

PARK CITY GROUP INC
Form DEF 14A
September 21, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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

PARK CITY GROUP, 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)(4) 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:

PARK CITY GROUP, INC.
299 South Main Street, Suite 2370
Salt Lake City, Utah 84111
(435) 645-2000

September 18, 2015

Dear Stockholders of Park City Group, Inc.:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Park City Group, Inc. (the “Annual Meeting”), which will be held at our corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah on October 28, 2015 at 2:00 p.m., local time.

Details of the business to be conducted at the Annual Meeting are described in the Notice of Internet Availability of Proxy Materials (the “Notice”) you received in the mail, and in this Proxy Statement. We have also made available a copy of our 2015 Annual Report on Form 10-K for the year ended June 30, 2015 (“Annual Report”) with this Proxy Statement. We encourage you to read our Annual Report. It includes our audited financial statements and provides information about our business and services.

As part of our efforts to conserve environmental resources and prevent unnecessary corporate expenses, we have elected to provide access to our proxy materials over the Internet, rather than mailing paper copies. Our management believes that providing our proxy materials over the Internet increases the ability of our stockholders to access the information they need, while lowering the costs of our Annual Meeting and conserving natural resources.

Regardless of whether you plan to attend the Annual Meeting in person, please read the accompanying Proxy Statement and then vote by Internet, telephone or e-mail as promptly as possible. Please refer to the Notice for instructions on submitting your vote. Voting promptly will save us additional expense in soliciting proxies and will ensure that your shares are represented at the Annual Meeting.

Our Board of Directors has unanimously approved the proposals set forth in the Proxy Statement and we recommend that you vote in favor of each such proposal.

We look forward to seeing you at the Annual Meeting.

Sincerely,

RANDALL K. FIELDS
Chief Executive Officer

YOUR VOTE IS IMPORTANT

All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to vote by internet, telephone or e-mail as promptly as possible. Submitting your vote assures that a quorum will be present at the Annual Meeting and avoid the additional expense of duplicate proxy solicitations. Any stockholder attending the Annual Meeting may vote in person, even if he or she has returned a proxy.

PARK CITY GROUP, INC.
299 South Main Street, Suite 2370
Salt Lake City, Utah 84111
(435) 645-2000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on October 28, 2015

Dear Stockholders of Park City Group, Inc.:

We are pleased to invite you to attend the Annual Meeting of Stockholders of Park City Group, Inc., a Nevada corporation (the “Company”), which will be held at the Company’s corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah, on October 28, 2015 at 2:00 p.m., local time, for the following purposes:

1. the election of six directors to our Board of Directors, each to serve until the next annual meeting of stockholders, or until his respective successor is elected and qualified;
2. ratification of the appointment of HJ & Associates, LLC as our independent auditors for the fiscal year ending June 30, 2016; and
3. to vote upon such other matters as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

These matters are more fully discussed in the attached Proxy Statement.

We have elected to provide access to this year’s proxy materials primarily over the Internet under the Securities and Exchange Commission’s (the “SEC”) “notice and access” rules. We believe that this process expedites stockholders’ receipt of proxy materials, while lowering the costs of our Annual Meeting and conserving natural resources. On or about September 18, 2015, we mailed a Notice of Internet Availability of Proxy Materials (the “Notice”) to each of our stockholders entitled to notice of and to vote at the Annual Meeting. This Notice contained instructions on how to access the attached Proxy Statement, our 2015 Annual Report on Form 10-K (“Annual Report”), and how to vote via the Internet, telephone and e-mail. The Notice also included instructions on how you can receive a paper copy of your proxy materials. The Proxy Statement and the Annual Report both are available online at: <http://www.proxyconnect.com/parkcitygroup>

The close of business on August 31, 2015 (the “Record Date”) has been fixed as the Record Date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournments or postponements thereof. Only holders of record of shares of our common stock and Series B Preferred Stock at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting. A complete list of these stockholders will be available for examination by any of our stockholders for purposes pertaining to the Annual Meeting at our corporate offices, 299 South Main Street, Suite 2370, Salt Lake City, Utah, during normal business hours for a period of 10 days prior to the Annual Meeting, and at the time and place of the Annual Meeting.

Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by Internet, telephone or e-mail, so that your shares may be represented and voted at the Annual Meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the record holder.

Our Board of Directors unanimously recommends that you vote "FOR" Proposal Nos. 1 and 2, each of which are described in detail in the accompanying Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON OCTOBER 28, 2015: THE ANNUAL REPORT AND PROXY STATEMENT ARE AVAILABLE ONLINE AT: <http://www.proxyconnect.com/parkcitygroup>

By Order of the Board of Directors,

Randall K. Fields
Chief Executive Officer, Chairman and Director

Salt Lake City, Utah
September 18, 2015

PARK CITY GROUP, INC.
299 South Main Street, Suite 2370
Salt Lake City, Utah 84111
(435) 645-2000

PROXY STATEMENT

The enclosed proxy is solicited on behalf of the Board of Directors of Park City Group, Inc., a Nevada corporation (the “Company”), for use at the 2015 Annual Meeting of Stockholders (“Annual Meeting”) to be held on October 28, 2015 at 2:00 p.m., local time, and at any adjournment or postponement thereof, at our corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah.

We have elected to provide access to this year’s proxy materials primarily over the Internet under the Securities and Exchange Commission’s “notice and access” rules. On or about September 18, 2015, we mailed a Notice of Internet Availability of Proxy Materials (the “Notice”) to each of our stockholders entitled to notice of and to vote at the Annual Meeting. This Notice contained instructions on how to access this Proxy Statement, our 2015 Annual Report on Form 10-K (“Annual Report”) and how to vote via the Internet, telephone and e-mail. The Notice also included instructions on how you can receive a paper copy of your proxy materials. The Proxy Statement and the Annual Report both are available online at: <http://www.proxyconnect.com/parkcitygroup>

Voting

The specific proposals to be considered and acted upon at our Annual Meeting were summarized in the Notice, and are described in more detail in this Proxy Statement. On August 31, 2015, the Record Date for determination of stockholders entitled to notice of and to vote at the Annual Meeting, we had outstanding 19,041,681 shares of our common stock, par value \$0.01 per share (“Common Stock”), and 625,375 shares of our Series B Preferred Stock (“Series B Preferred”), each of which are entitled to vote at the Annual Meeting. Each holder of Common Stock is entitled to one vote per share of Common Stock held, and each holder of Series B Preferred is entitled to 2.5 votes per share of Series B Preferred held on the Record Date. As of the Record Date, outstanding shares represented 20,605,118 votes, consisting of 19,041,681 attributable to Common Stock and 1,563,437 attributable to Series B Preferred.

Quorum

In order for any business to be conducted at the Annual Meeting, the holders of more than 50% of the shares entitled to vote must be represented at the Annual Meeting, either in person or by properly executed proxy. If a quorum is not present at the scheduled time of the Annual Meeting, the stockholders who are present may adjourn the Annual Meeting until a quorum is present. The time and place of the adjourned Annual Meeting will be announced at the time the adjournment is taken, and no other notice will be given. An adjournment will have no effect on the business that may be conducted at the Annual Meeting.

Required Vote for Approval

Proposal No. 1: Election of Directors. For the six nominees who receive the greatest number of votes cast at the Annual Meeting by the shares present, either in person or by proxy and entitled to vote, will be elected.

Proposal No. 2: Ratification of Appointment of Auditors. To ratify the appointment of HJ & Associates, LLP as our independent auditors for the fiscal year ending June 30, 2016, the number of votes cast “FOR” must exceed the number of votes cast “AGAINST” this Proposal.

Abstentions and Broker Non Votes

All votes will be tabulated by the inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. An abstention is the voluntary act of not voting by a stockholder who is present at a meeting and entitled to vote. A broker “non-vote” occurs when a broker nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary power for that particular item and has not received instructions from the beneficial owner. If you hold your shares in “street name” through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to some of the matters to be acted upon. If you do not give your broker or nominee specific instructions regarding such matters, your proxy will be deemed a “broker non-vote.”

Under Nevada law, abstentions and broker non-votes are not counted as votes cast on an item and therefore will not affect the outcome of any Proposal presented in this Proxy Statement, although they are counted for purposes of determining whether there is a quorum present at the Annual Meeting.

Voting and Revocation of Proxies

If your proxy is properly returned to the Company, the shares represented thereby will be voted at the Annual Meeting in accordance with the instructions specified thereon. If return your proxy without specifying how the shares represented thereby are to be voted, the proxy will be voted (i) FOR the election of six directors nominated by our Board, (ii) FOR ratification of the appointment of HJ & Associates, LLP as our independent auditors for fiscal year 2016, and (iii) at the discretion of the proxy holders on any other matter that may properly come before the Annual Meeting or any adjournment or postponement thereof.

You may revoke or change your proxy at any time before the Annual Meeting by filing, with our Corporate Secretary at our principal executive offices at 299 South Main Street, Suite 2370, Salt Lake City, Utah, 84111, a notice of revocation or another signed proxy with a later date. You may also revoke your proxy by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting alone will not revoke your proxy. If you are a stockholder whose shares are not registered in your own name, you will need additional documentation from your broker or record holder to vote personally at the Annual Meeting.

Solicitation

We will bear the entire cost of solicitation, including the printing and mailing of the Notice, and the preparation and assembly of the proxy and any additional solicitation materials furnished to the stockholders. Copies of any solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, we may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, facsimile or other means by our directors, officers or employees. No additional compensation will be paid to these individuals for any such services. Except as described above, we do not presently intend to solicit proxies other than by e-mail, mail and telephone.

MATTERS TO BE CONSIDERED AT ANNUAL MEETING

PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The Company’s Board of Directors currently consists of six directors, each of whom is nominated to be elected at the Annual Meeting. Each of the nominees has confirmed that he will be able and willing to serve as a director if elected. If any of the nominees become unable or unwilling to serve, your proxy will be voted for the election of a substitute nominee recommended by the current Board of Directors. Upon recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated for election as directors at our Annual Meeting Randall K. Fields, Robert W. Allen, William S. Kies, Jr., Richard Juliano, Austin F. Noll, Jr. and Ronald C. Hodge.

Please see the following disclosure captioned “Directors” for more information, including background information, business experience, and the Nominating and Corporate Governance Committee’s recommendation of each nominee.

Our Articles of Incorporation and Bylaws provide that the Board of Directors shall consist of no less than one director, and, that upon any change in the number of directors, any newly created directorships or eliminated directorships shall be apportioned by the remaining members of the Board of Directors or by stockholders.

Required Vote and Recommendation

The election of directors requires the affirmative vote of a plurality of the shares present or represented by proxy and entitled to vote at the Annual Meeting. The six nominees receiving the highest number of affirmative votes will be elected. Accordingly, under Nevada law, the Company’s Articles of Incorporation and Bylaws, abstentions and broker non-votes will not have any effect on the election of a particular director. Unless otherwise instructed or unless authority to vote is withheld, shares represented by executed proxies will be voted “FOR” the election of each of the nominees.

The Board of Directors recommends that the stockholders vote “FOR” the election of Messrs. Fields, Allen, Kies, Juliano, Noll and Hodge.

The following sections set forth certain information regarding the nominees for election as directors of the Company. There are no family relationships between any of the directors and the Company’s executive officers.

DIRECTORS

Name of Nominee	Age	Title
Randall K. Fields	68	President, Chief Executive Officer and Chairman
Robert W. Allen	72	Director
William S. Kies Jr.	63	Director
Richard Juliano	68	Director
Austin F. Noll, Jr.	72	Director
Ronald C. Hodge	67	Director

Randall K. Fields has been the Chief Executive Officer and Chairman of the Board of Directors since June 2001. Mr. Fields founded the Company in 1990 and has been its President, Chief Executive Officer and Chairman of the Board since its inception. Mr. Fields has also been responsible for the strategic direction of the Company since its inception. Mr. Fields co-founded Mrs. Fields Cookies with his then wife, Debbi Fields. He served as Chairman of the Board of Mrs. Fields Cookies from 1978 to 1990. In the early 1970's Mr. Fields established a financial and economic consulting firm called Fields Investment Group. Mr. Fields received a Bachelor of Arts degree in 1968 and a Masters of Arts degree in 1970 from Stanford University, where he was Phi Beta Kappa, Danforth Fellow and National Science Foundation Fellow.

The Nominating and Corporate Governance Committee believes that Mr. Fields' expertise in the Company's industry and markets following his founding of the Company in 1990, his extensive sales, marketing and technical background and experience, and his knowledge of business allow him to bring a unique understanding of the industries and markets in which the Company operates, as well as an entrepreneurial vision to the Company and the Board of Directors.

Robert W. Allen joined the Board of Directors in October 2007. Mr. Allen is a seasoned executive with many years experience as Chairman, President and Chief Executive Officer of businesses ranging in size from \$200 million to \$2.5 billion. Mr. Allen has over thirty years experience in the dairy industry, most notably as a catalyst for developing companies and a turn-around agent for troubled companies or divisions. Mr. Allen was most recently Chief Executive Officer of Southern Belle Dairy where he established a leadership team to reposition the company and developed a position in the market place for the branding of its products. Prior to this, he was Executive Vice President of Borden, Inc., where he was recruited to turn around the largest and most troubled division of the company. He is also the immediate past Chair of Kid Peace International, a \$160 million non-profit agency assisting children in crises.

The Nominating and Corporate Governance Committee believes that Mr. Allen's years of experience in an area of growth for the Company, the dairy industry, as well as his extensive experience developing and managing companies in senior executive roles, add significant value to the Company and its Board of Directors in assessing challenges in one of its growth markets, and in addressing organizational and development issues facing the Company.

William S. Kies, Jr. joined the Board of Directors in November 2011. Mr. Kies is currently a principal of Kies Consulting, LLC, a premier consulting practice specializing in the supermarket industry since 1994. Clients include Fortune 100 consumer package goods corporations and companies offering national services, programs and in-store support to all channels of food distribution. Prior to Kies Consulting, Mr. Kies was the President and Chief Operating Officer of IGA, Inc., the world's largest banner group of independent supermarkets with over 4,000 stores serviced by 24 wholesalers in 20 countries.

The Nominating and Corporate Governance Committee believes that Mr. Kies' extensive management experience, including experience in the supermarket industry, together with his substantial contacts with potential clients for the Company's services, will contribute to the Board's deliberations and provide the Company with valuable insight and direction as the Company executes its business plan.

Richard Juliano joined the Board of Directors in October 2012. Mr. Juliano is a partner and founder of the Burke, Gillis, Juliano Group, a consulting firm specializing in assisting retailers and manufacturers with creating strategic marketing and merchandising partnerships to grow their business and market share. He began his career with Giant Eagle Super Markets, becoming the Senior Vice President and General Manager of the GM/HBC Division and then Senior Vice President of Merchandising and Marketing of the Phar-Mor Division. Mr. Juliano then served as Executive Vice President at Thrifty Payless Drug and Vice President of Marketing and Merchandising at Genuardis Family Markets in Philadelphia. Most recently, he was a senior executive at SUPERVALU, joining the company as

Executive Vice President of Supply Chain Services for the Central Region and then moving to the Corporate Retail group as Vice President, GM/HBC, and ultimately Group Vice President of Center Store Merchandising. Mr. Juliano has served on the Red Cross of Columbiana County Board of Directors, National Association of Chain Drug Stores Advisory Board, Global Market Development Center Board of Directors and Youngstown State University Athletic Board. He currently is on the President's Innovative Network Board at GMDC.

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The Nominating and Corporate Governance Committee believes that Mr. Juliano's knowledge and experience with supply chain management for large grocery retailers allows him to substantively contribute to the Company's business plan both with existing grocery clients, and new clients as the Company expands its business beyond the grocery industry.

Austin F. Noll, Jr. joined the Board of Directors in October 2012. Mr. Noll is the owner of Austin Noll & Associates, a trade relations and industry affairs consultancy based in New Jersey. Mr. Noll started his career with General Foods, spending 22 years in sales related positions. He then became Vice President of Trade Relations for the grocery division of Borden, Inc., and was promoted to Vice President of Industry and Trade Relations, before moving to Nabisco, Inc. as Senior Vice President of Industry and Trade Relations. Mr. Noll has served on the Trade Advisory Boards of Grocery Manufacturing Association, Food Marketing Institute, National Grocers Association, North American Wholesale Grocers Association, Western Association of Food Chains and IGA, and is a founding member of the Trade Advisory Board of Instant Combo Savings.

The Nominating and Corporate Governance Committee believes that Mr. Noll's experience working for and advising national food retailers provides a unique perspective to the Company that is particularly beneficial as the Company continues to expand its client base within the grocery industry.

Ronald C. Hodge joined the Board of Directors in February 2013. Mr. Hodge is an advisor to Delhaize America, LLC, a role he transitioned into following his time as Delhaize America's Chief Executive Officer from March 2011 to October 2012. Prior to Delhaize America, Mr. Hodge served as Executive Vice President and Chief Executive Officer of Hannaford Bros. Co. He joined Hannaford in 1980 and has served in various executive roles, including Vice President and General Manager of Hannaford's New York Division, Senior Vice President of Retail Operations, Executive Vice President of Sales and Marketing, and Executive Vice President and Chief Operating Officer. He became President of Hannaford in December 2000 and Chief Executive Officer in 2001. While leading the start-up of Hannaford's entry into upstate New York, Mr. Hodge was elected Chairman of the New York State Food Merchant's Association, and served on several Community Agency Boards of Directors. He chaired the Northeastern New York United Way Campaign in 1995 and was selected as the New York Capital Region's Citizen of the Year in 1996. Mr. Hodge holds a Bachelor of Science degree in business administration from Plymouth State College, Plymouth, New Hampshire.

The Nominating and Corporate Governance Committee believes that Mr. Hodge's 33 years of management experience in the grocery industry, including leading the successful expansion of Hannaford Bros. Co., provides the Company with valuable industry knowledge and insight as the Company continues to grow its scan-based technologies to an expanding client base.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any director or nominee during the past ten years.

Director Compensation

The outside directors of the Company, consisting of Messrs. Allen, Kies, Juliano, Noll, and Hodge, received the following compensation during fiscal 2015:

annual cash compensation of \$10,000 payable at the rate of \$2,500 per quarter. The Company has the right to pay this amount in the form of shares of Common Stock, and did so for all compensation owed directors during fiscal 2015; and

upon appointment, outside independent directors receive a grant of \$150,000 payable in shares of the Company's restricted Common Stock calculated based on the market value of the shares of Common Stock on the date of grant. The shares vest ratably over a five-year period.

The following table sets forth information concerning director compensation earned by our outside directors during fiscal year 2015:

Name	Stock Awards (\$) (2)	Total (\$)
Robert W. Allen	10,000	10,000
James R. Gillis(1)	8,333	8,333
William S. Kies, Jr.	25,000	25,000
Richard Juliano	40,000	40,000
Austin F. Noll, Jr.	40,000	40,000
Ronald C. Hodge	40,000	40,000

- (1) The Company received Mr. Gillis' letter of resignation on March 6, 2015. As such, Mr. Gillis is not standing for re-election.
- (2) Stock awards consist solely of stock grants of fully vested Common Stock. Amounts shown do not reflect compensation actually received by the director. Instead, the amounts shown reflect the compensation costs recognized by the Company during the fiscal year for Common Stock awards as determined pursuant to FAS 123R.

GOVERNANCE AND BOARD MATTERS

Term of Office

The Company's Articles of Incorporation provides a Board of Directors comprised of one class of directors. Directors serve from the time they are duly elected and qualified until the next annual meeting of stockholders or their earlier death, resignation or removal from office.

Director Independence

The Board has determined that all of its members, other than Mr. Fields, who serves as the Company's Chief Executive Officer, are "independent" within the meaning of Rule 5605(a)(2) of the NASDAQ Stock Market Rules, and the Security and Exchange Commissions' (the "SEC") rules regarding independence.

Code of Ethics and Business Conduct

In August 2008, the Company and its Board of Directors unanimously adopted a new Code of Ethics and Business Conduct, which replaced the Code of Ethics adopted in 2005. The Company's Code of Ethics and Business Conduct is posted at the Company's website located at www.parkcitygroup.com.

The Role of the Board in Risk Oversight

The Board's role in the Company's risk oversight process includes reviewing and discussing with members of management areas of material risk to the Company, including strategic, operational, financial and legal risks. The Board as a whole primarily deals with matters related to strategic and operational risk. The Audit Committee deals with matters of financial and legal risk. The Compensation Committee addresses risks related to compensation and

other related matters. The Nominating and Governance Committee manages risks associated with Board independence and corporate governance. Committees report to the full Board regarding their respective considerations and actions.

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The Board's Leadership Structure

Our Board of Directors has discretion to determine whether to separate or combine the roles of Chief Executive Officer and Chairman of the Board. Our founder, Randall K. Fields, has served in both roles since 2001, and our Board continues to believe that his combined role is most advantageous to the Company and our stockholders. Our technology has its genesis in the operations of Mrs. Fields Cookies, co-founded by Mr. Fields, and Mr. Fields possesses in-depth knowledge of the issues, opportunities and risks facing us, our business and our industry and is best positioned to fulfill the Chairman's responsibility to develop meeting agendas that focus the Board's time and attention on the most critical matters and to facilitate constructive dialogue among Board members on strategic issues.

In addition to Mr. Fields' leadership, the Board maintains effective independent oversight through a number of governance practices, including, open and direct communication with management, input on meeting agendas, and regular executive sessions.

MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors met four times and acted four times by unanimous written consent during the fiscal year ended June 30, 2015. The Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each of the Company's directors who served during fiscal 2015 attended or participated in no less than 75% or more of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served during fiscal 2015.

The following table represents the composition of each committee of the Board of Directors during the year ended June 30, 2015:

Name of Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Randall K. Fields	-	-	-
Robert W. Allen	Chairman	Member	-
James R. Gillis (1)	Member (2)	Chairman (3)	Member (4)
William S. Kies, Jr.	-	-	Chairman
Richard Juliano	Member	Member	-
Austin F. Noll, Jr.	-	-	Member
Ronald C. Hodge	-	Member	-
No. of Meetings Held in 2015	1	1	1

- (1) Mr. Gillis was chairman of the Compensation Committee and served on both the Nominating and Corporate Governance Committee and Audit Committee until his resignation.
- (2) Mr. Ronald Hodge filled the vacancy left on the Audit Committee following Mr. Gillis' resignation.

- (3) Mr. Robert Allen now serves and the Chairman of the Compensation Committee, and has served in such capacity since Mr. Gillis' resignation.
- (4) Mr. Ronald Hodge filled the vacancy left on the Nominating and Corporate Governance Committee following Mr. Gillis' resignation.

Audit Committee. The Audit Committee provides assistance to the Board of Directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal accounting controls. The Audit Committee also oversees the audit efforts of our independent accountants and takes those actions as it deems necessary to satisfy it that the accountants are independent of management. The Audit Committee currently consists of Ronald C. Hodge (Chairman), Richard Juliano and Robert W. Allen, each of whom is a non-management member of our Board of Directors. Both Mr. Allen and Mr. Hodge are also considered audit committee financial experts. We believe that the composition of our Audit Committee meets the criteria for independence under, and the functioning of our Audit Committee complies with the applicable requirements of the NASDAQ Stock Market Rules, the Sarbanes-Oxley Act of 2002 and SEC rules and regulations

Compensation Committee. The Compensation Committee determines our general compensation policies and the compensation provided to our directors and officers. The Compensation Committee also reviews and determines bonuses for our officers and other employees. In addition, the Compensation Committee reviews and determines equity-based compensation for our directors, officers, employees and consultants and administers our stock option plans and employee stock purchase plan. The Compensation Committee currently consists of Robert W. Allen (Chairman), and Richard Juliano, each of whom is a non-management member of our Board of Directors. We believe that the composition of our Compensation Committee meets the criteria for independence under, and the functioning of our Compensation Committee complies with the applicable requirements of the NASDAQ Stock Market Rules and SEC rules and regulations.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board of Directors regarding candidates for directorships and the size and composition of the Board. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to the Board concerning corporate governance matters. The current members of the Nominating and Corporate Governance committee are William S. Kies, Jr. (Chairman), Ronald C. Hodge and Austin F. Noll, Jr. We believe that the composition of our Nominating and Corporate Governance Committee meets the criteria for independence under, and the functioning of our Nominating and Corporate Governance Committee complies with the applicable requirements of the NASDAQ Stock Market Rules, the Sarbanes-Oxley Act of 2002 and SEC rules and regulations.

PROPOSAL NO. 2

RATIFICATION OF THE APPOINTMENT OF HJ & ASSOCIATES, LLC TO SERVE AS OUR REGISTERED PUBLIC ACCOUNTING FIRM FOR THE CURRENT FISCAL YEAR

Upon recommendation of the Audit Committee of the Board of Directors, the Board of Directors appointed HJ & Associates, LLC as our independent registered public accounting firm for the current fiscal year and hereby recommends that the stockholders ratify such appointment.

The Board of Directors may terminate the appointment of HJ & Associates, LLC as the Company's independent registered public accounting firm without the approval of the Company's stockholders whenever the Board of Directors deems such termination necessary or appropriate.

Representatives of HJ & Associates, LLC will be present at the Annual Meeting or available by telephone and will have an opportunity to make a statement if they so desire and to respond to appropriate questions from stockholders.

Previously, the Audit Committee of the Board of Directors of the Company appointed HJ & Associates, LLC as the independent registered public accounting firm to audit the financial statements of the Company and its subsidiaries for the fiscal years ended June 30, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008.

The following table presents approximate aggregate fees and other expenses for professional services rendered by HJ & Associates, LLC for the audit of the Company's annual financial statements for the years ended June 30, 2015 and 2014 and fees and other expenses for other services rendered during those periods.

	2015	2014
Audit Fees	\$ 112,400	\$ 75,000
Audit-Related Fees	-	-
Tax Fees	\$ 18,300	15,700
All Other Fees	-	-
Total	\$ 130,700	\$ 90,700

Audit Fees

Audit fees in 2015 and 2014 relate to services rendered in connection with the audit of the Company's consolidated financial statements.

Tax Fees

Tax fees in 2015 and 2014 include fees for services with respect to tax compliance, tax advice and tax planning.

Audit Committee Pre-Approval Policies

The Audit Committee has established its pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit and permissible non-audit services provided by HJ & Associates, LLC in fiscal 2015 and 2014. Such procedures govern the ways in which the Audit Committee pre-approves audit and various categories of non-audit services that the auditor provides to the Company. Services which have not received pre-approval must receive specific approval of the Audit Committee. The Audit Committee is to be informed of each such engagement in a timely manner, and such procedures do not include delegation of the Audit Committee's responsibilities to management.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with accountants on accounting and financial disclosure.

Required Vote and Recommendation

Ratification of the selection of HJ & Associates, LLP as the Company's independent auditors for the fiscal year ending June 30, 2016 requires the affirmative vote of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting. Under Nevada law and the Company's Articles of Incorporation and Bylaws, each broker non-vote will reduce the absolute number, but not the percentage, of affirmative votes necessary for approval of the ratification. Unless otherwise instructed on the proxy or unless authority to vote is withheld, shares represented by executed proxies will be voted "FOR" the ratification of HJ & Associates, LLP as the Company's independent auditors for the fiscal year ending June 30, 2016.

The Board of Directors recommends that stockholders vote "FOR" the ratification of the selection of HJ & Associates, LLC as Park City Group's independent auditors for the fiscal year ending June 30, 2016.

EXECUTIVE OFFICERS

The following table sets forth information regarding the executive officers of the Company during the year ended June 30, 2015:

Name	Age	Title
Randall K. Fields	68	Chief Executive Officer, Chairman of the Board and Director
Edward L. Clissold	59	Chief Financial Officer, Secretary, General Counsel

The executive officers named above were appointed by the Board of Directors to serve in such capacities until their respective successors have been duly appointed and qualified or until their earlier death, resignation or removal from office.

Randall K. Fields has been the Chief Executive Officer, and Chairman of the Board of Directors since June 2001. Mr. Fields founded the Company in 1990 and has been its President, Chief Executive Officer, and Chairman of the Board since its inception. Mr. Fields has been responsible for the strategic direction of the Company since its inception. Mr. Fields co-founded Mrs. Fields Cookies with his then wife, Debbi Fields. He served as Chairman of the Board of Mrs. Fields Cookies from 1978 to 1990. In the early 1970's Mr. Fields established a financial and economic consulting firm called Fields Investment Group. Mr. Fields received a Bachelor of Arts degree in 1968 and a Masters of Arts degree in 1970 from Stanford University, where he was Phi Beta Kappa, Danforth Fellow and National Science Foundation Fellow.

Edward L. Clissold joined the Company in March 2002 as General Counsel, and in August 2012 was appointed as the Company's Chief Financial Officer. Mr. Clissold currently serves as both General Counsel and Chief Financial Officer of the Company. Prior to his time with the Company, Mr. Clissold served as General Counsel for Mrs. Fields Cookies from August 1987 to April 1995 and was also in private practice. Mr. Clissold holds a Bachelors degree in Finance from the University of Utah and a Law Degree from Brigham Young University.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain information about the compensation paid or accrued during the year ended June 30, 2015 to our Chief Executive Officer and our Chief Financial Officer, our only executive officer, other than our Chief Executive Officer, who was serving as an executive officer as of June 30, 2015 and whose annual compensation exceeded \$100,000 during such year (collectively the "Named Executive Officers"):

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Randall K. Fields Chief Executive Officer and Chairman of the Board	2015	572,252(2)	471,875(3)	519,000(4)	124,704 (5)	1,687,831
	2014	550,000(2)	448,125(3)	519,000(4)	116,715(5)	1,633,840
	2013	375,000 (2)	73,125 (3)	66,000 (4)	79,492 (5)	593,617
Edward L. Clissold	2015	150,000	-	54,197		204,197
	2014	150,000	-	38,497	-	188,497

Chief Financial Officer,
General Counsel

2013	144,417	-	3,885	-	148,302
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- (1) Stock awards consist solely of shares of restricted Common Stock. Amounts shown do not reflect compensation actually received by the Named Executive Officer. Instead, the amounts shown are the compensation costs recognized by the Company during the fiscal year for stock awards as determined pursuant to FAS 123R.
- (2) On June 30, 2013, the Company and Mr. Fields and Fields Management, Inc., a management company wholly-owned by Mr. Fields ("FMI"), entered into an updated Employment Agreement and an updated Service Agreement, respectively, replacing similar agreements that expired on the same date. The year-over-year change in Mr. Fields' salary, bonus and other compensation are a result of terms in the updated agreements. See "Employment Agreements" below for a more detailed description of Mr. Fields' updated Employment Agreement and FMI's updated Service Agreement.

\$520,205, \$500,000 and \$325,000 of Mr. Fields' cash compensation during 2015, 2014 and 2013, respectively, was paid to FMI pursuant to the terms and conditions of the Service Agreement in effect during the applicable period.

- (3) The terms and conditions of the updated Employment Agreement by and between Mr. Fields and the Company, dated June 30, 2013, and the updated Services Agreement, by and between FMI and the Company, dated June 30, 2013, provide for an incentive bonus to be paid to Mr. Fields at the discretion of the Compensation Committee and upon approval by the Board of Directors, based upon the Company's achievement of certain performance goals. Upon recommendation of the Compensation Committee, the Board of Directors approved a \$400,000 and \$375,000 bonus to Mr. Fields for the years ended June 30, 2015 and 2014, respectively. This amount reflects successful completion of certain business objectives, including successful implementation of ReposiTrak during the year ended June 30, 2015 and an increase in revenue during the 2015 period, as compared to the 2014 period.

Amounts reported for the years ended June 30, 2015, 2014 and 2013 also include \$71,875 for the 2015 period and \$73,125 for each of the 2014 and 2013 periods, attributable to annual vesting of a previously granted bonus.

- (4) Pursuant to Services Agreement by and between the Company and FMI in effect during the applicable periods, FMI received 600,000 shares of restricted Common Stock in July 2009 and 600,000 shares of restricted Common Stock in July 2013. The shares vest ratably over a 10-year period and are valued as of the date of issuance, or \$1.10 per share and \$7.55 per share, respectively. The amounts reported herein represent the value of the shares of Common Stock that vested during the applicable periods.
- (5) These amounts include premiums paid on life insurance policies of \$73,416, \$57,392 and \$25,344 for 2015, 2014 and 2013, respectively; computer related expenses of \$6,000 for each of 2015, 2014 and 2013; Company car related expenses of \$18,192, \$17,917 and \$16,958 for 2015, 2014 and 2013, respectively; medical premiums of \$15,096, \$23,406 and \$19,190 for 2015, 2014 and 2013, respectively; and reimbursement for certain accounting services of \$12,000 for each of 2015, 2014 and 2013.

Employment Arrangements

The Company has an Employment Agreement with its Chief Executive Officer, Randall K. Fields (the “Fields Employment Agreement”), pursuant to which Mr. Fields is employed by the Company in the position of Sales Department Manager through June 30, 2018 for annual compensation of \$50,000, subject to annual increases equal to 75% of the Company’s percentage annual revenue growth beginning in the 2014 fiscal year. Mr. Fields may also be eligible for an annual incentive bonus, awarded at the discretion of the Compensation Committee.

The Company also has a Services Agreement with Fields Management, Inc. (“FMI”), to provide certain executive management services to the Company, including designating Mr. Fields to perform the functions of President and Chief Executive Officer for the Company through June 30, 2018 (the “Services Agreement”). Pursuant to the Services Agreement, FMI is paid an annual base fee of \$500,000, subject to annual increases equal to 75% of the Company’s percentage annual revenue growth beginning in the 2014 fiscal year. FMI may also be eligible for an annual incentive bonus, awarded at the discretion of the Company’s Board of Directors.

FMI also receives: (i) up to \$1,200 per month for reimbursement of vehicle expenses; (ii) an annual computer equipment allowance of up to \$6,000; (iii) 600,000 shares of the Company's Common Stock, subject to a pro-rata 10-year vesting schedule; and (iv) a retirement annuity or other bonus award to be developed within six months of the effective date. The Company also maintains and pays the premiums for a \$5.0 million life insurance policy in the name of Mr. Fields, with the beneficiary to be designated by Mr. Fields at his sole discretion.

Outstanding Equity Awards at Fiscal Year-End

The following table generally sets forth the number of outstanding equity awards that have not been earned or vested or that have not been exercised for each of the Named Executive Officers as of June 30, 2015. No other equity awards otherwise reportable in this table have been granted to any of our Named Executive Officers.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Randall K. Fields Chief Executive Officer, Chairman and Director	-	-	\$ -	-	896,744	\$ 11,110,658
Edward L. Clissold Chief Financial Officer, Secretary, General Counsel	-	-	\$ -	-	31,950	\$ 395,861

- (1) Market value based on the closing price of the Company's Common Stock on June 30, 2015, as reported on the NASDAQ Capital Market.

Executive Compensation Discussion and Analysis

Overview of Compensation Program

The Compensation Committee of our Board of Directors has responsibility for establishing, implementing and monitoring adherence to our compensation philosophy. The Board of Directors has delegated to the Compensation Committee the responsibility for determining our compensation policies and procedures for senior management, including the named executive officers, periodically reviewing these policies and procedures, and making recommendations concerning executive compensation to be considered by the full board of directors, when such approval is required under any of our plans or policies or by applicable laws. The Compensation Committee also has the principal responsibility for the administration of our stock plans, including the approval of stock option grants to the named executive officers.

The compensation received by our named executive officers in fiscal year 2015 is set forth in the Summary Compensation Table, above. For 2015, the named executive officers included: (i) Randall K. Fields, Chairman of the Board of Directors and Chief Executive Officer; and (ii) Edward L. Clissold, Chief Financial Officer.

Highlights of the Company's Fiscal 2015 Performance

Achieved the highest revenue in the Company's history.