

Pendrell Corp  
Form PRE 14A  
October 04, 2012  
[Table of Contents](#)

**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 § 240.14a-12

**Pendrell Corporation**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
Title of each class of securities to which transaction applies:

Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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Amount Previously Paid:

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Filing Party:

Date Filed:

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On November 14, 2012**

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders (the Annual Meeting ) of Pendrell Corporation, a Delaware corporation (the Company or Pendrell ). The meeting will be held on Wednesday, November 14, 2012, at 10:00 a.m. local time at The Woodmark Hotel, 1200 Carillon Point, Kirkland, WA 98033. At the meeting, stockholders will be asked to:

1. elect eight (8) directors,
2. participate in an advisory vote to approve named executive officer compensation,
3. approve the reincorporation of the Company from Delaware to Washington,
4. approve the Pendrell Corporation 2012 Equity Incentive Plan,
5. ratify the selection of the Company s independent registered public accounting firm, and
6. conduct any other business properly brought before the meeting.

These items of business are more fully described in the proxy statement that accompanies this notice (this Notice ).

The record date for the Annual Meeting is September 20, 2012. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

/s/ Robert S. Jaffe

Robert S. Jaffe

Corporate Secretary

Kirkland, Washington

, 2012

**Important Notice Regarding Availability of Proxy Materials for the Stockholder Meeting to Be Held on November 14, 2012. You may access an electronic, searchable copy of the proxy statement and the Annual Report to Stockholders for the year ended December 31, 2011 at: [www.RRDEZProxy.com/2012/Pendrell](http://www.RRDEZProxy.com/2012/Pendrell).**

**Table of Contents**

**TABLE OF CONTENTS**

<b><u>QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING</u></b>	1
<b><u>VOTING SECURITIES AND PRINCIPAL HOLDERS</u></b>	6
<b><u>PROPOSAL 1 ELECTION OF DIRECTORS</u></b>	9
<b><u>DIRECTOR COMPENSATION</u></b>	14
<b><u>CORPORATE GOVERNANCE</u></b>	17
<b><u>PROPOSAL 2 APPROVAL OF AN ADVISORY (NON-BINDING) RESOLUTION ON EXECUTIVE COMPENSATION</u></b>	21
<b><u>EXECUTIVE OFFICERS</u></b>	22
<b><u>EXECUTIVE COMPENSATION</u></b>	23
<b><u>PROPOSAL 3 APPROVAL OF THE REINCORPORATION OF THE COMPANY FROM DELAWARE TO WASHINGTON</u></b>	41
<b><u>PROPOSAL 4 APPROVAL OF THE PENDRELL CORPORATION 2012 EQUITY INCENTIVE PLAN</u></b>	58
<b><u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</u></b>	65
<b><u>PROPOSAL 5 RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	66
<b><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u></b>	68
<b><u>OTHER BUSINESS</u></b>	71

**Table of Contents**

**PENDRELL CORPORATION**

**2300 Carillon Point**

**Kirkland, Washington 98033**

**PROXY STATEMENT**

**FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS**

**NOVEMBER 14, 2012**

**QUESTIONS & ANSWERS ABOUT THE ANNUAL MEETING & VOTING**

This proxy statement contains information about the 2012 Annual Meeting of Stockholders of Pendrell Corporation (the Annual Meeting ) to be held at The Woodmark Hotel, 1200 Carillon Point, Kirkland, Washington 98033 on Wednesday, November 14, 2012, commencing at 10:00 a.m. local time.

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Pendrell Corporation (which is also referred to as Pendrell, the Company, we, us or our in this proxy statement), for use at the Annual Meeting and any adjournment of that meeting.

These proxy solicitation materials and Pendrell's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 are being mailed to all stockholders entitled to vote at the Annual Meeting on or about , 2012.

**Who can vote at the Annual Meeting?**

Only stockholders of record at the close of business on September 20, 2012 (the Record Date ) will be entitled to notice of and to vote at the Annual Meeting. On the Record Date, there were 206,882,958 shares of Class A common stock outstanding and entitled to vote (one vote per share) and 53,660,000 shares of Class B common stock outstanding and entitled to vote (ten votes per share).

***Stockholders of Record: Shares Registered in Your Name***

If on the Record Date your shares were registered directly in your name with Pendrell's transfer agent, Computershare Shareowner Services LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy.

***Beneficial Owner: Shares Registered in the Name of a Broker or Bank***

If on the Record Date your shares were held not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization (your Broker ), then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your Broker. As a beneficial owner, you have the right to direct your Broker regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your Broker.

**What am I voting on?**

There are five proposals scheduled for a vote:

A proposal to elect eight directors;

A proposal to approve named executive officer compensation on an advisory basis;

A proposal to approve the reincorporation of the Company from Delaware to Washington;

-1-

## **Table of Contents**

A proposal to approve the Pendrell Corporation 2012 Equity Incentive Plan; and

A proposal to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal 2012.

### **How do I vote?**

#### ***Stockholder of Record: Shares Registered in Your Name***

If you are a stockholder of record, you may vote (i) in person at the Annual Meeting, (ii) by proxy using the enclosed proxy card, (iii) by proxy over the telephone, or (iv) by proxy on the Internet. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting to revoke your proxy and vote in person even if you previously voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote using the proxy card, complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote over the telephone, dial toll-free 1-866-540-5760 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from your enclosed proxy card. Your vote must be received by 11:59 PM Eastern Time on November 13, 2012, the day prior to the Annual Meeting, to be counted.

To vote on the Internet, go to <http://www.proxyvoting.com/pendrell> to complete an electronic proxy card. You will be asked to provide the company number and control number from your enclosed proxy card. Your vote must be received by 11:59 PM Eastern Time on November 13, 2012, the day prior to the Annual Meeting, to be counted.

#### ***Beneficial Owner: Shares Registered in the Name of Broker***

If you are a beneficial owner of shares registered in the name of your Broker, you received these proxy materials from your Broker rather than from Pendrell. To vote by proxy, you must complete and return to your Broker the voting instruction form, as directed by your Broker, to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your Broker. To vote in person at the Annual Meeting, you must obtain a valid proxy from your Broker. You may contact your Broker to request a proxy form.

### **How many votes do I have?**

On each proposal to be voted upon, you will have one vote for each share of Class A common stock you own as of the Record Date and ten votes for each share of Class B common stock you own as of the Record Date.

### **What are Broker non-votes ?**

A broker non-vote generally occurs when a broker, who holds shares for the account of a customer with beneficial ownership of the shares, has not received voting instructions from such customer. If your shares are held by your Broker as your nominee (that is, in street name) and you do not provide instructions to your Broker, your Broker can vote your shares with respect to the ratification of the Company's independent registered public accounting firm, which is a discretionary item, but not with respect to any of the other four proposals presented at the Annual Meeting, all of which are non-discretionary items.

### **Who is paying for this proxy solicitation?**

The Company will pay for the entire cost of soliciting proxies. Our directors, officers and employees may solicit proxies, either personally or by telephone, facsimile or written or electronic mail, but will not be paid any additional compensation for soliciting proxies. The Company also



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reimburses Brokers for the cost of forwarding proxy materials to beneficial owners.

-2-

## **Table of Contents**

### **What does it mean if I receive more than one Notice?**

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please sign and return all proxy cards or voting instruction forms you receive to ensure that all of the shares you hold are voted.

### **Can I change my vote after submitting my proxy?**

Yes. You can revoke your proxy at any time before the vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a timely written notice that you are revoking your proxy to the Company's Corporate Secretary at 2300 Carillon Point, Kirkland, Washington 98033.

You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. If your shares are held by your Broker, you must follow the instructions provided by your Broker in order to revoke your proxy.

### **How are votes counted?**

Votes will be counted by the inspector of election appointed for the meeting, who will separately count votes as follows: (i) For and Withhold with respect to the election of directors; (ii) For, Against, and Abstain with respect to the advisory (non-binding) resolution on executive compensation; (iii) For, Against, and Abstain with respect to the proposal to approve the reincorporation of the Company from Delaware to Washington; (iv) For, Against, and Abstain with respect to the proposal to approve the Pendrell Corporation 2012 Equity Incentive Plan; and (iv) For, Against, and Abstain with respect to the ratification of the Company's independent registered public accounting firm. Abstentions will be counted towards the vote total for each proposal and will have the same effect as Against votes. Broker non-votes will have the effect of a vote Against the proposal to approve the reincorporation of the Company from Delaware to Washington, but will have no effect and will not be counted towards the vote total for any other proposal. Withholds have no effect and will not be counted toward the vote total for any proposal.

### **What if I return a proxy card but do not make specific choices?**

If you are a stockholder of record and you return a signed and dated proxy card without marking any voting selections, your shares will be voted **For** the election of all eight nominees for director, **For** the advisory (non-binding) resolution on executive compensation, **For** the approval of the reincorporation of the Company from Delaware to Washington, **For** the approval of the Pendrell Corporation 2012 Equity Incentive Plan, and **For** the ratification of the selection of our independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

**Table of Contents****How many votes are needed to approve each proposal?**

Assuming that a quorum is present at the meeting, the following votes are required under our governing documents and Delaware state law to approve each proposal:

<b>Proposal</b>	<b>Vote Required</b>	<b>Effect of Abstentions, Withheld Votes and Broker Non-Votes on Vote Required</b>
Proposal 1 Election of directors	Plurality, or the largest number, of the votes cast	Withheld votes and Broker non-votes will have no effect on the election of directors; only votes cast for a director will affect the outcome of the vote for the election of directors.
Proposal 2 Advisory vote to approve named executive officer compensation*	Approval of the majority of votes cast	Abstentions will have the effect of a vote against the proposal. Any Broker non-votes will be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.
Proposal 3 Approval of the reincorporation of the Company from Delaware to Washington	Approval of the majority of shares entitled to vote	Abstentions and Broker non-votes will have the effect of a vote against the proposal.
Proposal 4 Approval of the 2012 Equity Incentive Plan	Approval of the majority of votes cast	Abstentions will have the effect of a vote against the proposal. Any Broker non-votes will be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.
Proposal 5 Ratification of selection of our independent registered public accounting firm	Approval of the majority of votes cast	Abstentions will have the effect of a vote against the proposal. If your Broker holds shares in your name, the Broker, in the absence of voting instructions from you, is entitled to vote your shares on this proposal.

\* This vote is advisory and not binding on the Company, the Company's Board of Directors (the Board) or the Compensation Committee of the Board (the Compensation Committee). However, the Board and the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding the compensation of our named executive officers (who are identified in the Summary Compensation table below).

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding shares representing a majority of the combined voting power of the outstanding Class A common stock and Class B common stock are present at the meeting in person or represented by proxy. On the Record Date,

## **Table of Contents**

there were 206,882,958 shares of Class A common stock (one vote per share) outstanding and 53,660,000 shares of Class B common stock (ten votes per share) outstanding, representing an aggregate of 743,482,958 potential votes, thereby requiring holders of shares representing 371,741,480 votes to be present in person or by proxy to have a quorum. Abstentions and broker non-votes are considered as shares present at the Annual Meeting for the purpose of determining a quorum.

If there is no quorum, the Chairman of the meeting may adjourn the meeting to another date or time.

## **Householding**

The SEC has adopted rules that permit companies and intermediaries (*e.g.*, Brokers) to satisfy the delivery requirements for the annual report to stockholders and proxy statement with respect to two or more stockholders sharing the same address by delivering a single annual report to stockholders and proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of Brokers with account holders who are Pendrell's stockholders will be householding our proxy materials. A single annual report to stockholders and proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your Broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate annual report to stockholders and proxy statement, please notify your Broker. Upon written or oral request, we will promptly deliver a separate copy of the annual report to stockholders and proxy statement to a stockholder at a shared address to which a single copy of the documents was delivered. Direct your written request to Pendrell Corporation, 2300 Carillon Point, Kirkland, Washington 98033, Attn: Corporate Secretary. Stockholders who currently receive multiple copies of the proxy statement at their addresses and would like to request householding of their communications should contact their Brokers.

## **How can I find out the results of the voting at the Annual Meeting?**

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K to be filed with the U.S. Securities and Exchange Commission ( SEC ) within four business days after the conclusion of the meeting, or any postponement or adjournment of the meeting.

**Table of Contents****VOTING SECURITIES AND PRINCIPAL HOLDERS****Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth certain information, as of September 20, 2012, as to shares of common stock beneficially owned by: (i) each person who is known by us to own beneficially more than five percent of either our Class A common stock or Class B common stock, (ii) each of our directors, (iii) each of our 2011 named executive officers and (iv) all of our directors and executive officers as a group. The information provided in the table is based on our records, information filed with the SEC and information furnished by the respective individuals or entities, as the case may be.

Applicable percentage ownership is based on 206,882,958 shares of Class A common stock and 53,660,000 shares of Class B common stock outstanding at September 20, 2012.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock that a person has the right to acquire within 60 days of September 20, 2012. See footnote 7 for a description of these rights. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Name and Address of Beneficial Owner(2)	Class A Common Stock		Class B Common Stock		% Total Voting Power(3)
	Number of Shares Beneficially Owned(7)	Percent of Class	Number of Shares Beneficially Owned	Percent of Class	
<b>5% Stockholders</b>					
Eagle River Satellite Holdings, LLC and affiliates(4)	43,968,412	20.9%	44,360,000	82.7%	65.3%
James D. Dondero, Highland Capital Management, L.P., and affiliates(5)	52,679,362	25.5%			7.1%
Mente, L.L.C.(6)	1,912,080	*	9,300,000	17.3%	12.8%
<b>Named Executive Officers</b>					
Benjamin G. Wolff	3,670,454	1.8%			*
Thomas J. Neary	187,500	*			*
Timothy P. Leybold					*
R. Gerard Salemmé	2,099,875	1.0%			*
Joseph K. Siino	2,074,666	1.0%			*
Timothy M. Dozois	202,500	*			*
<b>Directors (other than Mr. Wolff and Mr. Salemmé indicated above)</b>					
Richard P. Emerson	178,675	*			*
Richard P. Fox	211,027	*			*
Nicolas Kauser	179,690	*			*
Craig O. McCaw(8)	44,336,821	21.1%	44,360,000	82.7%	65.3%
Stuart M. Sloan	170,530	*			*
H. Brian Thompson	386,867	*			*
All directors and executive officers as a group (11 persons)	53,496,105	25.0%	44,360,000	82.7%	66.2%

\* Less than one percent of the outstanding Class A or Class B common stock, respectively.

- (1) We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named have sole voting and investment power with respect to all shares of common stock that they

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**Table of Contents**

beneficially own. Holders of restricted shares have sole voting power, irrespective of whether the restricted shares have vested. See the Outstanding Equity Awards at 2011 Fiscal Year-End table for information on outstanding restricted stock awards that remain subject to vesting and forfeiture restrictions.

- (2) Unless otherwise indicated, the address of each beneficial owner indicated is c/o Pendrell Corporation, 2300 Carillon Point, Kirkland, Washington 98033.
- (3) Percentage total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. Each holder of Class B common stock is entitled to ten votes per share of Class B common stock and each holder of Class A common stock is entitled to one vote per share of Class A common stock on all matters submitted to our stockholders for a vote. The Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by law. The Class B common stock is convertible at any time by the holder into shares of Class A common stock on a share-for-share basis.
- (4) Includes the 20,696,037 shares of Class A common stock beneficially owned by Eagle River Satellite Holdings, LLC; 2,339,724 shares of Class A common stock held by Eagle River, Inc.; 17,932,651 shares of Class A common stock held by Eagle River Partners, LLC; and 3,000,000 shares of Class A common stock that may be acquired upon exercise of a warrant, as described in footnote 7 below. Mr. McCaw is the sole manager and beneficial member of Eagle River Investments, LLC, which is the controlling member of Eagle River Satellite Holdings, LLC, the controlling shareholder of Eagle River, Inc. and the manager and voting member of Eagle River Partners, LLC. The address for Eagle River is 3000 Carillon Point, Kirkland, Washington 98033.
- (5) Information based on Schedule 13D/A filed with the SEC on September 1, 2010 by Highland Capital Management, L.P. ( Highland Capital ) and Forms 4 filed with the SEC by Highland Capital prior to September 20, 2012 and by James Dondero on March 22, 2010. Includes shares of Class A common stock beneficially owned and/or held by or for the account of James D. Dondero, (including through family trusts), Highland Capital, and Strand Advisors, Inc. Highland Capital serves as an investment adviser to, and manages investment and trading accounts of, other persons and may be deemed, through investment advisory contracts or otherwise, to beneficially own securities owned by other persons. Strand Advisors is the general partner of Highland Capital and may be deemed to beneficially own securities owned by Highland Capital. Mr. Dondero is the President and a director of Strand Advisors and may be deemed to beneficially own securities owned by Strand Advisors. Mr. Dondero, Highland Capital and Strand Advisors disclaim beneficial ownership of the securities covered on the Schedule 13D/A filed with the SEC on September 1, 2010, except to the extent of any pecuniary interest therein. The address of Mr. Dondero and Highland is Two Galleria Tower, 13455 Noel Road, Suite 800, Dallas, Texas 75240.
- (6) Based on its Schedule 13G/A filed with the SEC on February 14, 2011, wherein Mente, L.L.C. reported all common stock held may be deemed to be beneficially owned by William H. Gates, III as the sole member of Mente, L.L.C. The address of Mente, L.L.C. is 2365 Carillon Point, Kirkland, Washington 98033.

**Table of Contents**

- (7) The number of shares of Class A common stock beneficially owned by our named executive officers and directors includes (i) shares issuable upon the exercise of outstanding options held by such individuals that are exercisable within 60 days of September 20, 2012, and (ii) shares issuable to certain directors as compensation for services in the third quarter of 2012, as set forth in the table below. Grants of restricted stock that are conditioned upon stockholder approval of the Pendrell Corporation 2012 Equity Incentive Plan are not included.

Name	Options Exercisable	Shares Issuable as Director Compensation
Mr. Wolff	1,335,500	
Mr. Neary	37,500	
Mr. Salemme	1,070,000	
Mr. Siino	354,166	
Mr. Dozois	52,500	
Mr. McCaw	277,500	
Mr. Kauser	172,500	7,190
Mr. Thompson	357,500	8,628
Mr. Emerson	135,000	12,831
Mr. Fox	172,500	17,256
Mr. Sloan	122,500	14,601
All directors and executive officers as a group	4,034,166	60,506

The number of shares beneficially owned by Eagle River Investments, LLC includes 3,000,000 shares of Class A common stock that it may acquire upon exercise of a warrant at an exercise price of \$0.01 per share, which expires on December 12, 2012.

- (8) Includes (i) 90,909 shares of Class A common stock held directly by Mr. McCaw and (ii) 43,968,412 shares of Class A common stock and 44,360,000 shares of Class B common stock beneficially owned by Eagle River Satellite Holdings, LLC and its affiliates. See footnote 4 above. Mr. McCaw is the sole manager and beneficial member of Eagle River Investments, LLC, which is the controlling member of Eagle River Satellite Holdings, LLC, the controlling shareholder of Eagle River, Inc. and the manager and voting member of Eagle River Partners, LLC.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors and ten percent stockholders to file reports of ownership and changes in ownership with the SEC. The same persons are required to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of such forms furnished to us during the most recent fiscal year, we believe that all of our executive officers, directors and ten percent stockholders complied with the applicable filing requirements.

**Table of Contents**

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Nominees**

Our Board proposes the election of eight directors of the Company, each to serve until the next annual meeting of stockholders or until his successor is duly elected and qualified. All nominees have been recommended by our Nominating and Governance Committee for nomination by our Board of Directors as candidates for election as directors at the Annual Meeting, and all are currently serving as directors of the Company. All nominees were elected by the stockholders at the 2011 annual meeting of stockholders.

Each person nominated for election as a director has agreed to serve if elected, and management has no reason to believe that any nominee will be unavailable to serve. However, if any nominee is unable or declines to serve as director at the time of the Annual Meeting, proxies will be voted for any nominee designated by the Board to fill the vacancy. Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR the nominees named below.

**Information Regarding the Nominees**

The name and certain background information regarding each of our directors, as of the Record Date, are set forth below. There are no family relationships among directors or executive officers of Pendrell. In addition to the information presented below regarding each director's specific experience, qualifications, attributes and skills that led the Board of Directors to conclude that he is qualified to serve as a director of the Company, each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment to Pendrell and our Board of Directors as demonstrated by his past service.

<b>Name</b>	<b>Age</b>	<b>Position Held with the Company</b>
Richard P. Emerson	50	