

VASOMEDICAL, INC
Form PRE 14A
August 23, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)
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 Rule 14a-12.

VASOMEDICAL, INC.
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- 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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration 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:

PRELIMINARY PROXY STATEMENT

VASOMEDICAL, INC.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
November 9, 2016

To our Stockholders:

An annual meeting of stockholders will be held at the Millenium Hilton Hotel, 55 Church Street, New York, New York, 10007 on November 9, 2016, beginning at 10:00 A.M. EDT. At the meeting, you will be asked to vote on the following matters:

1. Election of three directors in Class II, to hold office until the 2019 Annual Meeting of Stockholders.
2. Approval of an amendment to our Certificate of Incorporation, as amended, to change the name of the Company.
3. To conduct an advisory vote to approve the compensation of the named executive officers;
4. Ratification of the appointment of Marcum LLP as our independent registered public accountants for the year ending December 31, 2016.
5. Any other matters that properly come before the meeting.

The above matters are set forth in the proxy statement attached to this notice to which your attention is directed.

If you are a stockholder of record at the close of business on September 16, 2016, you are entitled to vote at the meeting or at any adjournment or postponement of the meeting. This notice and proxy statement is first being mailed to stockholders on or about September 23, 2016.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on November 9, 2016. The Proxy Statement and Report on Form 10-K are available at www.proxyvote.com for registered holders and for beneficial owners.

By Order of the Board of Directors,
/s/ Jun Ma
JUN MA
Chief Executive Officer and President

Dated: September 23, 2016
Plainview, New York

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE URGED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PRE-ADDRESSED POSTAGE-PAID ENVELOPE AS DESCRIBED ON THE ENCLOSED PROXY CARD. YOUR PROXY, GIVEN THROUGH THE RETURN OF THE ENCLOSED PROXY CARD, MAY BE REVOKED PRIOR TO ITS EXERCISE BY FILING WITH OUR CORPORATE SECRETARY PRIOR TO THE MEETING A WRITTEN

NOTICE OF REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE, OR BY ATTENDING THE MEETING AND VOTING IN PERSON.

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PRELIMINARY PROXY STATEMENT

VASOMEDICAL, INC.
137 Commercial Street, Suite 200
Plainview, New York 11803

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
November 9, 2016

This proxy statement is being furnished to the holders of common stock, par value \$.001, per share (the "common stock") of Vasomedical, Inc. (the "Company") in connection with the solicitation by and on behalf of its board of directors (the "Board") of proxies for use at the Annual Meeting of Stockholders. Our Annual Meeting of Stockholders will be held on November 9, 2016, at Millenium Hilton Hotel, 55 Church Street, New York, New York, 10007, at 10:00 A.M. EDT. This proxy statement contains information about the matters to be considered at the meeting or any adjournments or postponements of the meeting. This notice and proxy statement is first being mailed to stockholders on or about September 23, 2016.

ABOUT THE MEETING

What is being considered at the meeting?

You will be voting on the following:

- election of three Class II directors;
- amending our Certificate of Incorporation to change the name of the Company;
- conduct an advisory vote to approve the compensation of the named executive officer;
- ratification of the appointment of our independent registered public accountants; and
- any other matters that properly come before the meeting.

Who is entitled to vote at the meeting?

You may vote if you were a stockholder of record as of the close of business on September 16, 2016. Each share of stock is entitled to one vote.

How do I vote?

You can vote in four ways:

- by attending the meeting in person;
- by completing, signing and returning the enclosed proxy card;
- by the internet at www.proxyvote.com, or;
- by phone at 1-800-690-6903.

Voting by Proxy

For stockholders whose shares are registered in their own names, as an alternative to voting in person at the Annual Meeting, you may vote by proxy via the Internet, by telephone or, for those stockholders who receive a paper proxy

card in the mail, by mailing a completed proxy card. For those stockholders who receive a Notice of Internet Availability of Proxy Materials, the Notice of Internet Availability of Proxy Materials provides information on how to access your proxy card, which contains instructions on how to vote via the Internet or by telephone. For those stockholders who receive a paper proxy card, instructions for voting via the Internet or by telephone are set forth on the proxy card; alternatively such stockholders who receive a paper proxy card may vote by mail by signing and returning the mailed proxy card in the prepaid and addressed envelope that is enclosed with the proxy materials. In each case, your shares will be voted at the Annual Meeting in the manner you direct.

If your shares are registered in the name of a bank or brokerage firm (your record holder), you may also submit your voting instructions over the Internet or by telephone by following the instructions provided by your record holder in the Notice of Internet Availability of Proxy Materials. If you received printed copies of the proxy materials, you can submit voting instructions by telephone or mail by following the instructions provided by your record holder on the enclosed voting instructions card. Those who elect to vote by mail should complete and return the voting instructions card in the prepaid and addressed envelope provided.

Voting at the Meeting

If your shares are registered in your own name, you have the right to vote in person at the Annual Meeting by using the ballot provided at the Annual Meeting, or if you requested and received printed copies of the proxy materials by mail, you can complete, sign and date the proxy card enclosed with the proxy materials you received and submit it at the Annual Meeting. If you hold shares through a bank or brokerage firm and wish to be able to vote in person at the Annual Meeting, you must obtain a "legal proxy" from your brokerage firm, bank or other holder of record and present it to the inspector of elections with your ballot at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions in advance of the meeting as described above so that your vote will be counted if you later decide not to attend the Annual Meeting. Submitting your proxy or voting instructions in advance of the meeting will not affect your right to vote in person should you decide to attend the Annual Meeting.

Can I change my mind after I vote?

Yes, you may change your mind at any time before the vote is taken at the meeting. You can do this by (1) signing another proxy with a later date and returning it to us prior to the meeting, (2) filing with our corporate secretary (Corporate Secretary, Vasomedical, Inc. 137 Commercial Street, Suite 200, Plainview, New York 11803) a written notice revoking your proxy, or (3) voting again at the meeting.

What if I return my proxy card but do not include voting instructions?

Proxies that are signed and returned but do not include voting instructions will be voted FOR the election of the nominees for director described herein, FOR approval to amend the Certificate of Incorporation to change the name of the Company; and FOR the ratification of our appointment of Marcum LLP as our independent registered public accountants.

What does it mean if I receive more than one proxy card?

It means that you have multiple accounts with brokers and/or our transfer agent. Please vote all of these shares. We recommend that you contact your broker and/or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is American Stock Transfer & Trust Company (718) 921-8200.

Will my shares be voted if I do not provide my proxy?

If you hold your shares directly in your own name, they will not be voted if you do not provide a proxy. Your shares may be voted under certain circumstances if they are held in the name of a brokerage firm. Under current rules of the New York Stock Exchange to which its members are subject, brokerage firms holding shares of common stock in "street name" may vote, in their discretion, on behalf of their clients if such clients have not furnished voting instructions with respect to ratification of the selection of the Company's independent registered public accounting firm, but not with respect to the election of directors or any of the other proposals. Such voted shares are counted for the purpose of establishing a quorum. A broker non-vote occurs when a broker cannot exercise discretionary voting power and has not received instructions from the beneficial owner.

How many votes must be present to hold the meeting?

Your shares are counted as present at the meeting if you attend the meeting and vote in person or if you properly return a proxy by mail. Proxies submitted that contain abstentions or broker non-votes will be deemed present at our meeting. In order for us to conduct our meeting, a majority of the shares of our outstanding common stock as of the close of business on September 16, 2016, must be present at the meeting. This is referred to as a quorum. On September 16, 2016, there were 163,461,353 shares of common stock outstanding and entitled to vote as a single class.

What vote is required to approve each item?

Directors are elected by a plurality of the votes cast. This means that the nominee for a slot with the most votes, or, if there are two or more nominees for a class, the two or more nominees, as the case may be, with the most votes for a particular class, will be elected to fill the available slot(s) for that class. Shares that are not voted, either because you marked your proxy card to withhold authority to vote for one or more nominees or because they are broker non-votes, will have no impact on the election of directors.

The approval of the amendment to our Certificate of Incorporation requires the affirmative vote of a majority of our outstanding common stock on the record date. An abstention will be counted as a vote against the proposal and broker non-votes are not considered votes cast with respect to the matter.

The approval of the advisory vote on executive compensation and ratification of the appointment of Marcum LLP as our independent registered public accounting firm each requires the affirmative vote of a majority of the total votes cast on the proposal (whether in person or by proxy) by holders entitled to vote on the proposal, assuming a quorum is present at the meeting. An abstention will be counted as a vote against that proposal and broker non-votes are not considered votes cast with respect to that matter, and consequently, will have no effect on the votes on that matter.

Our officers and directors directly or beneficially own 8.82% of our voting power and intend to vote FOR the election of the nominees for director described herein, FOR approval to amend the Certificate of Incorporation to change the name of the Company; FOR the approval of executive compensation; and FOR the ratification of our appointment of Marcum LLP as our independent registered public accountants.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of shares of our common stock as of September 16, 2016 of (i) each person known by us to beneficially own 5% or more of the shares of outstanding common stock, based solely on filings with the SEC, (ii) each of our executive officers and directors, and (iii) all of our executive officers and directors as a group. Except as otherwise indicated, all shares are beneficially owned, and investment and voting power is held by the persons named as owners.

The percentage of beneficial ownership for the table is based on 163,461,353 shares of our common stock outstanding as of September 16, 2016. To our knowledge, except under community property laws or as otherwise noted, the persons and entities named in the table have sole voting and sole investment power over their shares of our common stock. Unless otherwise indicated, each beneficial owner listed below maintains a mailing address of c/o Vasomedical, Inc., 137 Commercial Street, Suite 200, Plainview, New York 11803.

Name of Beneficial Owner	Common Stock Beneficially Owned (1)	% of Common Stock (2)	
Joshua Markowitz	350,000	*	
Jun Ma, PhD **	4,389,841	2.68	%
David Lieberman **	1,599,200	*	
Peter Castle **	2,425,000	1.48	%
Randy Hill **	950,000	*	
Behnam Movaseghi **	1,339,404	*	
Edgar Rios **	1,625,000	*	
Michael J. Beecher **	1,090,400	*	
Jonathan Newton **	675,000	*	
Simon Srybnik (3) (4)	55,888,318	34.16	%
Estate of Louis Srybnik (3) (4)	45,165,993	27.63	%
** Directors and executive officers as a group (9 persons)	14,443,845	8.82	%

*Less than 1% of the Company's common stock

No officer or director owns more than one percent of the issued and outstanding common stock of the Company unless otherwise indicated. Includes beneficial ownership of the following numbers of shares that may be acquired within 60 days of September 16, 2016 pursuant to stock options awarded under our stock plans:

Jun Ma, PhD	150,000
Behnam Movaseghi	150,000
Simon Srybnik	150,000
Directors and executive officers as a group	300,000

2. Applicable percentages are based on 163,461,353 shares of common stock outstanding as of September 16, 2016, adjusted as required by rules promulgated by the SEC.

Simon Srybnik and the estate of his brother Louis Srybnik are the sole shareholders of Kerns, which is the record holder of 25,714,286 shares. The reporting persons, accordingly, share voting and dispositive powers over the 25,714,286 shares held by Kerns. As a result, they may be deemed to be the co-beneficial owners of an aggregate of 3. 25,714,286 shares. Mr. Simon Srybnik also holds sole dispositive power over 150,000 shares underlying the option he was granted upon being appointed to the Board of Directors, 748,125 shares of common stock awarded him as of September 16, 2016, as well as 11,460,900 additional shares of common stock. The estate of Louis Srybnik holds sole dispositive power over 1,636,700 shares of common stock.

Simon Srybnik and the estate of Louis Srybnik also each own 35% of the outstanding shares of Living Data Technology Corporation ("Living Data"). The reporting persons, accordingly, share voting and dispositive powers 4. over the 17,815,007 shares of our common stock owned by Living Data and, as a result, may be deemed to be the co-beneficial owners thereof.

PROPOSAL ONE

ELECTION OF DIRECTORS

Our Certificate of Incorporation provides for a Board consisting of not less than three nor more than nine directors. Our Board now consists of seven directors. The Board has three classes of directors: Class I, whose term will expire in 2018 currently consisting of Mr. Markowitz and Mr. Rios; Class II, whose term will expire in 2016 currently consisting of Mr. Movaseghi, Mr. Castle and Mr. Hill; and Class III, whose term will expire in 2017 currently consisting of Dr. Ma and Mr. Lieberman. The directors each intend to serve on the Board until his successor is duly elected and qualified. The Board has nominated Mr. Movaseghi, Mr. Castle and Mr. Hill for election as Class II directors to serve until the 2019 annual meeting of stockholders or until their successors are duly elected and qualified.

Assuming a quorum is present, the nominee for a slot with the most votes, or, if there are two or more nominees for a class, the two or more nominees, as the case may be, with the most votes for a particular class, will be elected to fill the available slot(s) for that class. Consequently, any shares not voted at the meeting, whether by abstention or otherwise, will have no effect on the election of directors. Shares represented by executed proxies in the form enclosed will be voted, unless otherwise indicated, for the election as directors of the nominee(s) identified above unless any such nominee shall be unavailable, in which event such shares will be voted for a substitute nominee designated by the Board. The Board has no reason to believe that any of the nominees will be unavailable or, if elected, will decline to serve.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ELECTION OF THE ABOVE NOMINEES AS DIRECTORS

Directors' Compensation

Non-employee directors receive a fee of \$2,500 for each Board of Directors and Committee meeting attended. Committee chairs receive an annual fee of \$5,000. Non-employee directors also receive an annual fee of \$30,000. These fees are either paid in cash, or common stock valued at the fair market value of the common stock on the date of

grant, which is the meeting date. The Company also reimburses directors for reasonable expenses incurred in attending meetings.

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The table below summarizes compensation paid in the year ended December 31, 2015 by the Company to its directors:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (1) (\$)	Total