Cardium Therapeutics, Inc.
Form DEF 14A
April 25, 2008

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 ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

CARDIUM THERAPEUTICS, 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):

x 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:

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2. Aggregate number of securities to which transaction applies:

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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):

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4. Proposed maximum aggregate value of transaction:

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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:

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2. Form, Schedule or Registration Statement No.:

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3. Filing Party:

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4. Date Filed:

CARDIUM THERAPEUTICS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Thursday, June 5, 2008

Time: 9:00 a.m., Pacific time

Place: San Diego Marriott Del Mar

11966 El Camino Real

San Diego, California 92130

To our Stockholders:

You are cordially invited to attend the annual meeting of stockholders of Cardium Therapeutics, Inc. to consider and act upon the following matters:

1. To elect three Class II directors, each to serve until the next annual meeting of stockholders held to elect Class II directors and until their respective successor is elected and qualified;

2. To approve an amendment to the Company s Certificate of Incorporation to change the name of the Company from Cardium Therapeutics, Inc. to Cardium Group Inc. ;

3. To ratify the selection of Marcum & Kliegman LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008; and

4. To transact such other business as may properly come before the meeting or any adjournments thereof.

The foregoing matters are more fully described in the proxy statement accompanying this notice.

Stockholders of record at the close of business on April 10, 2008, the record date fixed by the Board of Directors, are entitled to notice of and to vote at the meeting and at any adjournments thereof.

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares at your earliest convenience. This will help ensure the presence of a quorum at the meeting. Promptly voting your shares by telephone, by the Internet, or by signing, dating, and returning the enclosed proxy card will save us the expense and extra work of additional solicitation. Voting your shares by telephone or by the Internet will further help us reduce the costs of solicitation. A pre-addressed envelope for which no postage is required if mailed in the United States is enclosed if you wish to vote by mail. Voting your shares now will not prevent you from attending or voting your shares at the meeting if you desire to do so.

Only stockholders and persons holding proxies from stockholders may attend the meeting. If you plan to attend, please bring a photo ID. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a recent brokerage statement, proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares.

By Order of the Board of Directors

Christopher J. Reinhard

Chairman of the Board, Chief Executive Officer and President

3611 Valley Centre Drive, Suite 525

San Diego, California 92130

(858) 436-1000

April 25, 2008

CARDIUM THERAPEUTICS, INC.

3611 Valley Centre Drive, Suite 525

San Diego, California 92130

PROXY STATEMENT

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Cardium Therapeutics, Inc., a Delaware corporation (the Company, Cardium or we, our, or us), for use at the annual meeting of stockholders to be held on Thursday, June 2008, at 9:00 a.m. Pacific time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130, and at any adjournment thereof (the Annual Meeting). We expect to mail this proxy statement and the enclosed proxy card on or about May 2, 2008 to all stockholders entitled to vote at the Annual Meeting.

VOTING INFORMATION

Who can vote?

You may vote if you were a stockholder of record as of the close of business on April 10, 2008. This date is known as the record date. You are entitled to one vote for each share of common stock you held on that date on each matter presented at the Annual Meeting. As of April 10, 2008, approximately 43,625,291 shares of our common stock, par value $0.0001 per share, were issued and outstanding.

How many votes are needed to hold the Annual Meeting?

To take any action at the Annual Meeting, a majority of our outstanding shares of common stock entitled to vote as of April 10, 2008, must be represented, in person or by proxy, at the Annual Meeting. This is called a quorum.

What is a proxy?

A proxy allows someone else to vote your shares on your behalf. Our Board of Directors is asking you to allow the people named on the proxy card (Christopher J. Reinhard and Tyler M. Dylan) to vote your shares at the Annual Meeting.

How do I vote by proxy?

Whether you hold shares directly as a stockholder of record or beneficially in street name, you may vote without attending the Annual Meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. To vote by proxy, please follow the instructions on the enclosed proxy card. You may vote by telephone, by the Internet or by mail. Shares held in street name may be voted by telephone or by the Internet only if your broker or nominee makes those methods available. Your broker or nominee will enclose instructions for voting shares held in street name by telephone or by the Internet with this proxy statement if your broker or nominee has chosen to make those methods available.

If you vote by proxy, your shares will be voted at the Annual Meeting in the manner you indicate. If you vote by mail and return a signed proxy card with no specific instructions, your shares will be voted as the Board of Directors recommends.

Can I change my vote after I submit my proxy?

Yes. You can change or revoke your proxy at any time before it is voted by submitting another proxy with a later date. You also may send a written notice of revocation to Cardium Therapeutics, Inc., 3611 Valley Centre Drive, Suite 525, San Diego, California 92130, Attention: Tyler M. Dylan, Secretary.

Can I vote in person at the Annual Meeting instead of voting by proxy?

Yes. However, we encourage you to vote your shares at your earliest convenience to ensure that your shares are represented and voted. If you vote your shares by proxy and later decide you would like to attend the meeting and vote your shares in person, you will need to provide a written notice of revocation to the secretary of the meeting before your proxy is voted.

How are votes counted?

Except as noted, all proxies received will be counted in determining whether a quorum exists and whether we have obtained the necessary number of votes on each proposal. An abstention from voting will be used for the purpose of establishing a quorum, and will be considered a vote against a proposal. A broker non-vote will also be used for the purpose of establishing a quorum, but will not otherwise be counted in the voting process. Thus, broker non-votes will not affect the outcome of any of the matters being voted on at the Annual Meeting. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (i) the broker has not received voting instructions from the beneficial owner and (ii) the broker lacks discretionary voting power to vote such shares.

How many votes are required to approve each proposal?

For the election of the three Class II directors, a plurality of the votes is required. This means that the three candidates who receive the most votes will be elected to the three available Class II positions on the Board of Directors. The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the other proposals. See, however, Proposal 3 Effect of Ratification.

As of April 10, 2008, our executive officers and directors held of record or beneficially approximately 7,869,281 shares, or 18.04%, of our issued and outstanding common stock. Our executive officers and directors have indicated their intention to vote FOR the election of each of the nominees for the Class II directors and FOR the other proposals described in this proxy statement.

Who pays for this proxy solicitation?

The Company will pay the cost of soliciting proxies for the Annual Meeting, including the costs of preparing, assembling and mailing the proxy materials. We will provide copies of proxy materials to fiduciaries, custodians and brokerage houses to forward to the beneficial owners of shares held in their name. We may reimburse such fiduciaries, custodians and brokers for their costs in forwarding the proxy materials.

In addition to the solicitation of proxies by mail, certain of our officers and other employees may also solicit proxies personally or by telephone, facsimile, e-mail or other means. No additional compensation will be paid to these individuals for any such services. We also have engaged Georgeson Inc. to help us solicit proxies in connection with the Annual Meeting. For such solicitation services, we are obligated to pay Georgeson Inc. a base fee of $10,000, plus an additional $5.00 per direct telephone solicitation of registered stockholders, and to reimburse Georgeson Inc. for certain costs and expenses incurred by Georgeson Inc. in connection with the solicitation.

OUR BOARD OF DIRECTORS

Board Members

Our Board of Directors is responsible for the overall management of the Company. The Board of Directors is divided into three classes, designated Class I, Class II and Class III. The Board of Directors currently includes two Class I directors, three Class II directors, and three Class III directors. The name, age and business experience of each of our directors are shown below.

CLASS I

Edward W. Gabrielson, M.D. (Age 55)

Director

Dr. Gabrielson has served as a director and a member of the Nominating Committee of the Board of Directors since January 2006. He has more than 25 years of experience as a physician and faculty member at Johns Hopkins University. Currently, Dr. Gabrielson is a Professor of Pathology and Oncology at Johns Hopkins University School of Medicine, and Professor of Environmental Health Sciences at the Johns Hopkins University Bloomberg School of Public Health. He is also an attending physician at the Johns Hopkins Hospital and Bayview Medical Center. Dr. Gabrielson received his Bachelor of Science in Biology and Chemistry from the University of Illinois and an M.D. from Northwestern University Medical School.

Lon E. Otremba (Age 51)

Director

Mr. Otremba has served as a director and a member of the Nominating Committee of the Board of Directors since January 2006. He is the Chief Executive Officer and a director (October 2006-Present) of Access 360 Media, a privately-held media company. Previously, Mr. Otremba was Principal Managing Director (August 2005-October 2006) of Otremba Management Advisory, LLC, a management advisory firm; Chief Executive Officer (September 2003-August 2005) and a director (September 2003-July 2005) of Muzak, LLC; Executive Vice President (2001-2003) of Time Warner; and President and a director (1997-2000) of Mail.com (now Easy Link Services Corp.). He currently is a director (since March 2006) and a member of the Audit and Nominating Committees and the Chairman of the Compensation Committee of Artes Medical, Inc., a publicly-traded medical technology company; EEI Communications (since June 2006), a privately-held leading provider of outsourced new media, print publishing and staffing services; and Power Medical Interventions (since March 2006), a privately-held technology company developing surgical tools for natural orifice surgery. He also serves on the Board of Trustees (since 2000) of Buckley Country Day School, a non-profit, independent school in Roslyn, New York.

CLASS II

Tyler M. Dylan, Ph.D., J.D. (Age 46)

Director, Chief Business Officer, General Counsel, Executive Vice President and Secretary

Dr. Dylan is a co-founder of Cardium and has served as a director and the General Counsel, Executive Vice President and Secretary of Cardium since its inception in December 2003, and as the Chief Business Officer of Cardium since May 2005. Dr. Dylan has also served as a director and the Chief Business Officer, General Counsel, Executive Vice President and Secretary of Innercool Therapies, Inc. since March 2006, and of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Previously, he served as the Chief Business Officer, General Counsel, Executive Vice President and Secretary of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. Dr. Dylan has focused on the development of cardiovascular growth factor therapeutics for the last ten years. He served as General Counsel (from 1998) and Vice President (from 1999) of Collateral Therapeutics, Inc. until the completion of its acquisition by the Schering AG Group, Germany (Schering) in 2002. He continued as an executive officer of Collateral Therapeutics until

October 2003. Dr. Dylan played a major role in developing Collateral Therapeutics intellectual property portfolio, in furthering its business development efforts and in advancing the company toward and through its acquisition by Schering. In addition to his work with Collateral Therapeutics, Dr. Dylan has advised both privately-held and publicly-traded companies that are developing, partnering or commercializing technology-based products. Before joining Collateral Therapeutics, Dr. Dylan was a partner of the international law firm of Morrison & Foerster LLP. In his law firm practice, Dr. Dylan focused on the development, acquisition and enforcement of intellectual property rights, as well as related business and transactional issues. He also has worked with both scientists and business management in the biotech and pharmaceutical industries. Dr. Dylan received a B.Sc. in Molecular Biology from McGill University, Montreal, Canada, a Ph.D. in Biology from the University of California, San Diego, where he performed research at the Center for Molecular Genetics, and a J.D. from the University of California, Berkeley.

Andrew M. Leitch (Age 64)

Director

Mr. Leitch has served as a director and a member of the Audit Committee of the Board of Directors since August 2007. Mr. Leitch was a partner with Deloitte & Touche LLP for 22 years before he retired in March 2000. While at Deloitte & Touche, he served in various capacities including Vice Chairman of the Management Committee, Hong Kong (1997 2000), Executive Director of Business Development, Hong Kong (1993-1997), Regional Managing Partner, Asia (1982-1990), Director of Mergers and Acquisitions, Asia (1989-1990), Managing Partner, Hong Kong (1988-1990) and Managing Partner, Singapore (1983-1986). He currently is a director (since 2004) and the Chairman of the Audit Committee of Blackbaud, Inc., a publicly-traded provider of software and services for nonprofit organizations, and of Aldila, Inc., a publicly-traded manufacturer of graphite golf shafts. He also serves as a director of four privately-held companies. Previously, Mr. Leitch served as a director and the Chairman of the Audit Committee of Open Energy, Inc. (2006-2007), and as a director and a member of the Audit Committee of Wireless Facilities, Inc. (2005-2006), both publicly-traded companies. Mr. Leitch is a Certified Public Accountant in the state of New York, and a Chartered Accountant in Canada.

Gerald J. Lewis (Age 74)

Director

Justice Lewis has served as a director, a member of the Audit Committee and the Chairman of the Compensation Committee of the Board of Directors since January 2006. He served on a number of courts in the California judicial system, and retired from the Court of Appeal in 1987. He has served as an arbitrator or mediator on a large number of cases and was Of Counsel to Latham & Watkins from 1987 to 1997. He has been a director of several publicly-traded companies, including Henley Manufacturing, Wheelabrator Technologies, Fisher Scientific International, California Coastal Properties and General Chemical Group, and was Chairman of the Audit Committee of several of these companies. Justice Lewis was a director of Invesco Mutual Funds from 2000 until 2003, when Invesco became the AIM Mutual Funds, and thereafter served as a director of the AIM Mutual Funds from 2003 to 2005. Since August 2006, Justice Lewis has served as a director and a member of the Audit and Compensation Committees of the Tennenbaum Opportunities Fund.

CLASS III

Murray H. Hutchison (Age 69)

Director

Mr. Hutchison has served as a director, a member of the Audit and Compensation Committees and the Chairman of the Nominating Committee of the Board of Directors since January 2006. He served 27 years as Chief Executive Officer and Chairman of International Technology Corp., a large publicly-traded diversified environmental engineering and construction firm, until his retirement in 1997. Since his retirement, Mr. Hutchison has been self-employed with his business activities involving primarily the management of an investment portfolio and consulting with corporate management on strategic issues. Mr. Hutchison currently serves as the Chairman (since 2005) of Texas Eastern Product Pipelines, a publicly-traded pipeline and distribution company, and The Huntington Hotel Corporation (since 1996), a privately-held company, and as a director of Jack in the Box, Inc. (since 1998), a publicly-traded fast food restaurant chain, Cadiz, Inc. (since 1998), a publicly-traded company focused on land acquisition and water development activities, and The Olson Company (since 1996), a privately-held home builder, and has served on the Audit and Compensation Committees of several publicly-traded companies. Previously, Mr. Hutchison served as Chairman and Chief Executive Officer (1999-2000) of Sunrise Medical, a publicly-traded medical equipment manufacturer, and as a member of the Board of Management of the University of California Berkeley Haas Graduate School of Business Administration. He also has served as a trustee or member of the board of managers of various foundations. Mr. Hutchison holds a B.S. in Economics and a B.B.A. in Foreign Trade.

Christopher J. Reinhard (Age 54)

Chairman of the Board, Chief Executive Officer, President and Treasurer

Mr. Reinhard is a co-founder of Cardium and has served as a director and the Chief Executive Officer, President and Treasurer of Cardium since its inception in December 2003. Mr. Reinhard has also served as a director and the Chief Executive Officer and Treasurer of Innercool Therapies, Inc. since March 2006, and as a director and the Chief Executive Officer and President of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Previously, he served as a director and the Chief Executive Officer, President and Treasurer of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. He also served as Chief Financial Officer of Aries Ventures Inc. from October 20, 2005 to November 16, 2005. For the past ten years, Mr. Reinhard has focused on the commercial development of cardiovascular growth factor therapeutics. Before founding Cardium, he was a co-founder of Collateral Therapeutics, Inc., a former Nasdaq listed public company, and served as a director (from 1995) and President (from 1999) of Collateral Therapeutics until the completion of its acquisition by Schering AG Group, Germany (Schering) in 2002. He continued as Chief Executive of Collateral Therapeutics through December 2004. Mr. Reinhard played a major role in effecting Collateral Therapeutics initial public offering led by Bear Stearns & Co. in 1998, and the sale of Collateral Therapeutics to Schering. Mr. Reinhard has also been Executive Chairman (since 2004) of Artes Medical, Inc., a publicly-traded medical technology company. Previously, Mr. Reinhard was Vice President and Managing Director of the Henley Group, a publicly-traded diversified industrial and manufacturing group, and Vice President of various public and private companies created by the Henley Group through spin-out transactions, including Fisher Scientific Group, a leading international distributor of laboratory equipment and test apparatus for the scientific community, Instrumentation Laboratory and IMED Corporation, a medical device company. Mr. Reinhard received a B.S. in Finance and an M.B.A. from Babson College.

Ronald I. Simon, Ph.D. (Age 69)

Director

Dr. Simon has served as a director, a member of the Compensation Committee and the Chairman of the Audit Committee of the Board of Directors since January 2006. He currently is a financial consultant to businesses and serves as a director of public and private companies and not-for-profit organizations. Formerly, he was a director of Collateral Therapeutics, Inc. from 1998 until its acquisition by Schering AG Group, Germany in 2002. From 1995 through 2002, Dr. Simon was a director, and during 2001 served as Acting Chairman, Chief Executive Officer and Chief Financial Officer, of SoftNet Systems, Inc. and since 2002, has been a director, Chairman of the Compensation Committee (since 2003) and a member of the Audit Committee (since 2005) of its successor company, American Independence Corp., a publicly-traded holding company engaged principally in the health insurance and reinsurance business. He was a director of BDI Investment Corporation, a closely held regulated investment company, from February 2003 until its liquidation in early 2005, and of WFS Financial Inc., a publicly-traded financial services company, from 2003 until its acquisition by Wachovia Corp. in February 2006. He served as Chief Financial Officer for Wingcast, LLC, a developer of automotive telematics from 2001 to 2002. He also served as Executive Vice President and Chief Financial Officer of Western Water

Company from 1997 to 2000, and a director of Western Water Company from 1999 through 2001. Dr. Simon was Managing Director Chief Financial Officer of The Henley Group from 1986 to 1990. Dr. Simon earned a B.A. from Harvard University, an M.A. from Columbia University, and a Ph.D. from Columbia University Graduate School of Business.

Independence

The rules of the American Stock Exchange require listed companies to have a board of directors with at least a majority of independent directors. Our Board of Directors, following the review and determination of the Nominating Committee, has determined that six of our eight directors are independent based on the definition of independence set forth in Rule 121 of the American Stock Exchange. The members determined to be independent are Messrs. Gabrielson, Hutchison, Leitch, Lewis, Otremba and Simon. In addition, Messrs. Hutchison, Leitch, Lewis and Simon also have been determined by our Board of Directors to meet the independence standards for members of an audit committee set forth in Section 301 of the Sarbanes-Oxley Act of 2002.

Board Meetings

The Board of Directors held five meetings during the fiscal year ended December 31, 2007.

Board Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating Committee. Membership on each committee is limited to independent directors as defined under Rule 121 of the American Stock Exchange. In addition, members of the Audit Committee also must meet the independence standards for audit committee members adopted by the United States Securities and Exchange Commission (SEC). The members of the committees of our Board of Directors are as follows:

Audit Committee	**Compensation Committee**	**Nominating Committee**
Murray H. Hutchison*	Murray H. Hutchison	Edward W. Gabrielson
Andrew M. Leitch*	Gerald J. Lewis (Chairman)	Murray H. Hutchison (Chairman)
Gerald J. Lewis	Ronald I. Simon	Lon E. Otremba
Ronald I. Simon (Chairman)*		

* The Board of Directors has determined that Dr. Simon and Messrs. Hutchison and Leitch are each an audit committee financial expert as defined by applicable rules adopted by the SEC.

During the year ended December 31, 2007, the Audit Committee held five meetings, the Compensation Committee held two meetings, and the Nominating Committee held three meetings.

Audit Committee. The Audit Committee operates under a charter originally adopted by the committee in January 2006 and amended in March 2008. A copy of the Audit Committee s charter is available in the corporate governance section of the Company s website at www.cardiumthx.com. The general function of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of our financial statements. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the accounting, reporting and financial practices of the Company, including the integrity of our financial statements and disclosures; the surveillance of administration and financial controls and our compliance with legal and regulatory requirements; the qualification, independence and performance of our independent registered public accounting firm; and the performance of our internal audit function and control procedures. The Audit Committee is responsible for reviewing and recommending matters to the Board of Directors, but has no authority to make final decisions except as set forth in the Audit Committee s charter. The Audit Committee has the sole authority to appoint, determine funding for, and oversee our independent registered public accounting firm.

Compensation Committee. The Compensation Committee operates under a charter adopted by the committee in January 2006 and amended in March 2008. A copy of the Compensation Committee s charter is available in the corporate governance section of the Company s website at www.cardiumthx.com. The primary purpose of the Compensation Committee is to oversee the Company s overall compensation and incentive programs for its executive officers and certain other key personnel. The Compensation Committee is responsible for reviewing and recommending matters to the Board of Directors, which may be based on recommendations from the Company s Chief Executive Officer, but has no authority to make final decisions except with respect to the Company s 2005 Equity Incentive Plan as described below or as otherwise set forth in the committee s charter. Among other things, the Compensation Committee recommends to the Board of Directors the amount of compensation to be paid or awarded to our officers and certain other personnel including salary, bonuses, other cash or stock awards under our incentive compensation plans as in effect from time to time, retirement and other compensation, and is responsible for evaluating the performance of the Company s Chief Executive Officer and making recommendations to the Board of Directors concerning the compensation for such officer. In addition, the Board of Directors has delegated to the Compensation Committee the authority to administer the Company s 2005 Equity Incentive Plan, including the authority to consider and act upon recommendations from management to grant awards under the plan to employees and consultants of the Company and its subsidiaries, not including officers and directors of the Company. The committee may delegate its authority to subcommittees of the committee or to committees comprised of Company employees when legally permissible and when the committee deems it appropriate or desirable to facilitate the operation or administration of the plans and programs the committee oversees. The Compensation Committee also may engage the services of an independent compensation and benefits consulting company to conduct a survey and review of the Company s compensation programs as compared to other similarly situated companies taking into account, among others, industry, size and location when the committee deems appropriate. It is anticipated that the committee will engage such independent consultants from time to time to aid the committee in its evaluation of the Company s compensation programs for its executive officers.

Nominating Committee. The Nominating Committee operates under a charter adopted by the committee in January 2006 and amended in March 2008. A copy of the Nominating Committee s charter is available in the corporate governance section of the Company s website at www.cardiumthx.com. The purpose of the Nominating Committee is to assist the Board of Directors in identifying qualified individuals to become members of the Board of Directors and in determining the composition of the Board of Directors and its various committees. The Nominating Committee periodically reviews the qualifications and independence of directors, selects candidates as nominees for election as directors, recommends directors to serve on the various committees of the Board of Directors, reviews director compensation and benefits, and oversees the self-assessment process of each of the committees of the Board of Directors.

The Nominating Committee considers nominee recommendations from a variety of sources, including nominees recommended by stockholders. Persons recommended by stockholders are evaluated on the same basis as persons suggested by others. Stockholder recommendations may be made in accordance with our Stockholder Communications Policy. See Stockholder Communications with Directors below. The Nominating Committee has the authority to retain a search firm to assist in the process of identifying and evaluating candidates.

The Nominating Committee has not established any specific minimum requirements for potential members of our Board of Directors. Instead, the Nominating Committee s evaluation process includes many factors and considerations including, but not limited to, a determination of whether a candidate meets the requirements of the American Stock Exchange and the SEC relating to independence and/or financial expertise, as applicable, and whether the candidate meets the Company s desired qualifications in the context of the current make-up of the Board of Directors with respect to factors such as business experience, education, intelligence, leadership capabilities, integrity, competence, dedication, diversity, skills, and the overall ability to contribute in a meaningful way to the deliberations of the Board of Directors respecting the Company s business strategies, financial and operational performance and corporate governance practices. The Nominating Committee will generally select those nominees whose attributes it believes would be most beneficial to the Company in light of all the circumstances.

Stockholder Communications with Directors

Our Board of Directors has adopted a Stockholder Communications Policy to provide a process by which our stockholders may communicate with the Board of Directors. Under the policy, stockholders may communicate with the Board of Directors as a whole, with the independent directors, with a committee of the Board, or with a particular director. Stockholders wishing to communicate directly with our Board of Directors may do so by mail addressed to the Company at 3611 Valley Centre Drive, Suite 525, San Diego, California, 92130, Attn: Corporate Secretary. The envelope must contain a clear notation indicating that the enclosed letter is a Stockholder-Board Communication or Stockholder-Director Communication. All such letters must identify the author as a stockholder of the Company and clearly state whether the intended recipients are all members of the Board of Directors, all independent directors, all members of a committee of the Board, or certain specified individual directors. The Corporate Secretary will review the communications received from stockholders at the above designated address on a regular basis and if they are relevant to the Company s operations and policies, they will be copied and forwarded to the appropriate director or directors as expeditiously as reasonably practicable. By way of example, communications that are unduly hostile, threatening, obscene, illegal or similarly inappropriate will not be forwarded to any director. Matters deemed to be trivial in the sole discretion of the Corporate Secretary will be delivered to the appropriate director or directors at the next regularly scheduled meeting of the Board of Directors. The Corporate Secretary will periodically provide the Board of Directors with a summary of all communications received that were not forwarded and will make those communications available to any director upon request. The Board of Directors will determine whether any communications sent to the Board of Directors should be properly addressed by the entire Board or a committee thereof and whether a response to the communication is warranted.

Attendance at Annual Meetings

In recognition that it may not be possible or practicable, in light of other business commitments of the Company s directors, to attend the Company s annual meetings of stockholders, the members of the Board of Directors are invited, but not required, to attend each of the Company s annual meeting of stockholders. At the Company s last annual meeting of stockholders held on June 6, 2007, two members of the Board of Directors were present.

PROPOSAL 1

ELECTION OF CLASS II DIRECTORS

Members of each class of our Board of Directors are elected to serve for a three-year term. The three-year terms of the members of each class are staggered, so that each year the members of a different class are due to be elected at the annual meeting. The Class II directors currently are serving a term that is due to expire at the Annual Meeting. The Class III directors currently are serving a term that is due to expire at our next annual meeting, and the Class I directors are serving a term that is due to expire at the next annual meeting thereafter.

Nominees

At the Annual Meeting three Class II directors are to be elected, each to serve until the next annual meeting of stockholders held to elect Class II directors and until their respective successor is elected and qualified or until their respective death, resignation or removal. The Board of Directors proposes the election of the nominees named below, who currently are Class II members of our Board of Directors.

Unless authorization to do so is withheld, proxies received will be voted FOR the nominees named below. If any nominee should become unavailable for election before the Annual Meeting, the proxies will be voted for the election of such substitute nominee as the present Board of Directors may propose. The persons nominated for election have agreed to serve if elected, and the Board of Directors has no reason to believe that the nominees will be unable to serve.

Our Board of Directors proposes the election of the following nominees as Class II members of the Board of Directors:

Tyler M. Dylan   Andrew M. Leitch   Gerald J. Lewis

Our Board of Directors unanimously recommends that you vote FOR the election of each of the nominees as a Class II director of the Company.

PROPOSAL 2

AMENDMENT TO THE COMPANY S CERTIFICATE OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY

The Board of Directors proposes that the stockholders of the Company approve an amendment to the Company s Second Amended and Restated Certificate of Incorporation to change the Company s name from Cardium Therapeutics, Inc. to Cardium Group Inc. The Board of Directors believes that the name Cardium Group Inc. more accurately reflects the manner in which the Company s business has been conducted following the acquisition of Innercool Therapies, Inc. in March 2006 and Tissue Repair Company in August 2006, each of which has been operated as a wholly-owned subsidiary of Cardium. If approved, the name change would become effective upon the filing of the amendment with the Delaware Secretary of State. A copy of the proposed Third Amended and Restated Certificate of Incorporation is attached to this proxy statement as Exhibit A.

Our Board of Directors unanimously recommends that you vote FOR Proposal 2.

PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the fiscal year ended December 31, 2007 was Marcum & Kliegman LLP. The Audit Committee of the Board of Directors has selected and approved Marcum & Kliegman LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2008. Representatives of Marcum & Kliegman LLP are not expected to be present at the Annual Meeting.

Audit Fees

The aggregate fees billed to the Company by Marcum & Kliegman LLP for professional services rendered for the audit of our annual financial statements, the reviews of the financial statements included in our Quarterly Reports on Form 10-Q and other services normally provided in connection with our statutory and regulatory filings during each of the last two fiscal years ended December 31, were:

2007	$256,850
2006	$ 148,000

Audit-Related Fees

There were no fees billed to the Company by Marcum & Kliegman LLP for assurance and related services reasonably related to the performance of the audit or review of our financial statements, and not included under Audit Fees above, during the fiscal years ended December 31, 2007 and December 31, 2006.

Tax Fees

There were no fees billed to the Company by Marcum & Kliegman LLP for professional services for tax compliance, tax advice or tax planning during the fiscal years ended December 31, 2007 and December 31, 2006.

All Other Fees

The aggregate fees billed to the Company by Marcum & Kliegman LLP for products and services, other than those described above, provided during each of the last two fiscal years ended December 31 were:

2007	$ 0
2006	$ 7,500

The 2006 fees were for services provided in connection with 1099 reporting for a distribution made to its stockholders by Aries Ventures Inc., the Company s predecessor.

Pre-Approval Policies and Procedures

Committee Pre-Approval. On January 18, 2006, the Audit Committee approved certain pre-approval policies and procedures contained in its Charter. Under these policies and procedures, the Audit Committee must approve in advance all auditing services and all permissible non-audit services to be provided by our independent registered public accounting firm. If the Audit Committee approves an audit service within the scope of the engagement of our independent registered public accounting firm, such audit service will be deemed to have been pre-approved.

Pre-Approval Exceptions. Notwithstanding the Audit Committee pre-approval policies described above, pre-approval is not required for permissible non-audit services if (i) the aggregate amount of all such non-audit services provided to the Company is not more than 5% of the total amount of revenues paid by the Company to its independent registered public accounting firm during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved before completion of the audit by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

Delegation of Pre-Approval Authority. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant the pre-approvals of audit and permissible non-audit services described above. The decision of any member of the Audit Committee to whom such authority is delegated shall be presented to the full Audit Committee at its next scheduled meeting. On May 9, 2006, the Audit Committee delegated the authority to grant the pre-approvals of audit and permissible non-audit services to Ronald I. Simon, the Chairman of the Audit Committee.

All of the non-audit fees described above requiring pre-approval were pre-approved by the Audit Committee in accordance with its policies and procedures.

Effect of Ratification

Ratification by stockholders of the selection of Marcum & Kliegman LLP as our independent registered public accounting firm is not required by applicable law. However, as a matter of policy and sound corporate governance, we are submitting the selection to our stockholders for ratification at the Annual Meeting. If the stockholders fail to ratify the selection of Marcum & Kliegman LLP, the Board of Directors will reconsider the matter. Even if the selection is ratified by stockholders, the Board of Directors may select a different firm to serve as our independent registered public accounting firm at any time during the fiscal year if it believes a change would be in the best interests of the Company and its stockholders.

Our Board of Directors unanimously recommends that you vote FOR Proposal 3.

OUR EXECUTIVE OFFICERS

The Board of Directors elects the executive officers of the Company who are responsible for administering our day-to-day operations. The name, age, positions with the Company, and business experience of each of our executive officers and other significant employees are shown below.

Christopher J. Reinhard (Age 54)

Chairman of the Board, Chief Executive Officer, President and Treasurer

Mr. Reinhard is a co-founder of Cardium and has served as a director and the Chief Executive Officer, President and Treasurer of Cardium since its inception in December 2003. Mr. Reinhard has also served as a director and the Chief Executive Officer and Treasurer of Innercool Therapies, Inc. since March 2006, and as a director and the Chief Executive Officer and President of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Previously, he served as a director and the Chief Executive Officer, President and Treasurer of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. He also served as Chief Financial Officer of Aries Ventures Inc. from October 20, 2005 to November 16, 2005. For the past ten years, Mr. Reinhard has focused on the commercial development of cardiovascular growth factor therapeutics. Before founding Cardium, he was a co-founder of Collateral Therapeutics, Inc., a former Nasdaq listed public company, and served as a director (from 1995) and President (from 1999) of Collateral Therapeutics until the completion of its acquisition by Schering AG Group, Germany (Schering) in 2002. He continued as Chief Executive of Collateral Therapeutics through December 2004. Mr. Reinhard played a major role in effecting Collateral Therapeutics initial public offering led by Bear Stearns & Co. in 1998, and the sale of Collateral Therapeutics to Schering. Mr. Reinhard has also been Executive Chairman (since 2004) of Artes Medical, Inc., a publicly-traded medical technology company. Previously, Mr. Reinhard was Vice President and Managing Director of the Henley Group, a publicly-traded diversified industrial and manufacturing group, and Vice President of various public and private companies created by the Henley Group through spin-out transactions, including Fisher Scientific Group, a leading international distributor of laboratory equipment and test apparatus for the scientific community, Instrumentation Laboratory and IMED Corporation, a medical device company. Mr. Reinhard received a B.S. in Finance and an M.B.A. from Babson College.

Tyler M. Dylan, Ph.D., J.D. (Age 46)

Director, Chief Business Officer, General Counsel, Executive Vice President and Secretary

Dr. Dylan is a co-founder of Cardium and has served as a director and the General Counsel, Executive Vice President and Secretary of Cardium since its inception in December 2003, and as the Chief Business Officer of Cardium since May 2005. Dr. Dylan has also served as a director and the Chief Business Officer, General Counsel, Executive Vice President and Secretary of Innercool Therapies, Inc. since March 2006, and of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Previously, he served as the Chief Business Officer, General Counsel, Executive Vice President and Secretary of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. Dr. Dylan has focused on the development of cardiovascular growth factor therapeutics for the last ten years. He served as General Counsel (from 1998) and Vice President (from 1999) of Collateral Therapeutics, Inc. until the completion of its acquisition by the Schering AG Group, Germany (Schering) in 2002. He continued as an executive officer of Collateral Therapeutics until October 2003. Dr. Dylan played a major role in developing Collateral Therapeutics intellectual property portfolio, in furthering its business development efforts and in advancing the company toward and through its acquisition by Schering. In addition to his work with Collateral Therapeutics, Dr. Dylan has advised both privately-held and publicly-traded companies that are developing, partnering or commercializing technology-based products. Before joining Collateral Therapeutics, Dr. Dylan was a partner of the international law firm of Morrison & Foerster LLP. In his law firm practice, Dr. Dylan focused on the development, acquisition and enforcement of intellectual property rights, as well as related business and transactional issues. He also has worked with both scientists and business management in the biotech and pharmaceutical industries. Dr. Dylan received a B.Sc. in Molecular Biology from McGill University, Montreal, Canada, a Ph.D. in Biology from the University of California, San Diego, where he performed research at the Center for Molecular Genetics, and a J.D. from the University of California, Berkeley.

Dennis M. Mulroy (Age 53)

Chief Financial Officer

Mr. Mulroy has been the Chief Financial Officer of Cardium since November 2005. He has also served as a director and the Chief Financial Officer of Innercool Therapies, Inc. since March 2006, and as a director, Chief Financial Officer and Treasurer of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Previously, he served as the Chief Financial Officer of Aries Ventures Inc. from November 2005 through its merger with Cardium in January 2006. Before joining Cardium, Mr. Mulroy was Chief Financial Officer of Molecular Imaging Corporation, a publicly-traded diagnostic services company (January 2004 November 2005), SeraCare Life Sciences, Inc., a publicly-traded company (November 2001 June 2003), and Bioceutix Inc. (January 2001 November 2001). Mr. Mulroy was also employed with Ernst & Young in San Diego, California and is a Certified Public Accountant in the State of California. He received his degree in Business Administration with an emphasis in Accounting from the University of San Diego.

Randall W. Moreadith, M.D., Ph.D. (Age 54)

Executive Vice President and Chief Medical Officer

Dr. Moreadith has been an Executive Vice President and the Chief Medical Officer of Cardium since January 2006. He has also served as Chief Medical Officer of Innercool Therapies, Inc. since March 2006, and of Tissue Repair Company since August 2006, each a wholly-owned subsidiary of Cardium. Before joining Cardium, Dr. Moreadith served as Chief Medical Officer of Renovis, Inc., a publicly-traded pharmaceutical company, from August 2004 to December 2005. He was a co-founder of ThromboGenics Ltd., a company focused on biotherapeutics for the treatment of vascular diseases, including acute ischemic stroke, and served as the company s President and Chief Operating Officer (1998-2002) and Chief Medical Officer (1997-1998 and 2003). From April 1996 to February 1997, Dr. Moreadith served as Principal Medical Officer of Quintiles, Inc., and was also a co-founder of the Cardiovascular Therapeutics Group. He received a B.S. in Biology and Chemistry from North Carolina State University, an M.D. from Duke University and a Ph.D. in Biochemistry from Johns Hopkins University, and was a Howard Hughes Medical Institute Postdoctoral Fellow in Genetics at Harvard Medical School. His faculty appointments include the University of Texas Southwestern Medical Center where he was an Established Investigator of the American Heart Association.

Gabor M. Rubanyi, M.D., Ph.D. (Age 61)

Chief Scientific Officer

Dr. Rubanyi has been the Chief Scientific Officer of Cardium since June 2006. From November 2005 until March 2006, he provided consulting services to Cardium. In March 2006, Dr. Rubanyi became an employee and a Scientific Advisor of Cardium. Before joining Cardium in March 2006, Dr. Rubanyi was Vice President of Gene Therapy at Berlex Biosciences (a subsidiary of Berlex Laboratories, the U.S. pharmaceutical affiliate of the Schering AG Group, Germany), and Adjunct Professor at the University of California, Davis. He initiated and played a leading role in the Angiogenic Gene Therapy for Coronary Artery Disease project at Schering/Berlex. Formerly, Dr. Rubanyi was Director of Vascular and Endothelial Research at Berlex (1992-1999), Director of the Institute of Pharmacology at Schering AG, Research Center, Berlin, Germany (1990-1992), Director of Pharmacology at Berlex Laboratories (1987-1990), and Associate Professor at the Mayo Clinic Medical School (1983-1987). Since 2006, Dr. Rubanyi has served as a director of Hybrid Systems, Ltd., a private, United Kingdom biotech company.
Dr. Rubanyi is the author or co-author of 22 books and over 325 research articles, serves as an editorial board member to several biomedical journals and is the founder of the biomedical journal Endothelium. He also is a member of numerous American and international scientific societies. His pioneering work on the nature and characterization of endothelium-derived relaxing factors (nitric oxide) and contracting

factors (endothelin) contributed substantially to the Company s present knowledge about endothelial control of vascular function in health and disease, including angiogenesis.

Michael L. Magers (Age 59)

President and Chief Operating Officer of Innercool Therapies, Inc.

Mr. Magers has been the President and Chief Operating Officer of Innercool Therapies, Inc. since March 2006. Previously, he served as the Vice President of Research and Development (1998 2001) and Chief Technology Officer (2001 2005) of Post Cooling Corporation (previously Innercool Therapies, Inc. before the completion of Cardium s acquisition of its business in March 2006), and currently serves as the President (since 2005) and Chief Operating Officer (since 2003) of Post Cooling Corporation. He has more than 30 years experience in the research, development, manufacturing and marketing of innovative medical devices. Mr. Magers was Vice President, Research & Development of Mallinckrodt (Tyco) (1994-1998), Director of Technology of Ohmeda Medical Devices Division (1990-1994), and Vice President, Technology of Baxter Edwards Critical Care Division (1976-1990). Mr. Magers has an M.S. in Engineering and an M.B.A. in Finance and Marketing from the University of California, Irvine.

STOCK HOLDINGS OF CERTAIN OWNERS AND MANAGEMENT

The following table sets forth information on the beneficial ownership of our common stock by our directors, our Chief Executive Officer, Chief Financial Officer, and our three other most highly compensated executive officers, as well as stockholders who are known by us to own beneficially more than 5% of our common stock, as of April 10, 2008.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership[1]	Percent of Common Stock Outstanding[2]
Tyler M. Dylan, Ph.D., J.D. Chief Business Officer, Executive Vice President, General Counsel and Secretary	2,550,000	5.85%
Edward W. Gabrielson, M.D. Director	91,658[3]	Less than 1%
Murray H. Hutchison Director	58,324[4]	Less than 1%
Andrew M. Leitch Director	30,647[5]	Less than 1%
Gerald J. Lewis Director	91,658[3]	Less than 1%
Randall W. Moreadith, M.D., Ph.D. Executive Vice President and Chief Medical Officer	291,640[4]	Less than 1%
Dennis M. Mulroy Chief Financial Officer	229,634[4]	Less than 1%
Lon E. Otremba Director	91,658[3]	Less than 1%
Christopher J. Reinhard Director, Chief Executive Officer, President and Treasurer	2,953,256	6.77%
Gabor M. Rubanyi, M.D., Ph.D. Chief Scientific Officer	2,000,000[6]	4.58%
Ronald I. Simon, Ph.D. Director	58,324[4]	Less than 1%
All directors and executive officers as a group (11 persons)	8,446,799[7]	19.00%

From time to time, the number of our shares held in the street name accounts of various securities dealers for the benefit of their clients or in centralized securities depositories may exceed 5% of the total shares of our common stock outstanding.

1 A person is considered to be a beneficial owner of shares if the person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting or investment power over the shares, or has the right to acquire beneficial

ownership of the shares at any time within 60 days (such as through the exercise of stock options, warrants or other rights). Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner s spouse.

[2] The percentages shown are calculated based on the number of shares of our common stock outstanding plus, for each person or group, any shares that person or group has the right to acquire within 60 days of April 10, 2008 pursuant to options, warrants or other rights. As of April 10, 2008, there were 43,625,291 shares of our common stock outstanding.

[3] Includes 58,324 shares underlying options exercisable as of April 10, 2008 or that will become exercisable within 60 days of April 10, 2008.

[4] Represents shares underlying options exercisable as of April 10, 2008 or that will become exercisable within 60 days of April 10, 2008.

5 Includes 18,747 shares underlying options exercisable as of April 10, 2008 or that will become exercisable within 60 days of April 10, 2008.

6 As of April 10, 2008, approximately 361,111 shares remained subject to a repurchase right exercisable by the Company at a purchase price of $0.01 per share within 60 days if Dr. Rubanyi s service to the Company as an employee, director or consultant is terminated for any reason.

7 Includes 831,641 shares underlying options exercisable as of April 10, 2008 or that will become exercisable within 60 days of April 10, 2008.

EXECUTIVE OFFICER COMPENSATION

Compensation Discussion and Analysis

Our executive compensation programs were designed to attract and retain highly qualified executives and to motivate them to improve long-term stockholder returns by achieving both short- and long-term strategic Company goals. Our compensation programs have sought to link a significant portion of each executive s compensation directly to individual and Company performance and to align the financial interests of our executives with those of our stockholders. There are three basic components to our executive compensation program: salary and benefits, cash bonuses, and long-term incentive compensation in the form of stock options and other equity-based compensation. Each component is addressed in the context of individual and Company performance, competitive conditions and equity among employees. For each of the executive officers, the Compensation Committee periodically evaluates the amount of each executive officer s base salary, cash bonus, if any, and the nature and extent of such officer s participation in the Company s 2005 Equity Incentive Plan, and compares each overall compensation package to those of similar positions within comparable companies, as described further below. As the Company s business units are developing, the Compensation Committee is expected to give further consideration to plans that would seek to further align bonuses and other compensation with successful application of the Company s business model by rewarding executive officers and other key personnel for significant contributions towards the development of our assets and portfolio of medical products and our efforts to monetize the economic value of that portfolio by establishing strategic collaborations, selling businesses or assets, or completing other monetizing transactions at appropriate valuation inflection points.

Salary and Benefits. Our executive salary structure is designed to be competitive, which we believe is important if we are to retain our executives and other key employees and attract highly qualified executives when needed. To determine whether our salary structure is competitive, we periodically review available information about prevailing salaries and compensation programs offered by companies within our geographic area that are similar to us in size and type of business conducted. When the Compensation Committee deems appropriate, we also may retain the services of an independent compensation and benefits consulting company to conduct a survey and review of the Company s compensation programs as compared to other similarly situated companies taking into account, among other factors, industry, size and location. The last such survey was conducted and reviewed by the Compensation Committee in March 2007, at which time certain executive officers received salary adjustments based on the survey results. No salary adjustments have been made since that time. We generally take into account not only the amount of our base salary but also our overall benefits package. Our executive benefits include vacation, medical, dental, term life and disability. An individual executive s salary and benefits package will vary within our framework based on responsibilities, experience, leadership, potential future contribution, and demonstrated individual performance. We historically have not provided a substantial amount of compensation in the form of perquisites.

Bonus. We currently do not have a formal bonus plan. Any bonuses paid have been in the discretion of the Compensation Committee and the Board of Directors. Bonuses paid to executive officers in 2007 were based on an executive officer s then current base salary, the results of the compensation survey noted above, and individual and Company performance. No bonuses have been paid to date in 2008. However, as noted above, as the Company s business units are developing the Compensation Committee is expected to give further consideration to plans that would seek to further align bonuses and other compensation with successful application of the Company s business model by rewarding executive officers and other key personnel for significant contributions towards the development of our assets and portfolio of medical products and our efforts to monetize the economic value of that portfolio through strategic collaborations, selling businesses or assets, or completing other monetizing transactions at appropriate valuation inflection points.

Long-Term Incentive Compensation. Each executive officer is eligible to participate in our 2005 Equity Incentive Plan (the Plan). Under the Plan, the Compensation Committee, generally based on recommendations from the Chief Executive Officer, may grant incentive and nonqualified stock options, restricted stock, stock appreciation rights, and performance stock and units to executive officers and other personnel, non-employee directors and consultants. As of December 31, 2007, only incentive and nonqualified stock options have been granted under the plan.

Options to buy shares of our common stock are awarded with an exercise price equal to the fair market value of our common stock on the date of grant. Accordingly, the executive is rewarded only if the market price of our common stock appreciates. Options granted to executive officers also generally have vesting conditions of three to four years in an effort to promote employee retention, and expiration periods of seven to ten years.

Stock options are designed to align the interests of our executive officers with those of our stockholders by encouraging executives to enhance the value of the Company and, thus, the price of our common stock and the stockholders return.

Summary Compensation Table

The following table shows the compensation earned by or paid or awarded to our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers for all services rendered by them in all capacities to the Company and its subsidiaries during each of the last three fiscal years ended December 31.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Christopher Reinhard	2007	363,791	105,000						468,791
	2006	350,000							350,000
CEO & President	2005	54,519							