

Qumu Corp
Form DEF 14A
April 09, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Qumu Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(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 amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Qumu Corporation
510 1st Avenue North, Suite 305
Minneapolis, Minnesota 55403
(612) 638-9100

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 10, 2018

TO THE SHAREHOLDERS OF
QUMU CORPORATION:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Qumu Corporation, a Minnesota corporation, will be held on Thursday, May 10, 2018, at 10:30 a.m. (Minneapolis, Minnesota time) at the 3rd Floor of the IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402, for the following purposes:

1. To elect seven (7) directors to serve until the next Annual Meeting of Shareholders or until their respective successors have been elected and qualified;
2. To approve, on a non-binding advisory basis, the compensation paid to our named executive officers;
3. To approve amendments to the Qumu Corporation Second Amended and Restated 2007 Stock Incentive Plan, including an amendment to increase the number of shares authorized for issuance by 500,000 shares; and
4. To ratify and approve the appointment of KPMG LLP as the independent registered public accounting firm for Qumu Corporation for the year ending December 31, 2018.

You may also view the live webcast of the Annual Meeting of Shareholders online at www.qumu.com by following the link under "About" for "Investor Relations" and then "Annual Meeting Materials."

Only holders of record of Qumu Corporation's common stock at the close of business on March 29, 2018 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

Whether or not you plan to attend the meeting in person, please vote by proxy over the internet, by telephone or by mailing the enclosed proxy card as soon as possible.

By Order of the Board of Directors,

Vern Hanzlik
President and Chief Executive Officer
April 9, 2018

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING,
PLEASE VOTE YOUR SHARES IN ONE OF THE WAYS
DESCRIBED IN THE PROXY STATEMENT AS PROMPTLY AS POSSIBLE.

IMPORTANT NOTICE REGARDING AVAILABILITY
OF PROXY MATERIALS FOR THE
2018 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY, MAY 10, 2018

We are making our proxy materials available electronically via the internet. You may access the following proxy materials at www.qumu.com by following the link under "About" for "Investors" and then "Annual Meeting Materials":
~~Notice of 2018 Annual Meeting of Shareholders to be held on Thursday, May 10, 2018;~~
~~Proxy Statement for 2018 Annual Meeting of Shareholders to be held on Thursday, May 10, 2018; and~~
~~Annual Report on Form 10-K for the year ended December 31, 2017.~~

These proxy materials are available free of charge and will remain available through the conclusion of the Annual Meeting. Additionally, we will not collect information, such as "cookies," that would allow us to identify visitors to the site.

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT</u>	1
<u>Solicitation of Proxies</u>	1
<u>Cost and Method of Solicitation</u>	1
<u>Voting</u>	1
<u>Differences Between Shareholder of Record and Beneficial Owners</u>	1
<u>Quorum and Voting Requirements</u>	2
<u>Casting Your Vote as a Record Holder</u>	2
<u>Casting Your Vote as a Street Name Holder</u>	2
<u>Revoking a Proxy</u>	3
<u>Annual Meeting and Special Meetings; Bylaw Amendments</u>	3
<u>OWNERSHIP OF VOTING SECURITIES BY PRINCIPAL HOLDERS AND MANAGEMENT</u>	4
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	6
<u>Voting of Proxies</u>	6
<u>Information Regarding Nominees</u>	6
<u>Voting Required</u>	8
<u>CORPORATE GOVERNANCE</u>	10
<u>Board Independence</u>	10
<u>Committees of the Board of Directors and Committee Independence</u>	10
<u>Board Leadership Structure</u>	11
<u>Board's Role in Risk Oversight</u>	11
<u>Director Nominations</u>	12
<u>Board Attendance at Board, Committee and Annual Shareholder Meetings</u>	14
<u>Continuing Education</u>	14
<u>Communications with Directors</u>	15
<u>Code of Ethics</u>	15
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	15
<u>EXECUTIVE OFFICERS</u>	16
<u>EXECUTIVE COMPENSATION</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Report of the Compensation Committee</u>	25
<u>Consideration of Risk in Compensation</u>	25
<u>Compensation Committee Interlocks and Insider Participation</u>	26
<u>Summary Compensation Table</u>	27
<u>Grants of Plan-Based Awards in 2017</u>	28
<u>Outstanding Equity Awards at Fiscal Year-End</u>	29
<u>2017 Options Exercised and Stock Vested</u>	29
<u>Employment Arrangements with Named Executive Officers and Post-Employment Compensation</u>	30
<u>PROPOSAL 2: ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION</u>	34
<u>Vote Required</u>	34
<u>PROPOSAL 3: APPROVAL OF AMENDMENTS TO SECOND AMENDED AND RESTATED 2007 STOCK</u>	35
<u>INCENTIVE PLAN</u>	35
<u>Amendments and Reasons for Amendments</u>	35
<u>Summary of the 2007 Plan</u>	35
<u>Registration with Securities and Exchange Commission</u>	40
<u>Vote Required</u>	40
<u>DIRECTOR COMPENSATION</u>	40
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	42
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	43

<u>PROPOSAL 4: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>43</u>
<u>Vote Required</u>	<u>43</u>
<u>RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>43</u>
<u>Accountant Fees and Services</u>	<u>44</u>
<u>Audit Committee Pre-Approval Procedures</u>	<u>44</u>
<u>SHAREHOLDER PROPOSALS FOR 2019 ANNUAL MEETING</u>	<u>44</u>
<u>OTHER BUSINESS</u>	<u>45</u>
Appendix A: Second Amended and Restated 2007 Stock Incentive Plan, as amended through February 28, 2018	

Table of Contents

Qumu Corporation
510 1st Avenue North, Suite 305
Minneapolis, Minnesota 55403
(612) 638-9100

PROXY STATEMENT

Solicitation of Proxies

The accompanying proxy is solicited on behalf of the Board of Directors (the “Board”) of Qumu Corporation (“we” or “Qumu”) for use at the Annual Meeting of Shareholders to be held on Thursday, May 10, 2018, at 10:30 a.m. (Minneapolis, Minnesota time) at the 3rd Floor of the IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402, and at any postponements or adjournments thereof (the “Annual Meeting”). The mailing of this proxy statement to our shareholders commenced on or about April 9, 2018.

Cost and Method of Solicitation

This solicitation of proxies to be voted at the Annual Meeting is being made by our Board of Directors. The cost of this solicitation of proxies will be borne by us. In addition to solicitation by mail, our officers, directors and employees may solicit proxies by telephone or in person. We may also request banks and brokers to solicit their customers who have a beneficial interest in our common stock registered in the names of nominees and will reimburse such banks and brokers for their reasonable out-of-pocket expenses.

Voting

The total number of shares outstanding and entitled to vote at the Annual Meeting as of March 29, 2018 consisted of 9,377,797 shares of common stock, \$0.01 par value. Each share of common stock is entitled to one vote. Only shareholders of record at the close of business on March 29, 2018 will be entitled to vote at the Annual Meeting. All shareholders are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please complete, date, sign and return the enclosed proxy as promptly as possible (or follow instructions to grant a proxy to vote by means of telephone or internet) in order to ensure your representation at the Annual Meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for that purpose. Even if you have given your proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must bring to the Annual Meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares. Additionally, in order to vote at the Annual Meeting, you must obtain from the record holder a proxy issued in your name.

Live Webcast of the Annual Meeting

If you are unable to attend the Annual Meeting in person, you can listen to the meeting live via the internet at www.qumu.com by following the link under “About” for “Investor Relations” and then “Annual Meeting Materials.” The webcast starts at 10:30 a.m. Central Time and a replay will be available until May 24, 2018.

Differences Between Shareholder of Record and Beneficial Owners

You are a shareholder of record if at the close of business on the record date your shares were registered directly in your name with Wells Fargo Shareowner Services, our transfer agent.

You are a beneficial owner if at the close of business on the record date your shares were held by a bank, brokerage firm or other nominee and not in your name. Being a beneficial owner means that, like many of our shareholders, your shares are held in “street name.” As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to only one of the proposals being presented to shareholders at the Annual Meeting.

Table of Contents

Record holders should review the additional information below under “Casting Your Vote as a Record Holder.” Street name holders should review the additional information below under “Casting Your Vote as a Street Name Holder.”

Quorum and Voting Requirements

A quorum, consisting of a majority of the shares of common stock entitled to vote at the Annual Meeting, must be present, in person or by proxy, before action may be taken at the Annual Meeting.

Proposal 1 relates to the election of directors. Directors are elected by a plurality of the votes cast at the Annual Meeting by holders of common stock voting for the election of directors. This means that since shareholders will be electing seven directors, the seven nominees receiving the highest number of votes will be elected. You may either vote “FOR” or “WITHHOLD” authority to vote for each nominee for the Board of Directors. If you withhold authority to vote for the election of one of the directors, it has the same effect as a vote against that director.

The affirmative vote of the holders of the majority of the shares present and entitled to vote is required for approval of Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation. You may vote “FOR,” “AGAINST” or “ABSTAIN” on Proposal 2.

The affirmative vote of the holders of the majority of the shares present and entitled to vote is required for approval of Proposal 3: Approval of Amendments to Amended and Restated 2007 Stock Incentive Plan. You may vote “FOR,” “AGAINST” or “ABSTAIN” on Proposal 3.

The affirmative vote of the holders of the majority of the shares present and entitled to vote is required for approval of Proposal 4: Ratification of Independent Registered Public Accounting Firm. You may vote “FOR,” “AGAINST” or “ABSTAIN” on Proposal 4.

Abstentions will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but are not counted for the purposes of determining whether shareholders have approved that matter. Therefore, if you abstain from voting on Proposals 2, 3 or 4, it has the same effect as a vote against that proposal. A “broker non-vote” occurs when a broker or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but will not be counted for purposes of determining the number of votes present and entitled to vote with respect to a particular proposal. Thus, a broker non-vote will not affect the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1) or the approval of a majority of the votes present and entitled to vote (Proposals 2, 3 and 4).

So far as our management is aware, no matters other than those described in this proxy statement will be acted upon at the Annual Meeting. In the event that any other matters properly come before the Annual Meeting calling for a vote of shareholders, the persons named as proxies in the enclosed form of proxy will vote in accordance with their best judgment.

Casting Your Vote as a Record Holder

If you are the shareholder of record and you do not vote proxy card, by telephone, via the internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting. If you are a record holder and you vote your shares, the individuals named on the proxy card will vote your shares as you have directed. If you just sign and submit your proxy without voting instructions, your shares will be voted “FOR” each director nominee identified in Proposal 1, “FOR” Proposal 2, “FOR” Proposal 3 and “FOR” Proposal 4.

Casting Your Vote as a Street Name Holder

If you are a street name holder and you do not vote proxy card, by telephone, via the internet or in person at the Annual Meeting, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote. Your broker is entitled to vote in its discretion on Proposal 4: Ratification of Independent Registered Public Accounting Firm.

If you hold your shares in street name and do not vote or do not provide voting instructions to your broker or nominee, your shares will not be voted on any proposal on which your broker does not have discretionary authority to

Table of Contents

vote. This is sometimes called a “broker non-vote.” Brokers and nominees do not have discretionary authority to vote on any proposal except Proposal 4: Ratification of Independent Registered Public Accounting Firm.

As a result, if you hold your shares in street name and do not vote or do not provide voting instructions to your broker or nominee, no votes will be cast on your behalf on Proposal 1: Election of Directors, Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation or Proposal 3: Approval of Amendments to the Second Amended and Restated 2007 Stock Incentive Plan.

Make your vote count! Instruct your broker how to cast your vote!

Because of these broker voting rules, all street name holders are urged to provide instructions to their brokers or nominees on how to vote their shares at the Annual Meeting.

Revoking a Proxy

You may change your vote and revoke your proxy at any time before it is voted by:

• Sending a written statement to that effect to the Secretary of Qumu Corporation;

• Submitting a properly signed proxy card with a later date;

• If you voted by telephone or through the internet, by voting again either by telephone or through the internet prior to the close of the voting facility; or

• Voting in person at the Annual Meeting.

All shares represented by valid, unrevoked proxies will be voted at the Annual Meeting and any adjournment(s) or postponement(s) thereof. Our principal offices are located at 510 1st Avenue North, Suite 305, Minneapolis, Minnesota 55403, and our telephone number is (612) 638-9100.

Annual Meeting and Special Meetings; Bylaw Amendments

This 2018 Annual Meeting of Shareholders is a regular meeting of our shareholders and has been called by our Board of Directors in accordance with our bylaws. Under our bylaws, special meetings of our shareholders may be held at any time and for any purpose and may be called by our President, Treasurer, two or more directors or by a shareholder or shareholders holding 10% or more of the voting power of all shares entitled to vote on the matters to be presented to the meeting, except that a special meeting for the purpose of considering any action to directly or indirectly facilitate or affect a business combination, including any action to change or otherwise affect the composition of the Board of Directors for that purpose, must be called by 25% or more of the voting power of all shares entitled to vote. The business transacted at a special meeting is limited to the purposes as stated in the notice of the meeting. For business to be properly brought before a regular meeting of shareholders, a written notice containing the required information must be timely submitted. For more information, please review our bylaws and the section of this proxy statement entitled “Shareholder Proposals for 2019 Annual Meeting.”

Our bylaws may be amended or altered by a vote of the majority of the whole Board at any meeting. The authority of the Board is subject to the power of our shareholders, exercisable in the manner provided by Minnesota law, to adopt or amend, repeal bylaws adopted, amended, or repealed by the Board. Additionally, the Board may not make or alter any bylaws fixing a quorum for meetings of shareholders, prescribing procedures for removing directors or filling vacancies in the Board of Directors, or fixing the number of directors or their classifications, qualifications, or terms of office, except that the Board may adopt or amend any bylaw to increase their number.

Table of Contents

OWNERSHIP OF VOTING SECURITIES BY PRINCIPAL HOLDERS AND MANAGEMENT

The following table sets forth certain information as of March 29, 2018 with respect to our common stock beneficially owned by (i) each director and each nominee for director, (ii) each person known to us to beneficially own more than five percent of our common stock, (iii) each executive officer named in the Summary Compensation Table (the “named executive officers”), and (iv) all current executive officers and directors as a group.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percent of Outstanding
Harbert Discovery Fund LP (2) 2100 Third Avenue North, Suite 600 Birmingham, AL 35203	1,200,329	12.8%
Palologic Value Management, L.P. (3) 5310 Harvest Road, Suite 110 Dallas, TX 75230	934,500	10.0%
ESW Capital, LLC (4) 401 Congress Avenue, Suite 2650 Austin, TX 78701	925,000	9.9%
Renaissance Technologies LLC (5) 800 Third Avenue New York, NY 10022	699,921	7.5%
Dolphin Limited Partnership III, L.P. (6) 1117 East Putnam Avenue One Hundred and Fifty Riverside, CT 06878	580,500	6.2%
Vern Hanzlik (7)(8)(9)	330,508	3.5%
Robert F. Olson (7)(8)(11)	114,405	1.2%
Daniel R. Fishback (7)(8)(12)	66,560	*
Thomas F. Madison (7)(8)(13)	145,185	1.6%
Kimberly K. Nelson (7)(8)	71,560	*
Donald T. Netter (6)(7)(14)	605,500	6.5%
Justin A. Orlando (7)	63,060	*
David G. Ristow (9)	—	*
Peter J. Goepfrich (9)(10)(15)	13,050	*
All current executive officers and directors as a group (8 persons)	1,396,778	15.0%

* Less than one percent

(1) Includes the following number of shares that could be acquired within 60 days of March 29, 2018 upon the exercise of stock options: Mr. Hanzlik, 198,750 shares; Mr. Olson, no shares; Mr. Fishback, no shares; Mr. Madison, 7,500 shares; Ms. Nelson, no shares; Mr. Netter, no shares; Mr. Orlando, no shares; Mr. Ristow, no shares; Mr. Goepfrich, no shares; and all current directors and executive officers as a group, 206,250 shares.

Also includes the following number of shares that could be acquired within 60 days of March 29, 2018 upon settlement of restricted stock units previously granted to non-employee directors: Mr. Olson, 25,000 shares; Mr. Fishback, 25,000 shares; Mr. Madison, 25,000 shares; Ms. Nelson, 25,000 shares; Mr. Netter, 25,000 shares; Mr. Orlando, 25,000 shares; and all non-employee directors as a group, 150,000 shares.

(2) Based on an Amendment No. 4 to Schedule 13D filed on December 21, 2017 by the following reporting persons:

(i) Harbert Discovery Fund, LP (the “Harbert Fund”), (ii) Harbert Discovery Fund GP, LLC (the “Fund GP”), (iii) Harbert Fund Advisors, Inc. (“HFA”), (iv) Harbert Management Corporation (“HMC”), (v) Jack Bryant, (vi) Kenan Lucas, and (vii) Raymond Harbert. The reporting persons disclose that Jack Bryant and Kenan Lucas are directors

and co-portfolio managers of the Fund GP, which serves as general

4

Table of Contents

partner of the Harbert Fund. Raymond Harbert is the controlling shareholder, Chairman and Chief Executive Officer of HMC, the managing member of the Fund GP. Mr. Harbert also serves as the Chairman, Chief Executive Officer and Director of HFA, an indirect, wholly owned subsidiary of HMC, which provides the Harbert Fund with certain operational and administrative services. The reporting persons report that they have shared voting and dispositive power over the shares indicated above as of December 19, 2017.

(3) Based on a Schedule 13D filed on December 29, 2017 in which the reporting persons indicate that Palogic Value Management, L.P. has shared voting and dispositive power over 934,500 shares as of December 19, 2017.

Based upon a Schedule 13G dated February 28, 2018 filed on in which the reporting person indicates that ESW Capital, LLC has beneficial ownership over 925,000 shares of common stock issuable upon the exercise of an outstanding warrant and Joseph A. Liemandt is the sole voting member of ESW Capital, LLC.

(4) Based on an Amendment No. 4 to Schedule 13G filed on February 14, 2018 in which Renaissance Technologies LLC reports sole voting and dispositive power over 676,565 shares and shared dispositive power over 23,356 shares as of December 29, 2017. Renaissance Technologies Holdings Corporation is the majority owner of Renaissance Technologies LLC.

(5) Based on an Amendment No. 3 to Schedule 13D filed on July 22, 2015 by Dolphin Limited Partnership III, L.P. (“Dolphin III”), Dolphin Associates III, LLC, Dolphin Holdings Corp. III (“Dolphin Holdings III”), and Donald T. Netter in which the reporting persons report that Dolphin III holds the shares indicated above as of July 20, 2015 and Form 4 beneficial ownership report dated June 29, 2017. Dolphin III is controlled by Dolphin Associates III, LLC, which is in turn controlled by Dolphin Holdings III. Mr. Netter serves as Senior Managing Director of Dolphin Holdings III. In the Schedule 13D, each reporting person specifically disclaims beneficial ownership of the shares reported therein that he or it does not directly own, except to the extent of his or its pecuniary interest t