

ANGEION CORP/MN
Form DEF 14A
April 23, 2007

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:

- ☐ 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

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

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
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ANGEION CORPORATION

350 Oak Grove Parkway

Saint Paul, Minnesota 55127-8599

(651) 484-4874

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Wednesday, May 23, 2007

Notice is hereby given that the 2007 Annual Meeting of Shareholders of Angeion Corporation (the Company) will be held at Angeion's offices located at 350 Oak Grove Parkway, Saint Paul, Minnesota 55127, on Wednesday, May 23, 2007 at 2:00 p.m. local time, for the following purposes:

1. To elect six directors to hold office until the next annual meeting of shareholders or until their respective successors have been elected and qualified;
2. To approve the Angeion Corporation 2007 Stock Incentive Plan;
3. To ratify the appointment of KPMG LLP as independent registered public accounting firm for the Company for the fiscal year ending October 31, 2007; and
4. To transact any other business that may properly come before the Annual Meeting or any adjournment or postponement.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice of Annual Meeting.

The Board of Directors has fixed the close of business on April 13, 2007 as the record date for determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

Since a majority of the outstanding shares of the Company's common stock must be represented either in person or by proxy to constitute a quorum for the conduct of business, please sign, date and return the enclosed proxy card promptly.

By Order of the Board of Directors,

Rodney A. Young
Director, President and Chief Executive Officer

Saint Paul, Minnesota
April 17, 2007

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PLEASE REMEMBER TO SIGN AND RETURN YOUR PROXY.

ANGEION CORPORATION

350 Oak Grove Parkway

Saint Paul, Minnesota 55127-8599

PROXY STATEMENT

The Board of Directors of Angeion Corporation, a Minnesota corporation (the Company), is soliciting your proxy for use at the 2007 Annual Meeting of Shareholders to be held on Wednesday, May 23, 2007, and at any adjournment or postponement thereof. This Proxy Statement and the enclosed form of proxy will be mailed to shareholders commencing on or about April 20, 2007.

GENERAL INFORMATION

Voting

Each share of the Company's common stock is entitled to one vote. You may vote your shares in person by attending the Annual Meeting or you may vote by proxy. If you vote by proxy, you must sign, date and return the enclosed proxy card in the envelope provided, or follow the instructions on the proxy card to vote by telephone or the Internet.

The Company encourages you to take advantage of telephone or Internet voting because of their ease and efficiency.

If you sign and return the proxy card on time, the individuals named on the proxy card will vote your shares as you have directed. If you do not specify on your proxy card how you want your shares voted, the individuals named on the enclosed proxy card will vote your shares as follows:

1. FOR each of the directors nominated by the Board of Directors in Proposal 1 Election of Directors;
2. FOR Proposal 2 Approval of the Angeion Corporation 2007 Stock Incentive Plan; and
3. FOR Proposal 3 Ratification of the appointment of KPMG LLP as independent registered public accounting firm for the Company for the fiscal year ending October 31, 2007.

Quorum and Vote Requirements

The total number of shares outstanding and entitled to vote at the meeting as of April 13, 2007 consisted of 4,050,825 shares of common stock, \$.10 par value. Each share of common stock is entitled to one vote. Only shareholders of record at the close of business on April 13, 2007 will be entitled to notice of, and to vote at, the Annual Meeting. 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. If an executed proxy is returned and the shareholder has abstained from voting on any matter, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have been voted in favor or against such matter. If an executed proxy is returned by a broker holding shares in street name indicating that the broker does not have discretionary authority as to certain shares to vote on one or more matters, these shares will be considered present at the meeting for purposes of determining a quorum, but will not be considered to be represented at the meeting for purposes of calculating the vote with respect to such matters.

A director nominee will be elected if approved by the affirmative vote of the holders of a plurality of the voting power of the shares present, in person or by proxy, and entitled to vote on that item of business. Other business as may properly come before the Annual Meeting will be approved by the affirmative vote of the holders of a greater of (a) a majority of shares of common stock present at the Annual Meeting, either in person or by proxy, and entitled to vote on that proposal or (b) the majority of the minimum number of shares of common stock which would constitute a quorum for transacting business at the Annual Meeting of Shareholders.

Revoking a Proxy

If you give a proxy and later wish to revoke it before it is voted, you may do so by:

1. sending a written notice to that effect to the Secretary of the Company at the address indicated in this Proxy Statement;
2. submitting a properly signed proxy with a later date; or
3. voting in person at the Annual Meeting.

A proxy not properly revoked will be voted as indicated on the proxy.

Solicitation

The Company will pay the costs and expenses of solicitation of proxies. In addition to the use of the mails, directors, officers and regular employees of the Company may solicit proxies personally or by telephone, but such persons will not be specifically compensated for such services. We have engaged The Proxy Advisory Group, LLC, to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements that we do not expect to exceed \$7,000 in the aggregate.

Proposal 1:**Election of Directors**

The Company's Bylaws, as amended and restated, provide that the Board of Directors will consist of the number of members last elected by a majority vote of the shareholders or by the Board of Directors, which number shall not be less than three nor more than seven directors. The Board of Directors has currently set the number of directors at six. Six directors will be elected at the 2007 Annual Meeting. Each director will serve until the regular meeting of the shareholders or until a successor has been duly elected and qualified, unless the director retires, resigns, dies, or is removed. Vacancies on the Board of Directors and newly created directorships can be filled by vote of a majority of the directors then in office.

It is intended that proxies will be voted for the named nominees. Unless otherwise indicated, each nominee has been engaged in his present occupation as set forth below, or has been an officer with the organization indicated, for more than five years. The names and biographical information concerning the nominees are set forth below, based upon information furnished to the Company by the nominees. The nominees listed below have consented to serve if elected. If the nominee is unable to serve for any reason, the persons named on the enclosed proxy card may vote for a substitute nominee proposed by the Board, or the Board may reduce the number of directors to be elected.

Nominees for Election to the Board of Directors

The following table sets forth certain information regarding the Company's directors as of April 13, 2007.

| Name of Director | Age | Principal Occupation | Director Since |
|----------------------|-----|---|----------------|
| Arnold A. Angeloni | 64 | Chief Executive Officer and President of Northcott Hospitality International | 1990 |
| John R. Baudhuin | 44 | President and Chief Executive Officer of Mad Dogg Athletics | 2007 |
| K. James Ehlen, M.D. | 62 | Chairman of Halleland Health Consulting Group and Chief Executive Officer of NU Design Medical Technology | 2005 |
| John C. Penn | 67 | Chairman of Intek Plastics, Inc. | 2000 |
| Philip I. Smith | 39 | Executive Vice President of Corporate Development for Vital Images, Inc. | 2006 |
| Rodney A. Young | 52 | President and Chief Executive Officer of the Company | 2004 |

Other Information about Directors

Arnold A. Angeloni is Chairman of Angeion Corporation and has served since July 2004 as the Chief Executive Officer and President of Northcott Hospitality International, a rapidly growing company in the hospitality industry and franchisor of the AmericInn® lodging system. Previously, he was President of Gateway Alliance LLC, an integrated business incubator for identifying, creating, and providing operational support for start-up ventures. From 1961 to 1995, Mr. Angeloni was employed by Deluxe Corporation, a provider of check products and services to the financial payments industry, in various administrative, marketing, and operations positions, including President of the Check Printing and Business Systems Divisions.

John R. Baudhuin is the founder, President and Chief Executive Officer of California-based Mad Dogg Athletics Inc., an international health and fitness company. The company manufactures, distributes and develops fitness products and related educational programs through its offices in the United States, Italy, Switzerland and the Netherlands. With over 150,000 certified instructors and 35,000 licensed facilities, the company's SPINNING® brand has a presence in 80 countries worldwide. Prior to founding MDA in 1994, Mr. Baudhuin worked as a Certified Public Accountant for Los Angeles-based Dutch, Franklin & Company, where he provided a variety of consulting and strategic planning services. An active member of the Young Presidents Organization, Baudhuin received his Bachelor of Arts degree in Economics from the University of California, Santa Barbara and his MBA from Loyola Marymount University.

K. James Ehlen, M.D. is currently Chief Executive Officer of NU Design Medical Technology, a Minnesota based software company. Dr. Ehlen also serves as Chair of Halleland Health Consulting Group, a Minneapolis-based health consulting firm focusing on health and wellness, improving governance in health care organizations, and assisting early stage organizations to move forward successfully. From February 2001 to February 2003, Dr. Ehlen served as Chief, Clinical Leadership for Humana Inc., a national managed care organization. He was Executive Leader of the Health Care Practice for Halleland Health Consulting Group from May 2000 to February 2001 and was a self-employed health care consultant from June 1999 to May 2000. Beginning in 1988, Dr. Ehlen served in a series of executive roles beginning with CEO of Medica Health Plans through March of 1994. He then became founder and co-CEO of Allina Health System in 1994 and served through June 1999. He is currently serving on the board of several organizations including RespirTech, Inc., Transoma Medical, and Health Fitness Corporation. He is a long-standing member of the American College of Physician Executives.

John C. Penn served as Chairman and Chief Executive Officer of Intek Plastics, Inc., a privately owned plastic extruder located in Hastings, Minnesota from March 2003 until January 2006 when he began serving only as Chairman. Mr. Penn also served as Vice Chairman and Chief Executive Officer of the Satellite Companies from 1998 to March 2003. From 1990 to 1997, Mr. Penn was the President and Chief Executive Officer of Centers for Diagnostic Imaging. Previously, he served in a senior management capacity in various manufacturing companies. Mr. Penn serves and has served on the Board of Directors of several private and public corporations. Mr. Penn currently serves on the Board of Directors of Health Fitness Corporation, a public corporation. He also served as a director of Medical Graphics from December 1996 to December 1999.

Philip I. Smith was named Executive Vice President - Corporate Development for Vital Images, Inc. in September 2005. He served as Vital Images, Inc. Vice President-Marketing and Corporate Development from January 2004 until September 2005 and its Vice President-Corporate Development from February 2003 until January 2004. From April 2002 to November 2002, Mr. Smith served as President and Chief Executive Officer of Thermonix, a medical technology company. From April 2000

until April 2002, Mr. Smith was Vice President, Marketing and Corporate Development of Image-Guided Neurologics, Inc., a medical technology company. From August 1997 to February 2000, Mr. Smith was an investment banker with the medical technology group at US Bancorp Piper Jaffray. Before August 1997, Mr. Smith held senior sales positions at GE Medical Systems. Mr. Smith holds a bachelor of science in electrical engineering from the University of Florida, and a master of business administration from the Wharton School of the University of Pennsylvania.

Rodney A. Young has over 25 years in the medical device, manufacturing and pharmaceutical fields. Mr. Young has served as a director, President and Chief Executive Officer of the Company since November 1, 2004. Prior to joining Angeion Corporation as Executive Vice President in July 2004, Mr. Young had served as a consultant. Prior to consulting, Mr. Young was a director, Chief Executive Officer and President of LecTec Corporation from August 1996 until July 2003 and Chairman of LecTec from November 1996 until July 2003. Prior to his employment at LecTec, Mr. Young served Baxter International, Inc. for five years in various management roles, most recently as Vice President and General Manager of the Specialized Distribution Division. Mr. Young previously held a variety of sales and marketing positions at 3M Company and Upjohn. Mr. Young also serves as a director of Possis Medical, Inc., Delta Dental Plan of Minnesota and Health Fitness Corporation.

The Board of Directors and Management Recommend a Vote For

Election of the Nominees

Proposal 2:**Approval of the Angeion Corporation 2007 Stock Incentive Plan**

Shareholders are asked to approve the Company's 2007 Stock Incentive Plan (the "2007 Plan") to provide stock incentive awards in the form of options (incentive and non-qualified), stock appreciation rights, restricted stock, restricted stock units, performance stock, performance units, and other awards in stock and cash. The 2007 Plan permits the issuance of up to 600,000 shares of the Company's common stock. Effective immediately upon approval of the 2007 Plan by the Company's shareholders, the Company's 2002 Stock Option Plan (the "Prior Plan") will be amended by the 2007 Plan to eliminate the Company's authority to grant any new awards or options under the Prior Plan, including awards or options that become available for issuance as a result of cancellation or forfeiture of previously granted awards or options. A copy of the 2007 Plan is attached as Exhibit A.

Information Regarding Equity Compensation Plans

The following table sets forth information regarding our equity compensation plans in effect as of October 31, 2006. Each of our equity compensation plans is an employee benefit plan as defined by Rule 405 of Regulation C of the Securities Act of 1933.

Securities Authorized for Issuance under Equity Compensation Plans

| Plan category | Number of shares of common stock to be issued upon exercise of outstanding options, warrants and rights | Weighted average exercise price of outstanding options, warrants and rights | Number of shares of common stock remaining available for future issuance under equity compensation plans |
|---|---|---|---|
| Equity compensation plans approved by stockholders: | | | |
| Stock Option Plan | 456,000 | \$ 4.73 | 9,200 |
| Employee Stock Purchase Plan | 1,536 | 11.62 | 72,351 |
| Total | 457,536 | \$ 4.75 | 81,551 |

The Company has two equity compensation plans, both of which have been approved by its shareholders: 2002 Stock Option Plan and 2003 Employee Stock Purchase Plan.

Securities Authorized for Issuance under 2002 Stock Option Plan at April 13, 2007

As of April 13, 2007, there were 398,250 shares subject to issuance upon exercise of outstanding stock options under our 2002 Stock Plan referred to in the table above, at a weighted average exercise price of \$5.06 per share, and with a weighted average remaining life of 7.67 years. As of April 13, 2007, there were 9,200 shares available for future issuance under this plan.

Purpose of the 2007 Plan

The purpose of the 2007 Plan is to attract and retain talented and experienced people, closely link employee compensation with performance realized by shareholders, and reward long-term results with long-term compensation. If approved, the 2007 Plan will permit the Company, under supervision of the Board, to grant stock incentive awards to current and new employees holding key management and

technical positions, directors on the Company's Board, and key external service providers of the Company and its subsidiaries.

The 2007 Plan:

- does not permit option re-pricing or re-granting of shares that are turned back to pay the exercise price or to satisfy the holder's tax obligations;
- permits the Company, as a condition to new awards, to cancel and recover amounts received by employees as compensation or under stock incentive awards in the event financial mismanagement is discovered, or the employee violates Company policies or agreements, such as a non-compete or non-disclosure agreement.

Key Terms of the 2007 Plan

The following is a brief summary of the key terms of the 2007 Plan, which is described in more detail below.

| Key Plan Features | Description |
|--------------------------------|--|
| Plan Term | May 23, 2007 to May 22, 2014 |
| Eligible Participants | <ul style="list-style-type: none"> • employees in key management and technical positions of the Company and any subsidiary as determined by the Board • non-employee members of the Board of Directors • key service providers of the Company or any subsidiary |
| Total Shares Authorized | • 600,000 shares of common stock for all types of stock incentive awards |
| Individual Share Limits | <ul style="list-style-type: none"> • up to 600,000 shares for all incentive stock options • Up to 200,000 shares for restricted stock awards • up to 200,000 shares for all stock incentive awards to non-employee Directors • up to 100,000 shares per person per year under all stock incentives • up to an additional 50,000 shares for stock incentives to a newly-hired key employee |
| Type of Stock Incentive Awards | <ul style="list-style-type: none"> • incentive and non-qualified stock options with an exercise period no longer than ten years • restricted stock and restricted stock units • stock appreciation rights • performance stock and performance units • other awards in stock or cash |
| Vesting and exercise | • determined by Board or Committee based on service (time vesting) or upon achievement of performance targets (performance vesting) or both |

