

ACCEL8 TECHNOLOGY CORP  
Form DEF 14A  
November 13, 2012

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**

**of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-2

**Accelr8 Technology Corporation**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed 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:
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

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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:

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**ACCEL8 TECHNOLOGY CORPORATION**

**7000 North Broadway, Building 3-307**

**Denver, Colorado 80221**

**(303) 863-8088**

November 12, 2012

To the Shareholders of Accelr8 Technology Corporation:

You are cordially invited to attend the Annual Meeting of Shareholders of Accelr8 Technology Corporation, a Colorado corporation (the “Company”), which will be held at 2:30 p.m., local time, on Wednesday, December 12, 2012, at the Warwick Hotel Denver, 1776 Grant Street, Denver, Colorado 80203 for the following purposes:

1. to elect the following four (4) persons to serve as directors of the Company until the next Annual Meeting of Shareholders and thereafter until their successors shall have been elected and qualified: Lawrence Mehren, John Patience, Jack Schuler and Matthew W. Strobeck, Ph.D.;
2. to approve a proposal to change our state of incorporation from Colorado to Delaware;
3. to approve a proposal to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.”;
4. to approve a new Certificate of Incorporation of the Company (provided that the proposal to change our state of incorporation from Colorado to Delaware is approved);
5. to approve the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan;
6. to ratify the selection of Comiskey & Company, P.C. as the independent public accountants of the Company for the fiscal year ending December 31, 2013; and
7. to transact such other business as may properly come before the annual meeting or any continuation, postponement or adjournment thereof.

The accompanying Notice of Meeting and Proxy Statement describe these matters. We urge you to read this information carefully.

The Company’s Board of Directors unanimously believes that election of its nominees for directors; approval of the proposal to change our state of incorporation from Colorado to Delaware; approval of the proposal to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.”; approval of the new Certificate of Incorporation of the Company (provided that the proposal to change our state of incorporation from Colorado to Delaware is approved); approval of the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan; and ratification of the selection of Comiskey & Company, P.C. as the Company’s independent registered public accounting firm for fiscal year 2013 are in our best interests and that of our shareholders, and, accordingly, recommends a vote FOR election of the four nominees for directors; FOR the approval of the proposal to change our state of incorporation

from Colorado to Delaware; FOR the approval of the proposal to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.”; FOR the approval of the new Certificate of Incorporation of the Company; FOR the approval of the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan; and FOR the ratification of the selection of Comiskey & Company, P.C. as the Company’s independent registered public accountants for fiscal year 2013.

In addition to the business to be transacted as described above, management will speak on our recent developments and respond to comments and questions of general interest to shareholders.

It is important that your shares be represented and voted whether or not you plan to attend the annual meeting in person. You may vote on the Internet, by telephone or by completing and mailing the enclosed proxy card or the form forwarded by your bank, broker or other holder of record. Voting over the Internet, by telephone or by written proxy will ensure your shares are represented at the annual meeting. Voting on the Internet or by telephone may not be available to all shareholders. Please review the instructions on the proxy card or the information forwarded by your bank, broker or other holder of record regarding each of these voting options.

On behalf of the Board of Directors, I would like to express our appreciation for your support of the Company.

By order of the Board of Directors,

*/s/ Lawrence Mehren*

Lawrence Mehren

President and Chief Executive Officer

**ACCEL8 TECHNOLOGY CORPORATION**

**7000 North Broadway, Building 3-307**

**Denver, Colorado 80221**

**(303) 863-8088**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To be held on Wednesday, December 12, 2012**

To the Shareholders of Accelr8 Technology Corporation:

Notice is hereby given that the 2012 Annual Meeting (the “Annual Meeting”) of the shareholders (the “Shareholders”) of Accelr8 Technology Corporation, a Colorado corporation (the “Company”), will be held at 2:30 p.m., local time, on Wednesday, December 12, 2012, at the Warwick Hotel Denver, 1776 Grant Street, Denver, Colorado 80203, and any adjournments or postponements thereof for the following purposes:

1. to elect the following four (4) persons to serve as directors of the Company until the next Annual Meeting of Shareholders and thereafter until their successors shall have been elected and qualified: Lawrence Mehren, John Patience, Jack Schuler and Matthew W. Strobeck, Ph.D.;
2. to approve a proposal to change our state of incorporation from Colorado to Delaware;
3. to approve a proposal to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.”;
4. to approve a new Certificate of Incorporation of the Company (provided that the proposal to change our state of incorporation from Colorado to Delaware is approved);
5. to approve the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan;
6. to ratify the selection of Comiskey & Company, P.C. as the independent public accountants of the Company for the fiscal year ending December 31, 2013; and
7. to transact such other business as may properly come before the annual meeting or any continuation, postponement or adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. We are not aware of any other business to come before the meeting.

The Company’s Board of Directors has fixed the close of business on October 26, 2012 as the record date for the determination of shareholders entitled to notice of, and to vote at, this annual meeting and at any continuation, postponement or adjournment thereof. A list of shareholders will be available for inspection by our shareholders at our principal executive offices at 7000 North Broadway, Building 3-307, Denver, Colorado 80221 beginning two business days after notice of the annual meeting is given and continuing through the meeting.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on Wednesday, December 12, 2012: the Proxy Statement for the Annual Meeting and the Annual Report to Shareholders for the fiscal year ended July 31, 2012 are available at <https://materials.proxyvote.com/004304>.**

By order of the Board of Directors,

*/s/ Lawrence Mehren*

Lawrence Mehren

President and Chief Executive Officer

Denver, Colorado

November 12, 2012

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. YOU ALSO MAY VOTE YOUR SHARES ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON YOUR PROXY CARD.

EVEN IF YOU HAVE PROVIDED US WITH YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE ANNUAL MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.



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**ACCEL8 TECHNOLOGY CORPORATION**

7000 North Broadway, Building 3-307

**Denver, Colorado 80221**

**PROXY STATEMENT**

**Dated November 12, 2012**

**ANNUAL MEETING OF SHAREHOLDERS**

**FOR THE FISCAL YEAR ENDED JULY 31, 2012**

**TO BE HELD ON DECEMBER 12, 2012**

**GENERAL**

This Proxy Statement is being furnished to the shareholders of Accelr8 Technology Corporation, a Colorado corporation (the “Company”), in connection with the solicitation of proxies by the board of directors of the Company (the “Board”) from holders (the “Shareholders”) of outstanding shares of common stock, no par value, of the Company (the “Common Stock”), for use at the Annual Meeting of the Shareholders for the fiscal year ended July 31, 2012, to be held at 2:30 p.m., local time, on December 12, 2012, at the Warwick Hotel Denver, 1776 Grant Street, Denver, Colorado 80203, and any adjournments or postponements thereof (the “Annual Meeting”). This Proxy Statement, Notice of Annual Meeting of Shareholders and the accompanying proxy card are first being mailed to shareholders on or about November 12, 2012.

**INFORMATION ABOUT THE ANNUAL MEETING**

***When is the Annual Meeting?***

December 12, 2012, 2:30 p.m. (Mountain Standard Time).

***Where will the Annual Meeting be held?***

The Annual Meeting will be held at the Warwick Hotel Denver, 1776 Grant Street, Denver, Colorado 80203.

***What is being considered at the Annual Meeting?***

At the Annual Meeting, stockholders will be acting upon the following proposals:

1. to elect the following four (4) persons to serve as directors of the Company until the next Annual Meeting of Shareholders and thereafter until their successors shall have been elected and qualified: Lawrence Mehren, John Patience, Jack Schuler and Matthew W. Strobeck, Ph.D.;
2. to approve a proposal to change our state of incorporation from Colorado to Delaware (the “Reincorporation”);
3. to approve a proposal to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.” (the “Name Change”);
4. to approve a new Certificate of Incorporation of the Company (provided that the proposal to change our state of incorporation from Colorado to Delaware is approved);
5. to approve the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan;
6. to ratify the selection of Comiskey & Company, P.C. as the independent public accountants of the Company for the fiscal year ending December 31, 2013; and

7. to transact such other business as may properly come before the annual meeting or any continuation, postponement or adjournment thereof.

In addition, our management will report on our progress and respond to your questions.

***Why are shareholders voting to ratify the selection of Comiskey & Company, P.C. as the independent public accountants of the Company for the fiscal year ending December 31, 2013 and not July 31, 2013?***

On October 31, 2012, the Board authorized a change in the Company's fiscal year end from July 31 to December 31.

***Who is entitled to vote at the Annual Meeting?***

You may vote at the Annual Meeting if you owned Common Stock as of the close of business on the record date for the Annual Meeting, which was October 26, 2012. Each share of Common Stock is entitled to one vote.

***How do I vote?***

You can vote in the following ways:

by attending the Annual Meeting at 2:30 p.m., local time, on December 12, 2012, at the Warwick Hotel Denver, 1776 Grant Street, Denver, Colorado 80203, and at any adjournment or postponements thereof and voting thereat; over the Internet or by telephone using the instructions on the enclosed proxy card; by completing, signing, dating and returning the enclosed proxy card (applicable only to stockholders of record); or by following the instructions on the voting instruction form (applicable only to beneficial holders of shares of Common Stock held in "street name").

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

Proxies that are signed and returned but do not include voting instructions will be voted FOR the election of the four candidates as directors, FOR the proposal to change our state of incorporation from Colorado to Delaware, FOR the proposal to change our name from "Accelr8 Technology Corporation" to "Accelerate Diagnostics, Inc.", FOR approval of the new Certificate of Incorporation of the Company, FOR approval of the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan, and FOR ratifying the appointment of Comiskey & Company, P.C., as the Company's independent certified public accountants for the fiscal year ending December 31, 2013.

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

If you hold your shares directly in your own name, they will not be voted if you do not provide a Proxy or attend the annual meeting and vote in person.

Your shares may be voted under certain circumstances if they are held in the name of a brokerage firm. Brokerage firms generally have the authority to vote customers' un-voted shares on certain "routine" matters. With the sole exception of the ratification of Comiskey & Company, P.C. as the Company's independent auditors for the fiscal year ending December 31, 2013, no matters submitted for shareholder approval herein are "routine" matters. When a brokerage firm votes its customers' un-voted shares, these shares are counted for purposes of establishing a quorum. At our Annual Meeting these shares will be counted as voted by the brokerage firm with respect to ratifying the selection of Comiskey & Company, P.C. as Company's auditors for the year ending December 31, 2013.



***How do I vote if I hold shares registered in the name of a broker or bank?***

If, on the record date (October 26, 2012), your shares were not held in your name, but rather were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and a Notice of Proxy Materials was forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares held in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent and bring such proxy to the Annual Meeting. If you want to attend and vote at the Annual Meeting, you must provide proof of beneficial ownership as of the record date, such as your most recent account statement showing ownership as of October 26, 2012, a copy of the voting instruction card provided by your broker or other agent, or other similar evidence of ownership. Whether or not you plan to attend the Annual Meeting, we urge you to provide voting instructions to your broker or other agent in advance of the Annual Meeting to ensure your vote is counted. Your broker or other agent will furnish you with additional information regarding the submission of such voting instructions.

***Can I change my mind after I return my proxy?***

Yes. You may change your vote at any time before your proxy is voted at the Annual Meeting. If you are a shareholder of record, you can do this by giving written notice to your respective corporate secretary, by submitting another proxy with a later date, or by attending the Annual Meeting and voting in person. If you are a shareholder in “street” or “nominee” name, you should consult with the bank, broker or other nominee regarding that entity’s procedures for revoking your voting instructions.

***How many shares are eligible to be voted at the Annual Meeting?***

The record date for the Annual Meeting was October 26, 2012. Only shareholders of record at the close of business on October 26, 2012 will be entitled to vote at the Annual Meeting. At the close of business on that date, there were issued and outstanding 25,331,939 shares of the Company’s Common Stock entitled to one vote per share.

***How many votes must be present to hold the Annual Meeting?***

Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by mail or the other methods described in these materials. In order for us to conduct our meeting, one third (33%) of our outstanding shares of Common Stock as of October 26, 2012 must be present in person or by proxy at the meeting. This is referred to as a quorum. In order to assure that there is a quorum, it may be necessary for certain officers, directors, regular employees and other representatives of the Company to solicit proxies by telephone, facsimile or in person. These persons will receive no extra compensation for their services.

If a quorum is not present, then either the chairman of the meeting or the shareholders entitled to vote at the meeting may adjourn the meeting until a later time. Abstentions and broker “non-votes” are counted as present or represented for purposes of determining the presence or absence of a quorum. A broker “non-vote” occurs when a broker holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because, in respect of such other proposal, the broker does not have discretionary voting power and has not received voting instructions from the beneficial owner. The Company’s executive officers and directors have advised the Company that they intend to vote their shares (including those shares over which they hold voting power), representing approximately 56.3% of the outstanding shares of Common Stock as of October 15, 2012, in favor of each of the proposals described above.

***What vote is required to elect directors?***

Directors are elected by a plurality of the votes cast. Abstentions and broker “non-votes” (shares held by brokers or nominees as to which they have no discretionary authority to vote on a particular matter and have received no voting instructions from the beneficial owners or persons entitled to vote thereon) will have no effect on the vote for re-election of directors. Cumulative voting will not be permitted in connection with the election of directors.

***What vote is required to approve the Reincorporation, the Name Change, the Accler8 Technology Corporation 2012 Omnibus Equity Incentive Plan, and to ratify the selection of Comiskey & Company, P.C. as the Company's independent auditors for the fiscal year ending December 31, 2013?***

The proposals for the Reincorporation, the Name Change, approval of the new Certificate of Incorporation of the Company, approval of the Accler8 Technology Corporation 2012 Omnibus Equity Incentive Plan and the ratification of the selection of Comiskey & Company, P.C. as Company's independent auditors for the fiscal year ending December 31, 2013 will each require an affirmative vote of the majority of the votes cast in person or by proxy, provided that a quorum is present at the Annual Meeting. Only proxies indicating votes "FOR," "AGAINST" or "ABSTAIN" on these proposals or providing the designated proxies with the right to vote in their judgment and discretion on this proposal are counted to determine the number of shares present and entitled to vote. Assuming a quorum is present at the Annual Meeting, abstentions and broker non-votes will have no effect on the results of the votes on these proposals.

***How will voting on any other business be conducted?***

Although we do not know of any business to be conducted at the Annual Meeting other than the proposals described in this Proxy Statement, if any other business comes before the Annual Meeting, your signed proxy card gives authority to the proxy holders to vote on those matters at their discretion.

***Who will bear the costs of this solicitation?***

We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this Proxy Statement, the proxy card and any additional information furnished to Shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Common Stock beneficially owned by others to forward to the beneficial owners. We may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to the beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile or personal solicitation by our directors, officers or other regular employees.

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**DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE****Directors, Director Nominees and Executive Officers**

The following table sets forth certain information with respect to the current directors, director nominees and executive officers of our Company:

Name	Age	Position
Lawrence Mehren	45	President, Chief Executive Officer and Director
Jack Schuler	72	Director
John Patience	64	Director
Matthew W. Strobeck, Ph.D.	39	Director
Thomas V. Geimer	65	Director
Steve Reichling	34	Chief Financial Officer

**Lawrence Mehren** has served as the Chief Executive Officer and a Director of the Company since June 26, 2012. Mr. Mehren served as Senior Vice President and Chief Financial Officer of Ventana Medical Systems from 2007 until 2008 and as Head of Global Business from 2008 until 2011. Previously, he was Managing Director, Partner and head of P&M Corporate Finance's (an investment banking firm based in Detroit, Michigan) life sciences practice. Prior to his tenure at P&M, Mr. Mehren worked in management positions with Gale Group, a division of The Thomson Corporation, as well as Merrill Lynch. Mr. Mehren holds a B.A. in Political Science from the University of Arizona and an M.B.A. from Northwestern University's Kellogg Graduate School of Management.

**Jack Schuler** has served as a Director of the Company since June 26, 2012. Mr. Schuler is a founding partner of Crabtree Partners, a private equity investment firm. Mr. Schuler served as a director of Ventana Medical Systems, Inc. from 1991 and as Chairman of the Board from 1995 until Ventana's acquisition by Roche in 2008. Mr. Schuler has been a director of Stericycle, Inc. (NASDAQ: SRCL) since March 1990, formerly serving as Chairman of the Board, and continues to serve as Lead Director for Stericycle. Prior to joining Stericycle, Inc., Mr. Schuler held various executive positions at Abbott Laboratories from December 1972 through August 1989, most recently serving as President and Chief Operating Officer. He is currently a director of Quidel Corporation (NASDAQ: QDEL) and Medtronic, Inc. (NYSE: MDT). Mr. Schuler holds a B.S. in Mechanical Engineering from Tufts University and an M.B.A. from Stanford University.

**John Patience** has served as a Director of the Company since June 26, 2012. Mr. Patience is also a founding partner of Crabtree Partners, a private equity investment firm. Mr. Patience served as a director of Ventana Medical Systems, Inc. from 1989 and as Vice Chairman from 1999 until Ventana's acquisition by Roche in 2008. Mr. Patience has been a director of Stericycle, Inc. (NASDAQ: SRCL) since 1989. Mr. Patience was previously a partner of a venture capital investment firm that provided both Ventana and Stericycle with early stage funding. Mr. Patience was also previously a partner in the consulting firm of McKinsey & Co., Inc., specializing in health care. Mr. Patience holds a B.A. in Liberal Arts and an L.L.B. from the University of Sydney, Australia, and an M.B.A. from the University of Pennsylvania's Wharton School of Business.

**Matthew W. Strobeck, Ph.D.** has served as a Director of the Company since July 7, 2012. Dr. Strobeck currently serves as a director of Metabolix, Inc. (NASDAQ: MBLX), an innovation-driven bioscience company focused on delivering sustainable solutions to the plastics, chemicals and energy industries. He was a Partner and Member of the

Management Committee and Advisory Board of Westfield Capital Management from 2008 until 2011, having served as a member of the investment team, specializing in healthcare and life sciences, from May 2003 to June 2008. Dr. Strobeck was a fellow in the Department of Biology at MIT from December 2001 to June 2002. Dr. Strobeck received his B.S. from St. Lawrence University, a Ph.D. from the University of Cincinnati, a S.M. from Harvard University/MIT Health Sciences Technology Program, and a S.M. from the MIT Sloan School of Management.

**Thomas V. Geimer** has served as a Director of the Company since 1987 and as the Chief Executive Officer, Chief Financial Officer and Secretary of the Company from 1987 until June 2012. Before assuming full-time responsibilities at the Company, Mr. Geimer founded and operated an investment banking firm.

**Steve Reichling** has served as the Company's Chief Financial Officer since September 10, 2012. Prior to joining the Company, Mr. Reichling served as general manager of Spring Bioscience Corp., a R&D and research products subsidiary of Roche Tissue Diagnostics. From January 2003 to December 2009, Mr. Reichling held various finance, accounting and operations leadership roles at Roche Tissue Diagnostics and Ventana Medical Systems, Inc., including director of finance and operations, manager of business development finance, and head of Internal Audit and Sarbanes Oxley Compliance. From October 2002 to January 2003, Mr. Reichling was an auditor at Ernst & Young LLP. Mr. Reichling received his B.A. in accounting and entrepreneurship from the University of Arizona and is a Certified Public Accountant.

There are no agreements or understandings for any of our executive officers or director to resign at the request of another person and no officer or director is acting on behalf of nor will any of them act at the direction of any other person.

Directors are elected until their successors are duly elected and qualified.

### **Director Independence**

After the Annual Meeting, it is expected that the Board will consist of Messrs. Mehren, Schuler, Patience and Dr. Strobeck. The Company utilizes the definition of "independent" as it is set forth in Section 803A of the NYSE Amex Company Guide. Further, the Board considers all relevant facts and circumstances in its determination of independence of all members of the Board (including any relationships). Based on the foregoing criteria, the Board has determined that Messrs. Schuler, Patience and Dr. Strobeck are considered independent directors.

### **Family Relationships**

There are no family relationships among any of our officers and directors.

### **Board Leadership Structure**

The Board does not have an express policy regarding the separation of the roles of Chief Executive Officer and Board Chairman as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. Currently, Lawrence Mehren serves as the Company's Chief Executive Officer and Jack Schuler serves as the Chairman of the Board. The Board believes that its current leadership structure best serves the objectives of the Board's oversight of management; the ability of the Board to carry out its roles and responsibilities on behalf of the shareholders; and the Company's overall corporate governance. The Board also believes that the current separation of the Chairman and CEO roles allows the CEO to focus his time and energy on operating and managing the Company and leverage the experience and perspectives of the Chairman.



## **Board Oversight of Risk Management**

The full Board has responsibility for general oversight of risks facing the Company. The Board is informed by senior management on areas of risk facing the Company and periodically conducts discussions regarding risk assessment and risk management. The Board believes that evaluating how the executive team manages the various risks confronting the Company is one of its most important areas of oversight. The Audit Committee reviews and assesses the Company's processes to manage financial reporting risk and to manage investment, tax, and other financial risks. The Compensation Committee oversees compensation programs and policies and their effect on risk taking by management. In each case, management periodically reports to the Board or relevant committee, which provides guidance on risk assessment and mitigation.

## **Section 16(A) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of securities ownership and changes in such ownership with the SEC. Officers, directors and greater than ten percent shareholders also are required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Company or written representations that no Forms 5 were required, the Company believes that all Section 16(a) filing requirements were timely met during the fiscal year ended July 31, 2012, except that a Form 4 was filed late for Thomas Geimer disclosing one transaction and a Form 4 was filed late for David Howson disclosing two transactions and Form 4s for Abeja Ventures, LLC disclosing one transaction and Lawrence Mehren disclosing two transactions were filed late.

## **Code of Ethics**

The Company has adopted a code of ethics for its principal executive officer and senior financial officers and a code of ethics and standards of conduct that is applicable to all directors, officers and employees. Stockholders may request a free copy of these documents from:

Accelr8 Technology Corporation  
7000 North Broadway, Building  
3-307 Denver, Colorado 80221  
Attn: Secretary

## **Board Committees and Meeting Attendance**

The Board maintains a Compensation Committee and an Audit Committee.

Jack Schuler and Matthew W. Strobeck, Ph.D., each independent directors, serve as members of our Audit Committee. The Board has determined that each member of the Audit Committee qualifies as an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K and Section 803 of the NYSE Amex Company Guide.

The Audit Committee is responsible primarily for overseeing the services performed by the Company's independent registered public accounting firm, evaluating the Company's accounting policies and system of internal controls and reviewing significant financial transactions. The Audit Committee met a total of four times during the fiscal year ended July 31, 2012. Effective November 3, 2005, the Audit Committee adopted a revised written charter for the Audit Committee, a copy of which was filed with the Company's Proxy Statement at Appendix A on November 17,

2005.

The Compensation Committee is responsible primarily for reviewing the compensation arrangements for the Company's executive officers, including the CEO, administering the Company's equity compensation plans, and reviewing the compensation of the Board. The Compensation Committee's authority to grant equity awards may be delegated to the Company's management or others. The Compensation Committee met a total of two times during the fiscal year ended July 31, 2012. On June 26, 2012, Mr. Gerretson and Mr. Kucera, the two members of the Company's Compensation Committee resigned as directors and the Company has not yet appointed replacement directors as members of the Compensation Committee. The Company has not adopted a compensation committee charter because the Board does not believe that, given the size of the Company, such a charter is warranted. However, as the Company grows and it continues to develop its operations it may consider adopting a charter or similar policy.

During the fiscal year ended July 31, 2012, the Board held seven meetings and took action by written consent on two occasions. Each member of the Board attended or participated in 75% or more of the aggregate of (i) the total number of meetings of the Board (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served).

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The Company does not have a written policy requiring directors to attend the Annual Meeting, but attendance is encouraged. In 2011, all of the directors attended our annual meeting of shareholders. We presently anticipate that all directors will attend the Annual Meeting.

The Company has nominated Messrs. Mehren, Schuler, Patience and Dr. Strobeck as directors to be elected in this Proxy. Each of Messrs. Mehren, Mr. Schuler, Mr. Patience and Dr. Strobeck are current members of the Board.

The Company's Board seeks to ensure that it is composed of members whose particular experience, qualifications, attributes, and skills, when taken together, will allow the Board to satisfy its oversight obligations effectively. The Company does not currently have a separate nominating (or similar) committee as given the Company's small size the Company does not yet believe such a committee is necessary. However, as the Company grows, it may consider establishing a separate nominating committee. Currently, the Board is in charge of identifying and appointing appropriate persons to add to the Board when necessary. In identifying Board candidates, it is the Board's goal to identify persons who it believes have appropriate expertise and experience to contribute to the oversight of a company of the Company's nature while also reviewing other appropriate factors.

The Company believes that each of the persons nominated for reelection to the Board have the experience, qualifications, attributes and skills when taken as a whole will enable the Board to satisfy its oversight responsibilities effectively. With regard to the nominees (each of whom is currently a member of our Board), the following factors were among those considered that led to the Board's conclusion that each would make valuable contributions to the Board:

*Lawrence Mehren:* Mr. Mehren has significant prior experience in the medical diagnostics industry. Mr. Mehren served as Senior Vice President and Chief Financial Officer of Ventana Medical Systems and was Managing Director, Partner and head of P&M Corporate Finance's (an investment banking firm based in Detroit, Michigan) life sciences practice.

*Jack Schuler:* Mr. Schuler has a significant amount of experience in serving as a director for other public companies in the medical diagnostics industry. Mr. Schuler served as a director of Ventana Medical Systems, Inc. from 1991 and as Chairman of the Board from 1995 until Ventana's acquisition by Roche in 2008. Mr. Schuler has been a director of Stericycle, Inc. (NASDAQ: SRCL) since March 1990, formerly serving as Chairman of the Board, and continues to serve as Lead Director for Stericycle.

*John Patience:* Mr. Patience also has a significant amount of experience in serving as a director for other public companies in the medical diagnostics industry. Mr. Patience served as a director of Ventana Medical Systems, Inc. from 1989 and as Vice Chairman from 1999 until Ventana's acquisition by Roche in 2008. Mr. Patience has been a director of Stericycle, Inc. (NASDAQ: SRCL) since 1989.

*Matthew W. Strobeck, Ph.D.:* Dr. Strobeck also has experience in serving as a director for other public companies in the medical diagnostics industry. Dr. Strobeck currently serves as a director of Metabolix, Inc. (NASDAQ: MBLX), an innovation-driven bioscience company focused on delivering sustainable solutions to the plastics, chemicals and energy industries.

#### Board Communications with Shareholders

To date, the Board of Directors has not adopted a formal procedure by which stockholders may recommend nominees to the board of directors. However, any stockholder who desires to submit a nomination of a person to stand for election of directors at the next annual or special meeting of the stockholders at which directors are to be elected must submit a notification of the stockholder's intention to make a nomination ("Notification") to the Company by the date mentioned in the most recent proxy statement under the heading "Shareholder Proposals" and in that notification must provide the following additional information to the Company:





Name, address, telephone number and other methods by which the Company can contact the stockholder submitting (i) the Notification and the total number of shares beneficially owned by the stockholder (as the term “beneficial ownership” is defined in SEC Rule 13d-3);

If the stockholder owns shares of the Company’s voting stock other than on the records of the Company, the (ii) stockholder must provide evidence that he or she owns such shares (which evidence may include a current statement from a brokerage house or other appropriate documentation);

Information from the stockholder regarding any intentions that he or she may have to attempt to make a change of control or to influence the direction of the Company, and other information regarding the stockholder any other (iii) persons associated with the stockholder that would be required under Items 4 and 5 of SEC Schedule 14A were the stockholder or other persons associated with the stockholder making a solicitation subject to SEC Rule 14a-12(c);

(iv) Name, address, telephone number and other contact information of the proposed nominee; and (v) All information required by Item 7 of SEC Schedule 14A with respect to the proposed nominee, shall be in a form reasonably acceptable to the Company.

*[Remainder of this Page Intentionally Left Blank]*

## AUDIT COMMITTEE REPORT

The Audit Committee oversees the financial reporting process of our company on behalf of our Board. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in our Annual Report on Form 10-K for the fiscal year ended July 31, 2012 with management, including a discussion of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with Comiskey & Company, P.C., our independent registered public accounting firm that is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles and an opinion on our internal controls over financial reporting, its judgments about our accounting principles and the other matters required to be discussed with the Audit Committee under generally accepted auditing standards, including AU Section 980 - Communication with Audit Committees. The Audit Committee has received from Comiskey & Company, P.C. the written disclosure and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with Comiskey & Company, P.C. their independence. The Audit Committee has considered the effect of non-audit fees on the independence of Comiskey & Company, P.C. and has concluded that such non-audit services are compatible with the independence of Comiskey & Company, P.C.

The Audit Committee discussed with Comiskey & Company, P.C. the overall scope and plans for its audits. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of its audits and quarterly reviews, its observations regarding our internal controls, and the overall quality of our financial reporting. The Audit Committee held a total of four meetings during the fiscal year ended July 31, 2012.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements for the fiscal year ended July 31, 2012 be included in the Annual Report on Form 10-K for the fiscal year ended July 31, 2012 for filing with the Securities and Exchange Commission.

This report has been furnished by the members of the Audit Committee.

Audit Committee  
Jack Schuler  
Matthew W. Strobeck, Ph.D.



**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the named persons for services rendered in all capacities during the noted periods.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Larry Mehren, President, Chief Executive Officer and Chief Financial Officer (1)	2012	\$28,767	—	\$1,123,279(2)	—	\$1,152,046
	2011	—	—	—	—	—
Thomas V. Geimer, Former Chief Executive Officer and Chief Financial Officer (3)	2012	\$131,481	—	\$97,171(2)	\$749,000 (4)	\$977,652
	2011	\$165,000	—	—	\$75,000 (5)	\$240,000
David Howson (6) Former President	2012	\$150,000	—	\$79,922(2)(7)	—	\$229,922
	2011	\$150,000	—	—	—	\$150,000

(1) Mr. Mehren was appointed the Chief Executive Officer and Chief Financial Officer on June 26, 2012.

The amounts reflect the aggregate grant date fair value of awards during each year calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 7 to the financial statements set forth in our Annual Report on Form 10-K for 2012, filed with the SEC on October 26, 2012.

(3) Mr. Geimer resigned as the Chief Executive Officer and Chief Financial Officer on June 26, 2012.

Represents \$650,000 paid due to Mr. Geimer under a change of control provision under his amended employment agreement dated June 26, 2012 and \$24,000 paid to Mr. Geimer pursuant to a consulting agreement dated June 26, 2012. Also includes deferred compensation in the amount of \$75,000 paid to Mr. Geimer pursuant to the Company's deferred compensation plan.

(5) Represents deferred compensation for Mr. Geimer pursuant to the Company's deferred compensation plan, \$75,000 of which vested during the fiscal year ended July 31, 2011 which payment was made on October 20, 2011.

(6) Mr. Howson resigned as the President on June 26, 2012.

Mr. Howson previously owned 75,000 options exercisable at a price of \$2.57 per share that would vest if and only if prior to the expiration date of the Options, the Company closed on a transfer for the sale of the Company assets or the acquisition of the Company in which the Company's shareholders receive aggregate consideration at closing equal to or greater than \$250,000,000. On August 19, 2011, the Compensation Committee cancelled these options and granted Mr. Howson options that did not contain this contingency at the then closing price of the Company's common stock.

### **Mehren Employment Arrangement**

Mr. Mehren was appointed the President, Chief Executive Officer and Chief Financial Officer on June 26, 2012. In his capacity as Chief Executive Officer of the Company, Mr. Mehren is paid a base salary of \$300,000 per year. On April 20, 2012, Mr. Mehren, in his role as a consultant to the Company, was granted an option to purchase 2,200,000 shares of the Company's common stock at an exercise price equal to \$1.04 per share, which was equal to the closing price of the Company's common stock on the date of grant. The option was issued pursuant to the Company's Stock Plan and will vest according to the following schedule: 580,000 shares vested immediately upon the date of grant, 825,000 shares will vest as follows: 40% (330,000 shares) will vest on the 2nd anniversary of the date of grant, and the remaining 60% (495,000 shares) will vest in 36 equal monthly installments (13,750 shares per month) over the subsequent 36 months, 795,000 shares will vest as follows (provided that both criteria must be satisfied):

- 40% (318,000 shares) will vest on the 2nd anniversary of the date of grant, and the remaining 60% (477,000 shares) will vest in 36 equal monthly installments (13,250 shares per month) over the subsequent 36 months.
- 50% (397,500 shares) will vest when at least 50% of the warrants initially issued to Abeja have been exercised by the holder(s) thereof, and the remaining 50% (397,500 shares) will vest when at least 90% of such warrants have been exercised by the holder(s) thereof.

Notwithstanding the foregoing, if Mr. Mehren's employment is terminated for any reason other than for Cause, he will be entitled to exercise the then-vested portion of the option for a period of 90 days following his termination of employment (after which time any unexercised options will expire). If Mr. Mehren's employment is terminated for cause, the Company, in its sole discretion, may provide for the immediate cancellation of the option (or any portion thereof). Any unvested portion of the option will accelerate and become immediately vested and exercisable in the event of a change of control with respect to the Company.

### Geimer Employment Agreement and Consulting Agreement

Effective December 1, 2008, we entered into an employment agreement with Mr. Geimer. The agreement was negotiated and approved by the Compensation Committee. The agreement provides for an annual base salary of \$165,000 with annual deferred compensation of \$75,000. The agreement was to expire on December 31, 2012. Pursuant to the employment agreement, in the event of termination by mutual agreement, termination "with cause," as defined in the agreement, death or permanent incapacity or voluntary termination, Mr. Geimer, or his estate, would be entitled to the sum of the base salary and unreimbursed expenses accrued to the date of termination and any other amounts due under the agreement. In the event of termination "without cause," as defined in the agreement, Mr. Geimer would be entitled to the sum of the base salary and unreimbursed expenses accrued to the date of termination and any other amounts due under the agreement and an amount equal to the greater of Mr. Geimer's annual base salary (12 months of salary) or any other amounts remaining due to Mr. Geimer under the agreement. Additionally, in the event of a Change in Control, any unpaid amounts due under the initial term of the agreement for both base salary and deferred compensation would be payable plus five times the sum of the base salary and deferred compensation.

On June 26, 2012, Thomas V. Geimer resigned as the Company's Chief Executive Officer, Chief Financial Officer and Secretary, effective immediately. In connection with his resignation, Mr. Geimer entered into an Amendment to Employment Agreement with the Company, as well as a new Consulting Agreement. Pursuant to the Amendment to Employment Agreement, Mr. Geimer and the Company agreed to stagger certain payments due to him such that \$650,000 was paid to Mr. Geimer upon the Closing and \$700,000 will be payable to him on July 1, 2013. Any payments due to Mr. Geimer under his Employment Agreement (as amended) but not timely paid by the Company will bear interest at a rate of 18% per annum. In addition, the \$75,000 deferred compensation payment due to Mr. Geimer for the Company's fiscal year ending July 31, 2012 was paid prior to the Closing. Pursuant to the Consulting Agreement, Mr. Geimer agreed to provide certain transition and other services to the Company. In exchange, for the remainder of 2012, the Company will pay Mr. Geimer an amount equal to \$24,000 per month. From January 1, 2013 through December 31, 2013, Mr. Geimer's aggregate consulting fee will be \$96,000 (\$8,000 per month).

### Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning options awards to Messrs. Mehren, Geimer and Howson at the fiscal year ended July 31, 2012.

<u>Name</u>	Number of securities underlying <u>unexercised</u> <u>options (#)</u>		<u>Option</u> <u>Exercise Price</u>	<u>Option</u> <u>Expiration Date</u>
	<u>Exercisable</u>	<u>Unexercisable</u>		
Lawrence Mehren	580,000	1,620,000	\$1.04	April 20, 2022
Thomas Geimer	80,000 25,000	— —	\$2.69 \$1.04	August 19, 2021 April 20, 2022

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	100,000	—	\$3.60	December 11, 2017
David Howson	5,000	—	\$1.04	April 19, 2014
	225,000	—	\$2.57	March 15, 2015
	75,000	—	\$2.69	August 9, 2013

## Option Exercises

During the fiscal year ended July 31, 2012, none of our named executive officers exercised any stock options.

## Deferred Compensation Plan

In January 1996, we established a deferred compensation plan for our employees. Contributions to the plan are provided for under the employment agreement detailed above. For each of the fiscal years ended July 31, 2012 and 2011 we contributed \$75,000 respectively to the plan.

On October 14, 1997, Thomas V. Geimer exercised an aggregate of 1,140,000 warrants and options to acquire 1,140,000 shares of the Company's Common Stock at an exercise price of \$0.24 per share. Under the terms of the Rabbi Trust, we will hold the shares in trust and carry the shares as held for employee benefit by the Company. The Rabbi Trust provides that upon Mr. Geimer's death, disability, or termination of his employment the shares will be released ratably over the subsequent ten (10) years, unless the Board determines otherwise. See Note 7 to the Financial Statement for further information.

## Compensation of Directors

The table below sets forth the compensation of our directors for serving as our directors for the fiscal year ended July 31, 2012:

Name	Fees Earned or Paid in			Non-Equity		All Other Compensation (\$)	Total (\$)
	Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Incentive Plan Compensation (\$)			
Jack Schuler <sup>(1)</sup>	—	—	—	—	—	—	—
John Patience <sup>(1)</sup>	—	—	—	—	—	—	—
Matthew W. Strobeck, Ph.D. <sup>(1)</sup>	—	—	—	—	—	—	—
Charles E. Gerretson <sup>(2)</sup>	—	—	\$19,919	(3)	—	—	\$19,919
John Kucera <sup>(2)</sup>	—	—	\$19,919	(3)	—	—	\$19,919

(1) Mr. Schuler, Mr. Patience and Dr. Strobeck were appointed Directors on June 26, 2012.

(2) Mr. Gerretson and Mr. Kucera resigned as Directors on June 26, 2012.

(3) The amounts reflect the aggregate grant date fair value of awards during each year calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 7 to the financial statements set forth in our Annual Report on Form 10-K for 2012, filed with the SEC on October 26, 2012.





**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

On June 26, 2012, the Company closed upon the sale to Abeja Ventures, LLC (“Abeja”), at a purchase price of \$1.03 per share for an aggregate purchase price of \$14,420,000, of 14,000,000 shares of the Company’s Common Stock, a warrant to purchase 7,000,000 shares of the Company’s Common Stock at an exercise price of \$1.03 per share and another warrant to purchase 7,000,000 shares of the Company’s Common Stock at an exercise price of \$2.00 per share (collectively the “Investment”). Messrs. Schuler, Patience and Mehren were appointed to the Board pursuant to the Securities Purchase Agreement between the Company and Abeja. Messrs. Mehren, Schuler and Patience are managers and members of Abeja.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding the beneficial ownership of our Common Stock as of October 15, 2012 of (i) each named executive officer and each director of the Company (ii) all named executive officers and directors as a group and (iii) each person known to the Company to be the beneficial owner of more than five percent (5%) of our Common Stock. We deem shares of our Common Stock that may be acquired by an individual or group within sixty (60) days of October 15, 2012, pursuant to the exercise of options or warrants or conversion of convertible securities, to be outstanding for the purpose of computing the percentage ownership of such individual or group, but these shares are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Percentage of ownership is based on 25,231,939 shares of Common Stock outstanding on October 15, 2012. The information as to beneficial ownership was either (y) furnished to us by or on behalf of the persons named or (z) determined based on a review of the beneficial owners’ Schedules 13D/G and Section 16 filings with respect to our Common Stock. Unless otherwise indicated, the business address of each person listed is c/o Accelr8 Technology Corporation, 7000 North Broadway, Building 3-307, Denver, Colorado 80221.

<b><u>Name of Beneficial Owner</u></b>	<b>Amount &amp; Nature of Beneficial Ownership</b>	<b>Percentage of Class</b>
Named Executive Officers and Directors:		
Lawrence Mehren (1)	28,580,000	71.8%
John Patience (2)	28,000,000	71.4%
Thomas V. Geimer (3)	442,985	1.7%
Jack Schuler (4)	28,000,000	71.4%
Matthew W. Strobeck, Ph.D. (5)	—	—
Steven Reichling	100	*
All named executive officers and directors as a group (6 persons)	29,023,085	72.5%
Other 5% stockholders:		
Abeja Ventures, LLC (“Abeja”) (6)	28,000,000	71.4%

\*Represents less than one percent (1%) of our issued and outstanding Common Stock.

Mr. Mehren is a director of the Company and is the Company's President and Chief Executive Officer. Amount includes 28,000,000 beneficially owned indirectly through Abeja and 580,000 shares issuable to him upon the (1) exercise of stock options that are vested or vest within sixty (60) days of the date hereof. Mr. Mehren has disclaimed beneficial ownership of the securities owned by Abeja except to the extent of his pecuniary interest therein.

Mr. Patience is the Chairman of the Board. Amount includes 28,000,000 beneficially owned indirectly through (2) Abeja. Mr. Patience has disclaimed beneficial ownership of the securities owned by Abeja except to the extent of his pecuniary interest therein.

Mr. Geimer is a director of the Company. Amount includes: (i) 80,000 shares that may be purchased by Mr. Geimer upon the exercise of stock options that are vested or vest within sixty (60) days of the date hereof at an exercise price equal to \$2.69 per share; (ii) 100,000 shares that may be purchased by Mr. Geimer upon the exercise (3) of stock options that are vested or vest within sixty (60) days of the date hereof at an exercise price equal to \$3.60 per share; and (iii) 25,000 shares that may be purchased by Mr. Geimer upon the exercise of stock options that are vested or vest within sixty (60) days of the date hereof at an exercise price equal to \$1.04 per share. Does not include 1,129,110 shares held in the Thomas V. Geimer Deferred Compensation Rabbi Trust of which Mr. Geimer expressly disclaims beneficial ownership.

Mr. Schuler is a director of the Company. Amount includes 28,000,000 beneficially owned indirectly through (4) Abeja. Mr. Schuler has disclaimed beneficial ownership of the securities owned by Abeja except to the extent of his pecuniary interest therein.

(5) Dr. Strobeck is a director of the Company.

Amount includes: (i) 14,000,000 shares of common stock purchased directly from the Company in a private placement transaction; (ii) a warrant to purchase 7,000,000 shares of Common Stock at an exercise price of \$1.03 (6) per share; and (iii) a warrant to purchase 7,000,000 shares at an exercise price of \$2.00 per share. Each such warrant shall be exercisable prior to June 26, 2017. Business address is 5661 N. Calle Mayapan, Tucson, Arizona 85718. Messrs. Schuler, Patience and Mehren, as the managers of Abeja, share the power to vote or direct the vote of, and share the power to dispose or direct the disposition of the shares of Common Stock.

## **Changes in Control**

There are no arrangements known to us, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of the Company.

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## **ELECTION OF DIRECTORS**

### **(Proposal No. 1)**

#### **Nominees for Directors Election at the 2012 Annual Meeting of Shareholders**

The Board has nominated Mr. Mehren, Mr. Schuler, Mr. Patience and Dr. Strobeck as directors to be elected to serve until the next annual meeting of shareholders and until their successors are duly elected and qualified. If elected, each of the directors will hold office as a director until our 2013 annual meeting of shareholders.

If you sign your proxy or voting instruction card but do not give instructions with respect to the voting of directors, your shares will be voted for the nominees recommended by our Board. If you wish to give specific instructions with respect to the voting of directors, you may do so by indicating your instructions on your proxy or voting instruction card. The Board expects that the nominees will be available to serve as directors. If any of Mr. Mehren, Mr. Schuler, Mr. Patience or Dr. Strobeck becomes unavailable, however, the proxy holders intend to vote for any nominee designated by the Board, unless the Board chooses to reduce the number of directors serving on the Board. If additional persons are nominated for election as directors, the proxy holders intend to vote all proxies received by them in such a manner as to assure the election of Mr. Mehren, Mr. Schuler, Mr. Patience and Dr. Strobeck.

#### **Vote Required and Board Recommendation**

The nominees receiving the greatest number of votes of the shares present and entitled to vote at the annual meeting will be elected as directors.

**The Board recommends that shareholders vote “FOR” the election of each of Mr. Mehren, Mr. Schuler, Mr. Patience and Dr. Strobeck as directors of the Company.**

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## **REINCORPORATION OF THE COMPANY FROM COLORADO TO DELAWARE**

### **(Proposal No. 2)**

#### Overview

On July 30, 2012, the Board unanimously adopted, declared advisable and submitted for shareholder approval a change in our state of incorporation from Colorado to Delaware (the “Reincorporation”), in compliance with the Delaware General Corporation Law (the “DGCL”) and the CBCA, subject to the approval of our shareholders and certain other conditions. The following discussion summarizes certain aspects of the Reincorporation and is qualified in its entirety by reference to the Plan of Conversion and the proposed Delaware Certificate of Incorporation (see Proposal No. 4 in this Proxy Statement), each in substantially the form attached to this Proxy Statement as Appendix A and Appendix B, respectively.

#### **Reasons for the Reincorporation**

Delaware is a nationally recognized leader in adopting and implementing comprehensive and flexible corporate laws. The Board believes that the Reincorporation will provide the Company a greater measure of flexibility in corporate governance compared to the CBCA, and will help the Company attract and retain its directors and officers, as well as enhance access to capital. The Board also believes the DGCL is generally more established, highly developed and more predictable than the CBCA, and better suited than Colorado law to protect stockholders’ interests in the event of an unsolicited takeover attempt. Delaware corporate laws are also periodically revised to be responsive to the changing legal and business needs of corporations. In addition, the specialization and experience of the Delaware Court of Chancery with corporate legal matters enables it to issue decisions more promptly and with more predictable results than courts of other states, which facilitates effective corporate decision-making. For these reasons, each of which is described more fully below, other public corporations have changed their corporate domiciles to Delaware in a manner similar to that proposed by the Company.

***Predictability, Flexibility and Responsiveness of Delaware Law.*** The DGCL is generally acknowledged to be the most advanced and flexible corporate law in the country. The Delaware General Assembly annually considers and adopts statutory amendments that the Corporation Law Section of the Delaware State Bar Association proposes in an effort to ensure that the corporate law continues to be responsive to the changing needs of businesses. Delaware’s well-established body of case law construing Delaware law has evolved over the last century and provides businesses with a greater predictability than most, if not all, other jurisdictions.

In addition, Delaware has established the Court of Chancery, which is a special court that has exclusive jurisdiction over matters relating to the DGCL. The Court of Chancery has no jurisdiction over criminal and tort cases. Corporate cases are heard by judges, without juries, who have many years of experience with corporate issues. Traditionally, this has meant that the Delaware courts are able in most cases to process corporate litigation relatively quickly and effectively, with a relatively high level of experience, sophistication and understanding. By comparison, many states, including Colorado, do not have a specialized judiciary over matters relating to corporate issues.

The Court of Chancery has developed considerable expertise in dealing with corporate legal issues and produced a substantial body of case law construing the DGCL, with multiple cases concerning areas of law not yet considered by Colorado courts. This abundance of Delaware case law serves to enhance the clarity and predictability of many areas of corporate law, which the Board believes will offer added advantages to the Company by allowing the Board and management to make corporate decisions and take corporate actions with greater assurance as to the validity and consequences of those decisions and actions.

***Enhanced Ability to Attract and Retain Directors and Officers.*** The Board believes that the Reincorporation will enhance the Company's ability to attract and retain directors and officers. The DGCL provides more certainty regarding indemnification and limitation of liability of directors and officers, which will enable the directors and officers to act in the best interest of the Company. As a result, the Board believes that the more favorable corporate environment afforded by Delaware will enable the Company to compete more effectively with other public companies, most of whom are already incorporated in Delaware, to retain the Company's current directors and officers and attract and retain new directors and officers.



***Enhanced Anti-Takeover Protection.*** While the Company is currently unaware of any hostile attempts to acquire control of the Company, it believes that Delaware law is better suited than Colorado law to protect stockholders' interests in the event of an unsolicited takeover attempt. The DGCL permits a corporation to adopt a number of measures, through amendment of the corporation's certificate of incorporation, bylaws or otherwise, designed to reduce a corporation's vulnerability to unsolicited takeover attempts. There is substantial judicial precedent in the Delaware courts as to the legal principles applicable to such defensive measures with respect to the conduct of the Board under the business judgment rule and the related enhanced scrutiny standard of judicial review with respect to unsolicited takeover attempts.

***Enhanced Access to Capital.*** The Board believes that underwriters and other securities professionals may be more willing and better able to assist in capital raising programs for corporations having the greater flexibility afforded by the DGCL. Securities professionals are also more willing to assist Delaware corporations in capital raising programs due, in part, to the fact that such professionals are more familiar and comfortable with corporations incorporated in Delaware than corporations governed by the laws of other jurisdictions, even when the corporate laws of such jurisdictions are comparable to those of Delaware. Similarly, corporations incorporated in Delaware also tend to benefit from a greater following among institutional investors for this same reason.

### **The Plan of Conversion**

The Company intends to effect the Reincorporation pursuant to the Plan of Conversion, in substantially the form attached to this Proxy Statement as Appendix A. The Plan of Conversion provides that the Company will convert into a Delaware corporation, with all of the rights, privileges, powers, properties and debts of the Company to be unaffected. Pursuant to the Plan of Conversion, the Company will effect the Reincorporation by filing a Certificate of Conversion (the "Certificate of Conversion") and the proposed Delaware Certificate of Incorporation (assuming Proposal No. 4 is approved by shareholders) with the Delaware Secretary of State and by filing a Statement of Conversion (the "Statement of Conversion") with the Colorado Secretary of State. If approved by the shareholders, the Company expects to file these documents with the Delaware Secretary of State and the Colorado Secretary of State, as applicable, as soon as possible following the Annual Meeting.

### **Adoption of Delaware Certificate of Incorporation**

At the effective time of the Reincorporation (the "Effective Time"), assuming shareholder approval of Proposal No. 4 in this Proxy Statement, we will be governed by the proposed Delaware Certificate of Incorporation attached to this Proxy Statement as Appendix B, which would become effective concurrently with the effectiveness of the Reincorporation. If and when it takes effect, the proposed Delaware Certificate of Incorporation would supersede the Company's current Articles of Incorporation (the "Colorado Articles"). For more information about the proposed Delaware Certificate of Incorporation, refer to Proposal No. 4 in this Proxy Statement.

### **Principal Features of the Reincorporation**

At the Effective Time of the Reincorporation, as provided by the Plan of Conversion:

- the Company will cease to exist under Colorado law and will exist solely as a Delaware corporation, governed by the laws of the State of Delaware;
- the proposed Delaware Certificate of Incorporation will become the Certificate of Incorporation of the Company (assuming Proposal No. 4 is approved by our shareholders); and
- all of the rights, privileges, powers, property and debts of the Company shall remain the property of the Company. The Reincorporation will not alter any percentage ownership interest in, or number of shares of Common Stock of, the Company by any securityholder of the Company.



### **Effective Time of the Reincorporation**

The Plan of Conversion and the Reincorporation are expected to become effective upon the filing of the Certificate of Conversion, the Delaware Certificate of Incorporation and the Statement of Conversion (the “Effective Time”). At the Effective Time, the Company will be deemed for all purposes of the laws of the State of Delaware and the laws of the State of Colorado to be the same entity as of immediately prior to the Reincorporation, and will be governed by the Delaware Certificate of Incorporation and the DGCL.

### **No Change in Business, Management or Board Members**

The Reincorporation will not (i) result in any change in the Company’s business, management, employees, fiscal year, assets, liabilities or federal tax identification number, (ii) cause the principal executive offices or other facilities of the Company to be moved or (iii) result in any relocation of management or other employees. The mailing address of the principal offices and the telephone number will be the same as the Company’s current address and telephone number, which is 7000 North Broadway, Building 3-307, Denver, Colorado 80221, (303) 863-8088.

The individuals serving as members of the Board immediately prior to the Reincorporation will be the members of the Board immediately following the Reincorporation. The individuals serving as executive officers of the Company as of immediately prior to the Reincorporation will continue to serve as executive officers as of immediately following the Reincorporation, without a change in their titles or responsibilities.

### **No Dissenters Rights**

Pursuant to Section 7-113-102(1.3) of the CBCA, the Company’s shareholders will not have the right to dissent and demand payment for their shares.

### **Comparison of Stockholders Rights Before and After the Reincorporation**

As a result of differences between (i) the CBCA, which will continue to govern the Company until the Reincorporation, and the DGCL, which will govern the Company upon the Reincorporation, and (ii) the Colorado Articles and the proposed Delaware Certificate of Incorporation, the Reincorporation will effect a number of changes in the rights of the Company’s shareholders. The table below sets forth a detailed comparison of the material differences between the CBCA and the DGCL. The table below is not intended to be relied upon as an exhaustive list of all differences between the CBCA and the DGCL and is qualified in its entirety by reference to the CBCA and the DGCL.

### **Summary Comparison of CBCA and DGCL**

#### ***Special Meetings of Shareholders/Stockholders***

##### *Colorado*

Under the CBCA, a special meeting of shareholders shall be held if: (i) called by the board of directors or any person authorized by the bylaws or a resolution of the board of directors to call such a meeting; or (ii) if the corporation receives one or more written demands for a special meeting, stating the purpose or purposes for which it is to be held, signed and dated by the holders of shares representing at least 10% of all of the votes entitled to be cast on any issue proposed to be

##### *Delaware*

Under the DGCL, a special meeting of stockholders may be called by the corporation’s board of directors or by such persons as may be authorized by the corporation’s certificate of incorporation or bylaws. The DGCL does not require a corporation to call a special meeting at the

considered at the special meeting

request of stockholders.

***Corporate Action without a Shareholder/Stockholder Meeting***

*Delaware*

*Colorado*

The CBCA provides that, unless the articles of incorporation require such action be taken at a shareholder meeting or expressly authorize that such action can be taken by less than unanimous written consent, any action required or permitted to be taken at a shareholder meeting may be taken without a meeting if all of the shareholders entitled to vote consent to such action in writing.

Unless otherwise provided in the certificate of incorporation, the DGCL permits corporate action without a meeting of stockholders upon the written consent of the holders of that number of shares necessary to authorize the proposed corporate action being taken.

***Amendment or Repeal of the Articles of Incorporation or the Certificate of Incorporation***

*Colorado*

*Delaware*

Under the CBCA, amendments to the articles of incorporation, other than ministerial amendments authorized by the board of directors without shareholder action, may be proposed by the board of directors or by the holders of shares representing at least 10% of all of the shares entitled to vote upon the amendment. The board of directors must recommend the amendment to the shareholders unless the amendment is proposed by the shareholders or the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment.

Under the DGCL, stockholders are not entitled to enact an amendment to the certificate of incorporation without appropriate action taken by the board of directors. Amendments to the certificate of incorporation generally require that the board of directors

adopt a resolution setting forth the amendment, declaring its advisability and submitting it to a vote of the stockholders.

***Amendment or Repeal of Bylaws***

*Delaware*

*Colorado*

Under the CBCA, shareholders may amend the corporation's bylaws. Unless otherwise specified in the corporation's articles of incorporation, directors also are permitted to amend the bylaws, other than bylaws establishing greater quorums or voting requirements for shareholders or directors, unless prohibited by the bylaws. Directors may not amend the bylaws to change the quorum or voting requirements for shareholders, and directors may amend the bylaws to change the quorum or voting requirements for directors only if such provision was originally adopted by the directors or if such provision specifies that it may be amended by the directors.

The DGCL provides that stockholders may amend the bylaws and, if provided in its certificate of incorporation, the board of directors also has this power. Under the DGCL, stockholders entitled to vote in the election of directors have the power to adopt, amend or repeal bylaws; provided, however, that any corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors.

***Number of Directors***

*Colorado*

*Delaware*

Under the CBCA, the number of directors must be specified in the corporation's bylaws.

The DGCL permits the number of directors to be specified in either a corporation's bylaws or the corporation's certificate of incorporation. If the number of directors is specified in the corporation's certificate of incorporation, a change in the number of directors may be made only by amendment of the certificate of incorporation.

***Term***

*Colorado*

The CBCA permits (but does not require) the classifications of a corporation's board of directors in the same manner as the DGCL.

*Delaware*

The DGCL permits (but does not require) classifications of a corporation's board of directors into one, two or three classes, with each class comprised of as equal a number of directors as is possible. In the event of multiple classes of directors, the DGCL provides for staggered terms of two years if there are two classes of directors or three years if there are three classes of directors.

Removal of Directors

*Colorado*

Under the CBCA, one or more directors may be removed from office by the shareholders with or without cause, unless a corporation's articles of incorporation provide that directors may be removed only for cause, and only if the number of votes cast in favor of removal exceeds the number

*Delaware*

Under the DGCL, one or more directors serving on a non-classified board may be removed, with or without cause, by the holders of a majority of the corporation's outstanding shares entitled to vote at an election of directors.



of votes cast against removal.

***Vacancies on the Board of Directors***

*Colorado*

Under the CBCA, unless otherwise provided in the articles of incorporation, any vacancy on the board of directors, including a vacancy resulting from an increase in the number of directors, may be filled by the shareholders or the board of directors, except that if the directors remaining in office constitute fewer than a quorum, the board of directors may fill the vacancy by the affirmative vote of a majority of the remaining directors.

*Delaware*

Under the DGCL, unless otherwise provided in the certificate of incorporation or bylaws, any vacancy on the board of directors, including any vacancy resulting from an increase in the number of directors, may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Under the DGCL (unless otherwise provided in the articles of incorporation or bylaws), stockholders may fill the vacancy only if (i) at the time of the filling of any vacancy or newly created directorship, the directors in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase) and (ii) the Delaware Chancery Court, upon application of stockholders holding at least 10% of a corporation's outstanding voting shares, orders an election to fill any such position.

***Cumulative Voting; Vote Required for the Election of Directors***

*Colorado*

Under the CBCA, shareholders have the right to cumulate their votes in the election of directors unless otherwise provided in the articles of incorporation. In addition, the CBCA provides that, absent a provision to the contrary in a corporation's articles of incorporation, the election of directors will be by a plurality vote of the shareholders entitled to vote.

*Delaware*

The DGCL permits cumulative voting if provided in the certificate of incorporation. In addition, the DGCL provides for the election of directors by plurality vote of the stockholders entitled to vote, unless the corporation's certificate of incorporation or bylaws provide otherwise.



***Limitation of Liability of Directors***

*Colorado*

The CBCA permits a corporation to include a provision in its articles of incorporation eliminating the liability of a director to the corporation or its shareholders for monetary damages for breach of the director's fiduciary duty in certain cases. Under the CBCA, a provision eliminating the liability of a director to the corporation or its shareholders for monetary liability for breach of the director's fiduciary duty in certain cases must be contained in the corporation's articles of incorporation. In addition, a director may not be exculpated from liability: (i) for any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) arising from transactions relating to certain unlawful distributions; or (iv) for any transaction from which the director derived an improper personal benefit.

*Delaware*

Under the DGCL, a provision eliminating the liability of a director to the corporation or its stockholders for monetary liability for breach of the director's fiduciary duty in certain cases must be contained in the corporation's certificate of incorporation. In addition, a director may not be exculpated from liability: (i) for any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) arising from transactions relating to certain unlawful distributions; or (iv) for any transaction from which the director derived an improper personal benefit.

***Indemnification of Directors and Officers***

*Colorado*

The CBCA provisions regarding indemnification rights are substantially similar to the provisions contained in the DGCL, except as noted below.

Permissive Indemnification. In addition to the limitations of the DGCL, the CBCA prohibits a corporation from indemnifying a director, officer, employee or agent of a corporation (each, an "Indemnitee") adjudged liable of receiving an improper personal benefit.

*Delaware*

Permissive Indemnification (Non-Derivative Actions). Under the DGCL, a corporation may indemnify an Indemnitee who was or is a party or is threatened to be made a party to any proceeding against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such proceeding if the Indemnitee met the specified Standard of Conduct.

The CBCA also allows a corporation to indemnify an Indemnitee who is not a director to a greater extent than

Permissive Indemnification (Derivative Actions). In the case of derivative actions, a corporation may

specified in the CBCA, if not inconsistent with public policy. However, a corporation may only indemnify a director as specified in the CBCA.

The CBCA requires a corporation to provide its shareholders with written notice of any indemnification payments or expense advancements paid to a director on or before the notice of the next shareholder's meeting after making such payments.

indemnify an Indemnitee against expenses (including attorneys' fees), but not amounts paid in settlement, judgments or fines. However, such indemnification is permitted only if the Indemnitee met the specified Standard of Conduct, except that no indemnification may be made for any claim as to which the Indemnitee is adjudged liable to the corporation unless a court determines that, in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity.

**Mandatory Indemnification.** A present or former director or officer of a corporation who is successful, on the merits or otherwise, in defense of any proceeding subject to the DGCL's indemnification provisions must be indemnified by the corporation for reasonable expenses (including attorneys' fees).

***Advancement of Expenses***

*Colorado*

Under the CBCA, a corporation may advance reasonable expenses to the Indemnitee in advance of the final disposition of a proceeding upon (i) a written affirmation of the Indemnitee's good faith belief that the Indemnitee met the specified Standard of Conduct and (ii) a written undertaking by or on behalf of the Indemnitee to repay such amount to the corporation if it is ultimately determined that the Indemnitee did not meet the specified Standard of Conduct. Under the CBCA, a corporation must make a preliminary determination based upon the then known facts that the specified Standard of Conduct has been met prior to advancing the Indemnitee expenses.

*Delaware*

A corporation may advance reasonable expenses to the Indemnitee in advance of the final disposition of a proceeding upon a written undertaking by or on behalf of the Indemnitee to repay such amount to the corporation if it is ultimately determined that the Indemnitee did not meet the specified Standard of Conduct.

***Transactions with Officers and Directors***

*Colorado*

The CBCA contains a provision regarding interested transactions between a corporation and its executives that is substantively identical to the corresponding statute contained in the DGCL, except that the applicable CBCA statute only addresses transactions between a corporation and its directors.

*Delaware*

The DGCL provides that contracts or transactions between a corporation and one or more of its officers or directors or an entity in which they have a financial interest are not void or voidable solely because of such interest or the participation of the director or officer in a meeting of the board of directors or a committee which authorizes the contract or transaction if: (i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of disinterested directors, even though the disinterested directors are less than a quorum; (ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the corporation as of the

time it is authorized, approved or ratified by the board of directors, a committee thereof or the stockholders.

*Dissenters' rights of Appraisal; Appraisal Rights*

*Colorado*

Dissenting shareholders have the right to obtain the fair value of their shares in more circumstances under the CBCA than under the DGCL. Under the CBCA, a properly dissenting shareholder is entitled to receive the appraised value of the shares owned by the shareholder when the corporation votes to: (i) sell, lease or exchange all or substantially all of its property and assets other than in the regular course of the corporation's business; (ii) merge or consolidate with another corporation; (iii) participate in a share exchange; or (iv) convert into another entity, subject to certain exceptions. Dissenters' rights under the CBCA are available to both record holders and beneficial holders.

*Delaware*

Under the DGCL, unless the certificate of incorporation of a corporation provides otherwise, appraisal rights are only available with respect to a merger or consolidation of a corporation under certain limited circumstances. No appraisal rights are provided in the case of (i) a sale, lease or exchange of all or substantially all of the corporation's assets or (ii) a share exchange. Appraisal rights under the DGCL are available to record holders only.

### ***Shareholders Rights to Examine Books and Records***

#### *Colorado*

Under the CBCA, any record or beneficial shareholder of a corporation may, upon five days' written demand, inspect certain records, including shareholder actions, minutes of shareholder meetings, communications with shareholders and recent financial statements. In addition, upon five days' written demand, any such shareholder may inspect the list of shareholders and certain other corporate records, including minutes of the meetings of the board of directors of the corporation, if the shareholder either (i) has been a shareholder for at least three months or (ii) is a holder of at least percent (5%) of all outstanding shares of any class of shares when the demand is made, provided that the demand is made in good faith for a proper purpose reasonably related to such person's interests as a shareholder.

### ***Dividends and Repurchases of Shares***

#### *Colorado*

The CBCA dispenses with the concepts of par value of shares as well as statutory definitions of capital, surplus and the like. The CBCA permits a corporation to declare and pay cash or in-kind property dividends or to repurchase shares unless, after giving effect to the transaction: (i) the corporation would not be able to pay its debts as they become due in the usual course of business; or (ii) the corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

#### *Delaware*

Under the DGCL, the inspection rights of the stockholders of a corporation are the same as under the CBCA, except: (i) there is no requirement that a stockholder has been a shareholder for at least three months or is a stockholder of at least 5% of all outstanding shares of any class of shares when the demand is made, and (ii) if a corporation refuses to permit inspection or does not reply to the demand within five business days after the demand has been made the stockholder may apply to the Court of Chancery for an order to compel such inspection.

#### *Delaware*

The concepts of par value, capital and surplus are retained under the DGCL. The DGCL permits a corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In addition, the DGCL generally provides that a corporation may redeem or repurchase its shares only if the capital of the corporation is not impaired and such redemption or repurchase would not impair the capital of the corporation.

The term “capital” means the aggregate par value of all outstanding shares of capital stock and the term “surplus” means the excess of fair value of net assets over the amount of capital.

***Franchise Tax***

*Colorado*

There is no franchise tax in Colorado.

*Delaware*

The DGCL requires corporations to pay an annual franchise tax.



**Vote Required and Board Recommendation**

In order for this Proposal No. 2 to be approved, a quorum must be present at the Annual Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Annual Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Annual Meeting, abstentions and “broker non-votes” will have no effect on the outcome of the vote.

**The Board recommends that shareholders vote “FOR” the approval of the proposal for Reincorporation from Colorado to Delaware.**

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**AMENDMENT TO ARTICLES OF INCORPORATION  
TO CHANGE OUR NAME TO “ACCELERATE DIAGNOSTICS, INC.”**

**(Proposal No. 3)**

**General**

On July 30, 2012, the Board unanimously adopted, declared advisable and submitted for shareholder approval an amendment to our Articles of Incorporation, as amended to date (the “Articles of Incorporation”) to change our name from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.”

Under the CBCA, our shareholders are not entitled to dissent and obtain payment of the fair value of their shares in connection with this proposed amendment to the Articles of Incorporation to change our name.

**Purpose and Rationale for the Name Change**

The Board believes that the new name, “Accelerate Diagnostics, Inc.”, will more accurately reflect our current business activities and create a consistent and effective message to the market. The new name reflects the Company’s transition to a medical diagnostics company.

**The Amendment**

The full text of Article I of the Articles of Incorporation, as proposed to be amended, will read as follows:

**Article I**

**Name**

The name of the Corporation is “Accelerate Diagnostics, Inc.”

If the proposal to amend the Articles of Incorporation to change our name to “Accelerate Diagnostics, Inc.” is approved by our shareholders at the Annual Meeting, an amendment to the Articles of Incorporation will be filed with the Secretary of State of the State of Colorado to effect the name change as soon as practicable after the Annual Meeting.

**Relationship to Proposal No. 2 (Reincorporation to Delaware)**

At the Annual Meeting, you will be voting on Proposal No. 2, a proposal to reincorporate the Company in Delaware. If each of Proposal No. 2 and Proposal No. 4 is adopted, the surviving Delaware corporation will be governed by the proposed Delaware Certificate of Incorporation attached to this Proxy Statement as Appendix B, which will provide that the Company’s name will be “Accelerate Diagnostics, Inc.” If Proposal No. 2 is not adopted, but this Proposal No. 3 is adopted, the Company will remain as a Colorado corporation but its name will be changed to “Accelerate Diagnostics, Inc.” We are seeking shareholder approval to change the Company’s name independent of Proposal No. 2 so that if Proposal No. 2 is not approved but this proposal is approved, we will nonetheless have the requisite shareholder approval to change the Company name.

**Vote Required and Board Recommendation**

In order for this Proposal No. 3 to be approved, a quorum must be present at the Annual Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Annual Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Annual Meeting, abstentions

and “broker non-votes” will have no effect on the outcome of the vote.

**The Board recommends that shareholders vote “FOR” the approval of the proposal to amend the Articles of Incorporation to change our name to “Accelerate Diagnostics, Inc.”**

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## **APPROVAL OF NEW CERTIFICATE OF INCORPORATION (DELAWARE)**

### **(Proposal No. 4)**

#### **General**

On October 31, 2012, the Board unanimously adopted, declared advisable and submitted for shareholder approval a proposed Delaware Certificate of Incorporation of the Company (the “Proposed Delaware Charter”). This Proposal No. 4 describes certain aspects of the Proposed Delaware Charter, including provisions thereof that differ from substantive provisions of the existing Colorado Articles. The discussion set forth below is qualified in its entirety by reference to the Proposed Delaware Charter, which is attached to this Proxy Statement as Appendix B.

Under the CBCA, our shareholders are not entitled to dissent and obtain payment of the fair value of their shares in connection with the Proposed Delaware Charter.

#### **Purpose and Rationale for the Proposed Delaware Charter**

In connection with the Reincorporation described in Proposal No. 2 above (assuming such proposal is approved by shareholders and the Company proceeds with the Reincorporation), the Company will be required to file a Certificate of Incorporation with the Delaware Secretary of State pursuant to Section 265 of the DGCL. Such Certificate of Incorporation will set forth certain rights of the Company’s shareholders and directors on a going forward basis. The Board has determined that it would be advisable and in the best interests of the Company and its shareholders to approve the Proposed Delaware Charter to, among other things, modify certain provisions of the Colorado Articles to (i) conform to applicable requirements or provisions of Delaware law, (ii) clarify the limitations of personal liability and indemnification rights applicable or available to members of the Board, and (iii) implement other corporate governance best practices. Notwithstanding the foregoing, the Board does not believe that the Proposed Delaware Charter will expand or otherwise alter the Company’s anti-takeover protections in any material respect.

#### **The Proposed Delaware Charter; Comparisons to Colorado Articles**

In addition to customary provisions required by applicable sections of the DGCL, the Proposed Delaware Charter provides for the following:

***Name of Company.*** Pursuant to the Proposed Delaware Charter, the Company’s name would be changed from “Accelr8 Technology Corporation” to “Accelerate Diagnostics, Inc.” For more information, refer to Proposal No. 3 in this Proxy Statement.

***Registered Office.*** Historically, the Company’s outside legal counsel has served as its registered statutory agent in the State of Colorado. Among other things, the registered statutory agent is designated for purposes of accepting legal service of process on behalf of the Company. In connection with the Reincorporation, the Company intends to name The Corporation Trust Company as its registered statutory agent in the State of Delaware (and in any other state(s) in which the Company is formally registered to conduct business as a foreign corporation). The Corporation Trust Company is a professional firm that serves as the registered statutory agent for many public companies incorporated in the State of Delaware.

***Purposes.*** The Proposed Delaware Charter provides that the purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the DGCL. The existing Colorado Articles describe the Company’s business purposes in more detail, but such detail is not required to be included under Delaware law and has been excluded from the Proposed Delaware Charter to avoid any unnecessary limitations on the business that the Company may decide to conduct in the future.



**Capital Stock.** The Proposed Delaware Charter provides that the Company would be authorized to issue up to 45,000,000 shares of common stock, par value \$0.001 per share, and 5,000,000 shares of “blank check” preferred stock, par value \$0.001 per share. Pursuant to the existing Colorado Articles, the Company is authorized to issue 45,000,000 shares of common stock, no par value per share, and it is not authorized to issue preferred stock. The change in par value of the Company’s common stock was driven by Delaware franchise tax implications and will require a routine adjustment to the Company’s balance sheet. For future financing and strategic purposes, the Board believes it is advisable and in the best interests of the Company and its shareholders to authorize the Board to issue up to 5,000,000 shares of preferred stock, with such designations, rights and preferences as the Board may establish in the future. If and when any such shares of preferred stock are designated by the Board, sold and issued, the ownership of existing shareholders of the Company would be diluted. Any such issuances would be subject, however, to applicable securities laws and regulations, as well as applicable listing rules of the NYSE Amex Stock Market (or such other market on which the Company’s securities are listed in the future at the applicable time).

**Bylaws.** Pursuant to the Proposed Delaware Charter, the Board would be expressly authorized to make, alter and repeal the Company’s bylaws, subject to the power of the Company’s shareholders to adopt, alter or repeal any bylaw of the Company (whether adopted by the shareholders or otherwise) to the extent required by the DGCL. Such provisions are substantively similar to the corresponding provisions of the existing Colorado Articles.

**Limitation on Liability; Indemnification.** Pursuant to the Proposed Delaware Charter, to the fullest extent permitted by applicable law, the directors of the Company would not be liable to our shareholders for monetary damages resulting from breaches of their fiduciary duties as directors. The Company’s directors and officers would also have broad rights to indemnification and the advancement of expenses in connection with proceedings brought against them in their official capacities as directors and/or officers of the Company. The Board believes such provisions are customary and necessary for the Company to attract qualified directors and officers. In addition, such provisions are substantively similar to the corresponding provisions of the existing Colorado Articles.

## **Relationship to Proposal No. 2 (Reincorporation to Delaware)**

At the Annual Meeting, you will be voting on Proposal No. 2, a proposal to reincorporate the Company in Delaware. If Proposal No. 2 is adopted and this Proposal No. 4 is also adopted, the surviving Delaware corporation will be governed by the Proposed Delaware Charter. If Proposal No. 2 is not adopted, but this Proposal No. 4 is adopted, the Company will remain as a Colorado corporation (but its name will be changed to “Accelerate Diagnostics, Inc.”), and the existing Colorado Articles will continue to be the Company’s Articles of Incorporation. If Proposal No. 2 is adopted, but this Proposal No. 4 is not adopted, the Company will file a Delaware Certificate of Incorporation with the Plan of Conversion that is substantively identical to the existing Colorado Articles in lieu of filing the Proposed Delaware Charter.

## **Vote Required and Board Recommendation**

In order for this Proposal No. 4 to be approved, a quorum must be present at the Annual Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Annual Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Annual Meeting, abstentions and “broker non-votes” will have no effect on the outcome of the vote.

**The Board recommends that shareholders vote “FOR” the approval of the Proposed Delaware Charter.**

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## APPROVAL OF

### ACCEL8 TECHNOLOGY CORPORATION 2012 OMNIBUS EQUITY INCENTIVE PLAN

#### (Proposal No. 5)

#### General

Subject to shareholder approval, on October 31, 2012 (the “Effective Date”), the Board adopted the Accelr8 Technology Corporation 2012 Omnibus Equity Incentive Plan (the “2012 Plan”). The Board believes that the 2012 Plan will promote the success and enhance the value of the Company by linking the personal interests of the participants to those of the Company’s shareholders through the grant of equity awards.

The 2012 Plan is designed to supersede and replace the Company’s 2004 Omnibus Stock Option Plan (the “2004 Plan”) and all other prior equity compensation plans or programs maintained by the Company (collectively the “Prior Plans”), provided that the Prior Plans shall remain in effect until all awards granted pursuant to the Prior Plans have been exercised, forfeited, canceled, expired or otherwise terminated in accordance with the terms of such awards. No future awards will be granted under any Prior Plan after the Effective Date and any awards granted under the 2012 Plan prior to shareholder approval shall be expressly conditioned upon shareholder approval.

The 2012 Plan provides for the grant of nonqualified stock options, incentive stock options, stock appreciation rights (“SARs”), restricted stock, restricted stock units, stock grants, stock units, performance units, performance shares and performance cash awards. The 2012 Plan also allows the Committee (as defined below under “Administration”) to qualify certain awards (“Performance-Based Compensation Awards”) for the “performance-based compensation” exception to the \$1,000,000 limitation on the deduction of compensation imposed by Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

Set forth below is a summary of the principal provisions of the 2012 Plan. The summary is qualified by reference to the full text of the 2012 Plan, which is attached to this proxy statement as Appendix C.

#### Summary of Plan Features

**Purpose.** The Board believes that the 2012 Plan will promote the success and enhance the value of the Company by aligning the interests of participants in the Plan with those of the Company’s shareholders and by providing those individuals with an incentive for outstanding performance to generate significant returns for the Company’s shareholders. The Board also believes that the flexible terms and conditions of the 2012 Plan, which permit the grant of various forms of equity awards with a variety of terms and conditions, allow the Company to attract, retain and motivate individuals upon whose judgment, interest and effort the successful conduct of the Company’s operation is largely dependent.

**Administration.** The 2012 Plan will be administered by a Committee (the “Committee”) consisting of at least two (2) individuals, each of whom qualifies as: (i) an “independent director” as defined in the NYSE Listing Standards; (ii) a “non-employee director” as defined in Rule 16b-3(b)(3) of the General Rules an