 Stock Option Plan, the 1992 Director Stock Option Plan, the 1996 Stock Option Plan, and the Employee Stock Purchase Plan.

(2)
All of the Company's equity compensation plans have been previously approved by the Company's stockholders.

(3)
Under the Employee Stock Purchase Plan, each eligible employee may purchase up to 2,500 shares per quarter (but in no case can the participant contribute more than 15% of base pay) of common stock at quarterly intervals on the last day of the calendar quarter (i.e. March, June, September, and December) each year at a purchase price per share equal to 85% of the lower of (i) the average selling price per share of common stock on the first day of the quarter or (ii) the

average selling price per share on the quarterly purchase date.

(4)

Includes shares available for future issuance under the Company's Employee Stock Purchase Plan.

OTHER MATTERS

As of the date of this Proxy Statement, the Board of Directors does not know of any business to be brought before the Annual Meeting other than as specified above. However, if any matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote such proxy in accordance with their judgment on such matters.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's officers, directors, and persons who beneficially own more than 10% of the Company's Common Stock ("10% Stockholders") to file reports of ownership and changes in ownership with the SEC and NASDAQ. Such officers, directors and 10% Stockholders are also required by SEC rules to furnish the Company with copies of all Section 16(a) forms that they file. Based solely upon information provided to the Company by individual officers, directors and 10% Stockholders, Forgent believes that all of these filing requirements were satisfied by the Company's officers, directors, and 10% Stockholders in fiscal 2009, except for Form 3s for Messrs. Sandberg, Goepel, Graham, Pertierra and Vogel filed late due to a misunderstanding of the filing deadline, and a late Form 4 for Mr. Goepel.

STOCKHOLDER PROPOSALS

Pursuant to various rules promulgated by the SEC, a stockholder seeking to include a proposal in our proxy statement and form of proxy card for our annual stockholder meeting for fiscal 2010 must timely submit such proposal in accordance with SEC Rule 14a-8 to Forgent Networks, Inc., addressed to Adrian Pertierra, Secretary, 108 Wild Basin Road, Austin, Texas 78746. Pursuant to SEC Rule 14a-8, a stockholder proposal for the annual stockholder meeting for fiscal 2010 must be received in writing by the Company at its executive offices no later than July 30, 2010. Further, a stockholder may not present a proposal for inclusion in our proxy statement and form of proxy card related to the Annual Meeting for fiscal 2010 and may not submit a matter for consideration at the Annual Meeting to be held for fiscal 2010, regardless of whether presented for inclusion in our proxy statement and form of proxy card, unless the stockholder has timely complied with our bylaw requirements. Under these requirements, a stockholder's notice to the Secretary must set forth as to each matter the stockholder proposes to bring before the meeting a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; the name and address, as they appear on our books, of the stockholder proposing such business and the name and address of the beneficial owner, if any, on whose behalf the proposal is made; the class and number of our shares of our Common Stock which are owned beneficially and of record by such stockholder and by the beneficial owner, if any, on whose behalf the proposal is being made; and any material interest of such stockholder of record and beneficial owner, if any, on whose behalf the proposal is made in such business.

Under our bylaw requirements, a stockholder's notice must be delivered to or mailed and received by us not less than 60 days nor more than 90 days prior to the first anniversary date of the prior year's annual meeting; provided, however, that in the event that the date of the annual meeting changes by more than 30 days from such anniversary date, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the day on which public disclosure is first made of the date of the annual meeting. Therefore, in order to be timely for the 2010 annual meeting, a stockholder's notice regarding a proposal not to be included in the Company's proxy materials must be delivered to or mailed and received at our principal executive offices not earlier than September 18, 2010 and not later than October 18, 2010.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROXY STATEMENT OR ITS APPENDICES TO VOTE ON THE MATTERS SET FORTH ABOVE. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT. THIS PROXY STATEMENT IS DATED NOVEMBER 27, 2009. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE AND THE MAILING OF THIS PROXY STATEMENT TO STOCKHOLDERS SHALL NOT CREATE ANY IMPLICATION TO THE CONTRARY.

By order of the Board of Directors

Patrick Goepel

Interim Chief Executive Officer

Austin, Texas

APPENDIX A

FORM OF AMENDMENT CHANGING THE COMPANY'S NAME AND EFFECTING THE REVERSE STOCK SPLIT, REDUCING THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK TO 6,500,000 AND REDUCING THE NUMBER OF AUTHORIZED SHARES OF PREFERRED STOCK TO 1,500,000

Pursuant to the Delaware General Corporation Law (DGCL), Forgent Networks, Inc., a corporation duly organized and existing under the DGCL, does hereby certify that:

1.
The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Article FIRST and inserting in its place the following:

FIRST: The name of the Corporation (the *Corporation*) is Asure Software, Inc., formerly known as Forgent Networks, Inc., formerly known as VTEL Corporation.

2.
The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Article FOURTH and inserting in its place the following:

FOURTH: The Corporation shall have the authority to issue two (2) classes of shares to be designated, respectively, *Preferred Stock* and *Common Stock*. All of said shares shall be One Cent (\$.01) par value each. The total number of shares of capital stock which the Corporation shall have the authority to issue is Eight Million (8,000,000), which shall consist of Six-and-One-Half Million (6,500,000) shares of Common Stock and One-and-One-Half Million (1,500,000) shares of Preferred Stock.

The outstanding shares of Common Stock shall be reverse split on a 1 for 10 basis, effective as of the effective date of this Certificate of Amendment.

Fractional shares will be rounded up to the nearest whole number of shares.

3. The foregoing amendments were duly adopted by the Board of Directors of the Company in accordance with the provisions of the DGCL Section 242 and duly approved by the stockholders of the Corporation by the required vote of such stockholders in accordance with DGCL Section 242 at the annual meeting of stockholders of the Corporation held on December 17, 2009 in accordance with DGCL Section 222, and shall become effective on the date this Certificate of Amendment to the Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

In witness whereof, Forgent Networks, Inc., has caused this Certificate of Amendment to be executed by a duly authorized officer on _____, 2009.

Forgent Networks, Inc.

By: _____

Name: _____

Title: _____

APPENDIX B

AMENDED AND RESTATED RIGHTS AGREEMENT

This AMENDED AND RESTATED RIGHTS AGREEMENT (the **AGREEMENT**) is dated as of October 28, 2009, by and between FORGENT NETWORKS, INC., a Delaware corporation (the **COMPANY**), and AMERICAN STOCK TRANSFER & TRUST COMPANY LLC (the **RIGHTS AGENT**).

WHEREAS, the Company entered into a Rights Agreement with the Rights Agent on December 19, 2005 (the **PRIOR RIGHTS AGREEMENT**);

WHEREAS, the Company has experienced substantial operating losses in previous years, and under the Internal Revenue Code of 1986, as amended (the **CODE**), and rules promulgated by the Internal Revenue Service, the Company may carry forward its net operating losses (the **NOLs**) in certain circumstances to offset current and future earnings, and thus reduce its federal income tax liability (subject to certain requirements and restrictions);

WHEREAS, if the Company experiences an Ownership Change, as defined in Section 382 of the Code, its ability to use its NOLs could be substantially limited or lost altogether;

WHEREAS, the Company believes that its NOLs are a substantial asset of the Company and that it is in the best interest of the Company and its stockholders that the Company provide for the protection of the Company's NOLs on the terms and conditions set forth herein;

WHEREAS, the Company desires to amend and restate the Prior Rights Agreement to protect its NOLs;

WHEREAS, effective as of December 15, 2005, (the **RIGHTS DIVIDEND DECLARATION DATE**), the Board of Directors of the Company authorized and declared a dividend of one Preferred Share purchase right (a **PRIOR RIGHT**) for each Common Share (as hereinafter defined) of the Company outstanding as of the Close of Business (as hereinafter defined) on December 31, 2005;

WHEREAS, effective as of October 28, 2009 (the **RECORD DATE**), the Board of Directors of the Company approved modifications to the terms and conditions of the Prior Right (as modified, the **RIGHT**) in accordance with the rights, preferences and privileges set forth in the form of Amended and Restated Certificate of Designation of Rights, Preferences and Privileges of Series A Junior Participating Preferred Stock attached hereto as **Exhibit A**, subject to the terms and subject to the conditions herein set forth;

WHEREAS, Each Right represents the right to purchase one one-thousandth (1/1000) of a share of Series A Junior Participating Preferred Stock (as such number may be adjusted pursuant to the provisions of this Agreement). The Board of Directors of the Company further authorized and directed the issuance of one Right (as such number may be adjusted pursuant to the provisions of this Agreement) with respect to each Common Share that shall become outstanding between the Record Date and the earlier of the Distribution Date and the Expiration Date (as such terms are hereinafter defined), and in certain circumstances after the Distribution Date; and

WHEREAS, upon execution of this Agreement, the Prior Rights Agreement shall be terminated and shall be of no further force and effect.

NOW, THEREFORE, in consideration of the promises and the mutual agreements herein set forth, the parties hereby agree as follows:

SECTION 1. CERTAIN DEFINITIONS. For purposes of this Agreement, the following terms have the meanings indicated:

(a)

ADJUSTMENT SHARES shall have the meaning set forth in Section 11(a) hereof.

(b)

ACQUIRING PERSON shall mean any Person (other than the Company, any Related Person or any Exempt Person) who, itself or together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 4.9% or more of the Common Shares then outstanding; and provided, however, that (i) if, as of the Record

B-1

Date, any Person is the Beneficial Owner of 4.9% or more of the outstanding Common Shares, such Person shall not be deemed to be an Acquiring Person unless and until such time as (A) such Person or Affiliate or Associate of such Person thereafter becomes the Beneficial Owner of additional Common Shares representing one-half of 1% or more of the then outstanding Common Shares, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Common Shares are treated substantially equally, or (B) any other Person who is the Beneficial Owner of Common Shares thereafter becomes an Affiliate or Associate of such Person; provided that the foregoing exclusion shall cease to apply with respect to any Person at such time as such Person, together with all Affiliates and Associates of such Person, ceases to Beneficially Own 4.9% or more of the then outstanding Common Shares, and (ii) a Person will not be deemed to have become an Acquiring Person solely as a result of an acquisition of Common Shares by the Company which reduces the number of Common Shares outstanding unless and until such time as (A) such Person or any Affiliate or Associate of such Person thereafter becomes the Beneficial Owner of additional Common Shares, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Common Shares are treated substantially equally, or (B) any other Person who is the Beneficial Owner of Common Shares thereafter becomes an Affiliate or Associate of such Person. Notwithstanding the foregoing, if the Board determines that a Person who would otherwise be an

Acquiring Person as defined pursuant to the foregoing provisions of this Section 1(a) (i) has become such inadvertently (including, without limitation, because (A) such Person was unaware that it Beneficially Owned a percentage of Common Shares that would otherwise cause such Person to be an Acquiring Person or (B) such Person was aware of the extent of its Beneficial Ownership of Common Shares but had no actual knowledge of the consequences of such Beneficial Ownership under this Agreement), and such Person divests as promptly as practicable (as determined by the Board) a sufficient number of Common Shares so that such Person would no longer be an Acquiring Person as defined pursuant to the foregoing provisions of this Section 1(a), or (ii) but characterizing such Person as an Acquiring Person would adversely impact the availability of the Company's NOLs to a greater extent than not characterizing such Person as an Acquiring Person, then in each case, such Person shall not be deemed to be an Acquiring Person for any purposes of this Agreement unless and until such Person shall again become an Acquiring Person.

(c)

AFFILIATE and ASSOCIATE shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities and Exchange Act of 1934, as amended (the EXCHANGE ACT), as in effect on the date of this Agreement, and to the extent not included within the foregoing clause of this Section 1(b), shall also include, with respect to any Person, any other Person (other than a Related Person or an Exempt Person) whose Common Shares would be deemed constructively owned by such first Person pursuant to the provisions of Section 382 of the Code, or any successor provision or replacement provision, provided, however, that a Person will not be deemed to be the Affiliate or Associate of another Person solely because either or both Persons are or were Directors of the Company.

(d)

AGREEMENT shall have the meaning set forth in the recitals at the beginning of this Agreement.

(e)

A Person shall be deemed the BENEFICIAL OWNER of and shall be deemed to BENEFICIALLY OWN any securities:

(i)

which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Rule 13d-3 thereunder (or any comparable or successor law or regulation);

(ii)

which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, that a Person shall not be deemed pursuant to this Section 1(c)(ii)(A) the Beneficial Owner of, or to beneficially own, (1) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange, or (2) securities which a Person or any of such Person's Affiliates or Associates may be deemed to have the right to acquire pursuant to any merger or other acquisition agreement between the Company and such Person (or one or more of its Affiliates or Associates) if such agreement

B-2

has been approved by the Board of Directors of the Company prior to there being an Acquiring Person; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this Section 1(c)(ii)(B) if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations of the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii)

which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 1(c)(ii)(B)) or disposing of any securities of the Company; provided, that in no case shall an officer or director of the Company be deemed (x) the Beneficial Owner of any securities beneficially owned by another officer or director of the Company solely by reason of actions undertaken by such persons in their capacity as officers or directors of the Company or (y) the Beneficial owner of securities held of record by the trustee of any employee benefit plan of the Company or any Subsidiary of the Company for the benefit of any employee of the Company or any Subsidiary of the Company, other than the officer or director, by reason of any influence that such officer or director may have over the voting of the securities held in the plan. Notwithstanding anything herein to the contrary, to the extent not within the foregoing provisions of this Section 1(d), a Person shall be deemed the Beneficial Owner of and shall be deemed to beneficially own or have beneficial ownership of, securities which such Person (i) would be deemed to constructively own pursuant to Section 382 of the Code, or any successor or replacement provision; or (ii) would be deemed to have a direct or indirect economic or pecuniary interest, including, without limitation, interests or rights acquired through derivative, hedging or similar transactions relating to such securities with a counterparty, as determined by the Company's Board of Directors in its sole and absolute discretion.

(f)

BUSINESS DAY shall mean any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

(g)

CLOSE OF BUSINESS on any given date shall mean 5:00 P.M., New York, New York time, on such date; provided, that if such date is not a Business Day it shall mean 5:00 P.M., New York, New York time, on the next succeeding Business Day.

(h)

CODE shall have the meaning set forth in the recitals at the beginning of this Agreement.

(i)

COMMON SHARES when used with reference to the Company shall mean the shares of Common Stock of the Company, \$0.01 par value. **Common Shares** when used with reference to any Person other than the Company shall

mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(j)

COMMON STOCK EQUIVALENTS shall have the meaning set forth in Section 11(a) hereof.

(k)

COMPANY shall have the meaning set forth in the recitals at the beginning of this Agreement.

(l)

CURRENT PER SHARE MARKET PRICE shall have the meaning set forth in Section 11(d) hereof.

(m)

CURRENT VALUE shall have the meaning set forth in Section 11(a) hereof.

(n)

DISTRIBUTION DATE shall mean the earlier of (i) the Close of Business on the tenth day (or such later date as may be determined by action of a majority of the members of the Board of Directors then in office) after the Shares Acquisition Date (or, if the tenth day after the Shares Acquisition Date occurs before the Record Date, the Close of Business on the Record Date) or (ii) the Close of Business on the tenth day (or such later date as may be determined by action of a majority of the members of the Board of Directors then in office) after the date that a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or

established by the Company for or pursuant to the terms of any such plan) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if, assuming the successful consummation thereof, such Person would be the Beneficial Owner of 4.9% or more of the shares of Common Stock then outstanding.

(o)

EQUIVALENT SHARES shall mean Preferred Shares and any other class or series of capital stock of the Company that is entitled to participate in dividends and other distributions, including distributions upon the liquidation, dissolution or winding up of the Company, on a proportional basis with the Common Shares. In calculating the number of any class or series of Equivalent Shares for purposes of Section 11 of this Rights Agreement, the number of shares, or fractions of a share, of such class or series of capital stock that is entitled to the same dividend or distribution as a whole Common Share shall be deemed to be one share.

(p)

EXCHANGE ACT shall have the meaning set forth in Section 1(b) hereof.

(q)

EXCHANGE FRACTION shall have the meaning set forth in Section 11(p) hereof.

(r)

EXCHANGE RATIO shall have the meaning set forth in Section 11(a) hereof.

(s)

EXEMPT PERSON means a Person whose Beneficial Ownership (together with all Affiliates and Associates of such Person) of 4.9% or more of the then-outstanding Common Shares will not, as determined by the Company's Board of Directors in its sole discretion, jeopardize or endanger the availability to the Company of its NOLs, provided, however, that such a Person will cease to be an Exempt Person if the Board of Directors makes a contrary determination with respect to the effect of such Person's Beneficial Ownership (together with all Affiliates and Associates of such Person) upon the availability to the Company of its NOLs.

(t)

EXPIRATION DATE shall mean the earliest of (i) the Close of Business on the Final Expiration Date, (ii) the Redemption Date, (iii) the time at which the Board of Directors orders the exchange of the Rights as provided in Section 24 hereof, (iv) the consummation of a transaction contemplated by Section 13(d) hereof, (v) the consummation of a reorganization transaction entered into by the Company resulting in the imposition of stock transfer restrictions, that the Board of Directors determines will provide protection for the Company's NOLs similar to that provided by this Agreement, (vi) the repeal of Section 382 of the Internal Revenue Code or any successor statute, or any other change, if the Board of Directors determines that this Agreement is no longer necessary for the preservation of tax benefits, or (vii) the beginning of a taxable year of the Company to which the Board of Directors determines that no tax benefits may be carried forward.

(u)

FINAL EXPIRATION DATE shall mean October 28, 2019; provided that (i) if this Agreement shall not have been

submitted for approval and approved by the requisite number of the Company's stockholders on or before April 28, 2010, the Final Expiration Date shall be April 28, 2010 and (ii) if this Agreement is submitted for the approval and not approved by the requisite number of the Company's stockholders, the Final Expiration Date shall be the date of such stockholder determination.

(v)

NOLs shall have the meaning set forth in the recitals at the beginning of this Agreement.

(w)

OTC shall have the meaning set forth in Section 11(d) hereof.

(x)

PERMITTED OFFER shall mean a tender offer for all outstanding Common Shares made in the manner prescribed by Section 14(d) of the Exchange Act and the rules and regulations promulgated thereunder; provided, that a majority of the members of the Board of Directors then in office has determined that the offer is both adequate and otherwise in the best interests of the Company and its stockholders (taking into account all factors that such members of the Board of Directors deem relevant, including without limitation prices that could reasonably be achieved if the Company or its assets were sold on an orderly basis designed to realize maximum value).

(y)

PERSON shall mean any individual, firm, limited liability company, corporation, partnership or other entity, and shall include any successor (by merger or otherwise) of such entity.

(z)

POST TRANSFEREE shall have the meaning set forth in Section 7(e) hereof

- (aa)
PREFERRED SHARES shall mean shares of Series A Junior Participating Preferred Stock of the Company.
- (bb)
PRIOR TRANSFEREE shall have the meaning set forth in Section 7(e) hereof.
- (cc)
PURCHASE PRICE shall have the meaning set forth in Section 4(a) hereof.
- (dd)
RATIO OF EXCHANGE shall have the meaning set forth in Section 24(a).
- (ee)
RECORD DATE shall have the meaning set forth in the recitals at the beginning of this Agreement.
- (ff)
REDEMPTION DATE shall mean the time at which the Board of Directors of the Company orders redemption of the Rights as provided in Section 23 hereof.
- (gg)
REDEMPTION PRICE shall have the meaning set forth in Section 23(a) hereof.
- (hh)
RELATED PERSON means (i) any Subsidiary of the Company or (ii) any employee benefit or stock ownership plan of the Company or of any Subsidiary of the Company or any entity holding Common Shares for or pursuant to the terms of any such plan.
- (ii)
RIGHTS AGENT shall have the meaning set forth in the recitals at the beginning of this Agreement.
- (jj)
RIGHTS CERTIFICATE shall have the meaning set forth in Section 3(a) hereof.
- (kk)
RIGHTS DIVIDEND DECLARATION DATE shall have the meaning set forth in the recitals at the beginning of this Agreement.
- (ll)
SECTION 11(a)(ii) TRIGGER DATE shall have the meaning set forth in Section 11(A) hereof.

(mm)

SECURITIES ACT shall have the meaning set forth in Section 9(c) hereof.

(nn)

SECURITY shall have the meaning set forth in Section 11(d) hereof.

(oo)

SHARES ACQUISITION DATE shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such; provided, that if such Person is determined not to have become an Acquiring Person pursuant to Section 1(a)(ii) hereof, then no Shares Acquisition Date shall be deemed to have occurred.

(pp)

SPREAD shall have the meaning set forth in Section 11(a) hereof.

(qq)

SUBSIDIARY of any Person shall mean any corporation or other entity of which an amount of voting securities or other ownership interests sufficient to elect a majority of the directors or Persons having similar authority of such corporation or other entity is beneficially owned, directly or indirectly, by such Person, or any corporation or other entity otherwise controlled by such Person.

(rr)

SUBSTITUTION PERIOD shall have the meaning set forth in Section 11(a) hereof.

(ss)

SUMMARY OF RIGHTS shall have the meaning set forth in Section 3(b) hereof.

(tt)

TOTAL EXERCISE PRICE shall have the meaning set forth in Section 4(a) hereof.

(uu)

TRADING DAY shall have the meaning set forth in Section 11(d) hereof.

(vv)

TRIGGERING EVENT shall mean an event pursuant to which any Person (other than the Company, any

Subsidiary of the Company, any employee benefit plan of the Company or any Subsidiary of the Company, or any entity holding Common Shares for or pursuant to the terms of any such plan), together with all Affiliates and Associates of such Person, becomes an Acquiring Person.

SECTION 2. APPOINTMENT OF RIGHTS AGENT. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable and shall notify promptly the Rights Agent in writing of any such appointment. The Rights Agent shall have no duty to supervise, and shall in no event be liable for the acts or omissions of any such co-Rights Agent.

SECTION 3. ISSUANCE OF RIGHTS CERTIFICATES.

(a)

Until the Distribution Date, (i) the Rights will be evidenced (subject to the provisions of Sections 3(b) and 3(c) hereof) by the certificates for Common Shares registered in the names of the holders thereof (which certificates shall also be deemed to be Rights Certificates) and not by separate Rights Certificates and (ii) the right to receive Rights Certificates will be transferable only in connection with the transfer of Common Shares. Until the earlier of the Distribution Date or the Expiration Date, the surrender for transfer of such certificates for Common Shares shall also constitute the surrender for transfer of the Rights associated with the Common Shares represented thereby. As soon as practicable after the Distribution Date, the Company will prepare and execute, the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, at the request and expense of the Company, send) by first-class, postage-prepaid mail, to each record holder of Common Shares as of the close of business on the Record Date, at the address of such holder shown on the records of the Company, a Rights Certificate, in substantially the form of Exhibit B hereto (a RIGHTS CERTIFICATE), evidencing one Right for each Common Share so held, subject to adjustment as provided herein. In the event that an adjustment in the number of Rights per Common Share has been made pursuant to Section 11(a)(i), Section 11(i) or Section 11(p) hereof, then at the time of distribution of the Rights Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of the Distribution Date, the Rights will be evidenced solely by such Rights Certificates and may be transferred by the transfer of the Rights Certificates as permitted hereby, separately and apart from any transfer of one or more Common Shares, and the holders of such Rights Certificates as listed in the records of the Company or any transfer agent or registrar for the Rights shall be the record holders thereof.

(b)

On the Record Date or as soon as practicable thereafter, the Company will send a copy of a Summary of Rights in substantially the form of Exhibit C hereto (the SUMMARY OF RIGHTS), by first-class, postage-prepaid mail, to each record holder of Common Shares as of the close of business on the Record Date, at the address of such holder shown on the records of the Company.

(c)

Unless the Board of Directors by resolution adopted at or before the time of the issuance (including pursuant to the exercise of rights under the Company's benefit plans) of any Common Shares specifies to the contrary, Rights shall be issued in respect of all Common Shares that are issued after the Record Date but prior to the earlier of the Distribution

Date or the Expiration Date or, in certain circumstances provided in Section 22 hereof, after the Distribution Date. Certificates representing such Common Shares shall also be deemed to be certificates for Rights, and shall bear the following legend:

THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN AN AMENDED AND RESTATED RIGHTS AGREEMENT BETWEEN ENTERTAINMENT DISTRIBUTION COMPANY, INC. AND AMERICAN STOCK TRANSFER & TRUST COMPANY LLC AS THE RIGHTS AGENT, DATED AS OF OCTOBER 28, 2009 (THE RIGHTS AGREEMENT), THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF ENTERTAINMENT DISTRIBUTION COMPANY, INC. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, SUCH RIGHTS WILL BE EVIDENCED BY SEPARATE CERTIFICATES AND WILL NO LONGER BE EVIDENCED BY THIS CERTIFICATE. ENTERTAINMENT DISTRIBUTION COMPANY, INC. WILL MAIL TO THE HOLDER OF THIS CERTIFICATE A COPY OF THE RIGHTS AGREEMENT

B-6

WITHOUT CHARGE AFTER RECEIPT OF A WRITTEN REQUEST THEREFOR. UNDER CERTAIN CIRCUMSTANCES SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO, OR HELD BY, ANY PERSON WHO IS, WAS OR BECOMES AN ACQUIRING PERSON OR ANY AFFILIATE OR ASSOCIATE THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT), WHETHER CURRENTLY HELD BY OR ON BEHALF OF SUCH PERSON OR BY ANY SUBSEQUENT HOLDER, MAY BECOME NULL AND VOID.

With respect to such certificates containing the foregoing legend, until the earlier of (i) the Distribution Date or (ii) the Expiration Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby. In the event that the Company purchases or acquires any Common Shares after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares shall be deemed canceled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares which are no longer outstanding.

SECTION 4. FORM OF RIGHTS CERTIFICATES.

(a)

The Rights Certificates (and the forms of election to purchase Common Shares and of assignment to be printed on the reverse thereof) shall be substantially in the form of Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement