

REED'S, INC.  
Form DEF 14A  
November 09, 2015

**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  [X]

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Check the appropriate box:

[ ] Preliminary Proxy Statement  [ ] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive additional materials

[ ] Soliciting material Pursuant to Rule 14a-11(c) or Rule 14a-12

**REED'S, INC.**

(Name of Registrant as Specified in Its Charter)

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.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

**REED'S, Inc.**

13000 South Spring Street, Los Angeles, California 90061

Phone: (310) 217-9400 Fax: (310) 217-9411

[www.reedsinc.com](http://www.reedsinc.com)

November 3, 2015

To Our Shareholders:

This year has seen a metamorphosis of the top management of the company. In March, we brought on Mark Beaton, formerly a VP of Operations at Dr. Pepper, to be our new COO. In May, we added our new CFO, Dan Miles. His experience includes top Pepsi and Coors finance positions. Sales of our core brands dominate the year's results with Reed's Extra Ginger Brew, growing at +36%, leading the charge. We attribute the accelerated growth to our TV commercials in the 3<sup>rd</sup> quarter of 2014 and the increased interest nationwide in the Moscow Mule drink. During 2015, Reed's entered into a marketing partnership with Pernod-Ricard (Absolut Vodka) to develop co-branding packages, advertising, distribution and promotions to launch into retail channels across the United States. We have entered new channels of distribution/markets by exhibiting for the first time at a number of national trade shows including the nightclub and bar industry, the national restaurant trade show and the fancy food industry. This year will be our second year at the national trade show for the convenience store industry. The reception of our products in these new marketplaces is evidence that the more mainstream part of the beverage industry is now ready for our natural beverages. The marketplace continues to evolve towards more natural and innovative beverage options. This year's underlying infrastructure improvements, including new management and operating personnel, will ultimately improve our ability to capture the significant upside potential of our brands. The effects of these improvements are starting to be felt even now.

This year we have scrambled to fill orders. We knew at the beginning of the year that we needed additional production if we were going to keep up with the incredible demand for our brands. Two new facilities are now online and helping us to catch up. It will be another month or two before we stabilize production at the new facilities at which time we will emerge with a robust supply chain well equipped to meet the rapid growth we continue to encounter. While it was painful to miss opportunities for sales, our demand continues to remain explosive. We have chosen to delay our West Coast Facility upgrade in Los Angeles and focus our immediate efforts on increased East Coast production. The new equipment upgrade to our West Coast Plant is scheduled for an early 2016 completion date.

In 2015, we were invited by a large fast casual dining restaurant chain to help them develop a natural and creative soda fountain product for their customers. Most of the soft drinks in America are sold through soda fountains. After

considerable research and development, we have created fountain versions of our popular beverages. Most importantly, we created the first fountain-ready sodas that are preservative-free and all natural. All fountain soda products currently in the market use preservatives or other chemicals. Our preservative-free products will provide us a considerable advantage in a marketplace that is increasingly demanding cleaner, more natural products. A number of the larger fast, casual restaurant chains, such as Panera Bread and Chipotle, have gone public with full media coverage touting their initiatives to clean up their ingredients. We have been working with fountain equipment manufacturers to help support this effort and are bidding soda fountain projects at large national chains. This is a significant opportunity. It is this opportunity for expansion and increased revenues, as well as the accelerated growth of our core brands, that drove me to hire our new COO and CFO.

Sales for the second quarter were up 9% over the prior year's second quarter. We had orders for an additional \$2 million during the second quarter that could not be filled because we did not have sufficient production. Our demand was strong enough that we could have had 26% growth for the second quarter. We are extremely positive about the organic growth and increased demand for our Reed's and Virgil's brands. We continue to remain focused on closing retail distribution voids and at the same time developing a contiguous DSD network to service the entire US. Our past distribution efforts have concentrated primarily in the grocery industry, including natural and conventional supermarkets. This year we have started our expansion into restaurants, bars, and convenience stores. The stronghold traditionally held by the 'big soda giants' is witnessing an erosion weakening the strength of their core mainstream, carbonated soft drinks over the last decade. Reed's Inc. is experiencing the opposite trend.

We look forward to continued growth into 2016 through efficient production, expanding distribution, increased brand demand and sales execution and the launch of the world's first natural fountain sodas into retail.

Chris Reed CEO,

Founder Reed's, Inc.

NYSE MKT: REED

**REED'S, INC.**

13000 South Spring Street

Los Angeles, California 90061

**NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS**

**To be held December 21, 2015**

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders at the corporate offices of Reed's, Inc., located at 13000 South Spring Street, Los Angeles, California 90061 on Monday, December 21, 2015, at 12:00 p.m. (noon) Pacific Standard Time. The business of the annual meeting will be to:

Elect Christopher J. Reed, Judy Holloway Reed, Mark Harris, Daniel S.J. Muffoletto and Michael Fischman to serve as directors until the 2016 annual meeting, or until each director's successor is elected and qualified;

Ratify the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015;

Ratify the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016;

Ratify the 2015 Incentive and Non-statutory Stock Option Plan;

Consider a shareholder proposal entitled "Proxy Access for Shareholders", which proposal is opposed by the Board of Directors, if such proposal is properly introduced at the meeting; and

To transact such other business as may properly come before the 2015 Annual Meeting and any adjournments or postponements thereof.

A Proxy Statement and a proxy card are enclosed with this notice. The Proxy Statement describes the business to be transacted at the meeting and provides other information about Reed's, Inc. that you should know when you vote your shares. You may vote your shares in person at the annual meeting or by using the enclosed proxy card **or otherwise may transmit your voting instructions as described on the enclosed proxy card**. For admission to the meeting, all stockholders should come to the stockholder check-in table. Those who own shares in their own names should provide identification and have their ownership verified against the list of registered stockholders as of the record date. 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 meeting, you must obtain a proxy card issued in your name from the record holder. Stockholders of record as of the close of business on October 27, 2015 will be entitled to vote at the meeting, or any adjournments of the meeting.

**\* \* \* IMPORTANT NOTICE \* \* \***

Regarding Internet Availability of Proxy Materials

for the 2015 Annual Meeting of Stockholders to be held on December 21, 2015.

In accordance with new rules issued by the Securities and Exchange Commission,

you may access our 2014 Annual Report and our Proxy Statement at

*www.reedsgingerbrew.com*

By Order of the Board of Directors,

*/s/ Christopher J. Reed*

Christopher J. Reed, Chairman

Los Angeles, California

November 3, 2015

**PROXY STATEMENT**

**FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS**

**OF**

**REED'S, INC.**

**To Be Held on December 21, 2015**

The enclosed proxy is solicited by the Board of Directors (the "Board") of Reed's, Inc., a Delaware corporation, for use at the 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Reed's, Inc. and all postponements, continuations or adjournments thereof. These proxy materials and the enclosed Annual Report on Form 10K for the year ended December 31, 2014, as amended, ("Annual Report") are being mailed to our stockholders on or about November 11, 2015. In this Proxy Statement, we use the terms the "Company," "Reed's," "we," "our," and "us" to refer to Reed's, Inc.

**Where and when is the Annual Meeting?** Our Annual Meeting will be held at the corporate offices of Reed's, Inc., located at 13000 South Spring Street, Los Angeles, California 90061, on Monday, December 21, 2015 at 12 p.m. (noon), Pacific Standard Time.

**Why did I receive these materials?** You received this Proxy Statement because you held shares of our common stock on October 27, 2015, the record date fixed by our Board, and you are entitled to vote at the Annual Meeting. This Proxy Statement and a copy of our Annual Report will be mailed on or about November 11, 2015. Although the Proxy Statement and Annual Report are being mailed together, the Annual Report is not incorporated into, and should not be deemed part of, this Proxy Statement.

**Who can attend the Annual Meeting?** Only stockholders as of the record date, their authorized representatives, and invited guests will be able to attend the Annual Meeting.

**Who is entitled to vote?** Only holders of record of our common stock at the close of business on October 27, 2015, the record date, are entitled to vote at the Annual Meeting. Each share is entitled to vote on each matter properly brought before the meeting. As of the record date, there were 13,14,815 shares of our common stock outstanding.

Holders of Series A preferred stock do not have voting rights on any matters, including, without limitation, the election of directors.

**Who are the proxies?** The Board of Directors of the Company has appointed Christopher J. Reed, our Chairman of the Board and Chief Executive Officer, and Judy Holloway Reed, our Secretary and director, to serve as proxies at the Annual Meeting. When you fill out your proxy card and return it, or if you vote electronically, you will be giving the proxies your instruction on how to vote your shares at the Annual Meeting.

**How do I vote if I am a registered stockholder?** You may vote in person, electronically via the Internet, or by proxy. Proxies are solicited to give all stockholders who are entitled to vote on the matters that come before the meeting the opportunity to do so whether or not they attend the meeting in person. If you are a registered holder, you can vote your proxy card by mail, electronically via the Internet, or in person at the Annual Meeting. *If you choose to vote by mail, mark your proxy card enclosed with this Proxy Statement, date and sign it, and mail it in the postage-paid envelope. If you wish to vote in person, you can vote the proxy card in person at the Annual Meeting. Signing and returning a proxy will not prevent you from voting in person at the meeting.*

**How do I vote electronically?** If you are a registered stockholder, you may vote electronically via the Internet. Please review the voting instructions on the proxy card.

**How do I specify how I want my shares voted?** If you are a registered stockholder, you can specify how you want your shares voted on each proposal by marking the appropriate boxes on the proxy card. Please review the voting instructions on the proxy card and read the entire text of the proposals and the positions of the Board of Directors in the Proxy Statement prior to marking your vote. *If your proxy card is signed and returned without specifying a vote, it will be voted according to the recommendation of the Board of Directors on that proposal.*

**How do I vote if I am a beneficial stockholder?** If you are a beneficial stockholder, you have the right to direct your broker or nominee on how to vote your shares. You should complete a voting instruction card which your broker or nominee is obligated to provide to you. If you wish to vote in person at the meeting, you must first obtain from the record holder a proxy card issued in your name.



**What items will be voted upon at the Annual Meeting?** The following items will be voted upon at the Annual Meeting:

- the election of Christopher J. Reed, Judy Holloway Reed, Mark Harris, Daniel S.J. Muffoletto and Michael (1)Fischman to serve as directors until the 2016 annual meeting, or until each director's successor is elected and qualified;
- the ratification of the selection of Weinberg & Company, P.A. as the Company's independent registered public (2)accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2015; and
- the ratification of the selection of Weinberg & Company, P.A. as the Company's independent registered public (3)accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2016; and
- (4)the ratification of the 2015 Incentive and Non-statutory Stock Option Plan; and
- (5) a shareholder proposal entitled "Proxy Access for Shareholders", which proposal is opposed by the Board of Directors, if such proposal is properly introduced at the meeting.

The Board of Directors does not currently know of any other matters that may be brought before the meeting for a vote. However, if any other matters are properly presented for action, it is the intention of the persons named on the proxy card to vote on them according to their best judgment.

**What is the Board of Directors' voting recommendation?** For the reasons set forth in more detail later in the Proxy Statement, the Board of Directors unanimously recommends a vote **FOR** the election of all nominees for director proposed by our Board (Proposal 1). The Board of Directors has ratified the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2015 (Proposal 2) and December 31, 2016 (Proposal 3) which selection was made by the Company's Audit Committee. The Board of Directors recommends a vote **FOR** the ratification of the auditors (Proposal 2 and Proposal 3). The Board of Directors recommends a vote **FOR** the approval of Reed's 2015 Stock Incentive and Non-statutory Stock Option Plan (Proposal 4). The Board of Directors unanimously recommends a vote **AGAINST** shareholder Proposal 5, Proxy Access for Shareholders.

**How can I provide my comments to the Company?** We urge you to let us know your feelings about the Company or to bring a particular matter to our attention by writing directly to us at Reed's, Inc., 13000 South Spring Street, Los Angeles, California 90061, attention: Judy Holloway Reed, Secretary.

**How many votes are needed to have the proposals pass?** The affirmative vote of the majority of the votes cast at the Annual Meeting is required to elect the directors, ratify the selection of the auditors, approve the 2015 Stock Incentive and Non-statutory Stock Option Plan and approve Proxy Access for Shareholders.

**How are the votes counted?** You will have one vote for each share of our common stock that you owned on the record date. If the proxy card is properly executed and returned prior to the Annual Meeting, the shares of common stock it represents will be voted as you instruct on the proxy card. If a proxy card is unmarked, or if you indicate no vote, the shares of common stock it represents will be voted **FOR** Proposal No. 1, the election of directors recommended by the Board, **FOR** Proposal No. 2 the ratification of the auditors for this year, **FOR** Proposal No. 3 the ratification of the auditors for next year, **FOR** Proposal No. 4 approval of Reed's 2015 Incentive and Non-statutory Stock Option Plan and **AGAINST** Proposal No. 5, Proxy Access for Shareholders.

**No Cumulative Voting.** Holders of common stock shall not be entitled to cumulate their votes for the election of directors or any other matters.

**Abstentions.** Abstentions will be treated as present and entitled to vote for purposes of determining the presence of a quorum. Abstentions will not constitute a vote FOR or AGAINST any matter, and thus will be disregarded in the calculation of shares voting or votes cast on any matter submitted to the stockholders for a vote.

**Broker Non-Votes.** Broker non-votes, meaning shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and as to which the broker has physically indicated on the proxy card that the broker or nominee does not have discretionary power to vote on a particular matter, will be counted as present and entitled to vote for purposes of determining the presence of a quorum. However, for purposes of determining the outcome of any matter as to which the broker has physically indicated on the proxy card that it does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter, even though those shares are considered present for quorum purposes and may be entitled to vote on other matters. Your broker will not have the discretion to vote your shares at the Annual Meeting on the proposal related to the election of directors or matters requiring the affirmative vote of the holders of a majority or greater of our outstanding common stock present and entitled to vote at the Annual Meeting if you do not provide your broker with voting instructions.

**Quorum.** A majority of the shares of common stock outstanding on the record date, represented in person or by proxy, will constitute a quorum at the Annual Meeting. As of October 27, 2015 we had 13,147,815 shares of common stock outstanding. The number of shares required to be represented in person or by proxy at the Annual Meeting to constitute a quorum is 6,573,908.

**How can I revoke my proxy?** You may revoke your proxy at any time before it is voted at the meeting by taking one of the following three actions:

- (1) giving timely written notice of the revocation to our Secretary,
- (2) executing and delivering a proxy card with a later date, or
- (3) voting in person at the meeting.

**How would my proxy be voted on other matters?** The persons named on the proxy card will have discretionary authority to vote on business *other than* Proposal 1 (the election of directors), Proposal 2 (ratification of auditors), Proposal 3 (ratification of auditors), Proposal 4 (approval of Reed's 2015 Incentive and Non-statutory Stock Option Plan) and Proposal 5 (Proxy Access for shareholders), as may properly come before the Annual Meeting.

**Who will pay for the costs involved in the solicitation of proxies?** This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Reed's. Reed's will pay all costs of preparing, assembling, printing and distributing the proxy materials. Copies of proxy materials will be furnished to brokerage houses, nominees, fiduciaries and custodians to forward to beneficial owners of common stock held in their names. Our employees, officers and directors may, for no additional compensation, solicit proxies on behalf of the Board of Directors through the mail, in person and by telecommunications. Upon request, we will reimburse brokerage firms and other record holders for their reasonable expenses incurred for forwarding solicitation material to beneficial owners of stock.

**Do stockholders have any dissenters' right with regards to the matters proposed to be acted upon?** There are no rights of appraisal or other similar rights of dissenters under the laws of the State of Delaware with respect to any of the matters proposed to be acted upon herein.

#### **DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS**

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as 'householding,' potentially provides extra convenience for stockholders and cost savings for us. Under this procedure, multiple stockholders who share the same last name and address will receive only one copy of the annual proxy materials, unless they notify us that they wish to continue receiving multiple copies. We have undertaken householding to reduce our printing costs and postage fees. If you wish to opt out of householding and receive multiple copies of the proxy materials at the same address you may do so at any time prior to thirty days before the mailing of proxy materials, which will typically be

mailed in November of each year, by notifying us in writing at the address below. You may also request additional copies of the proxy materials by notifying us in writing at the address below or by contacting us at the phone number listed below, and we will undertake to deliver such additional copies promptly. If you share an address with another stockholder and currently are receiving multiple copies of the proxy materials, you may request householding by notifying us at the above referenced address or telephone number. We will only deliver one Proxy Statement to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. We will promptly deliver a separate copy of this Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered upon oral or written request:

Reed's, Inc.

Attention: Judy Holloway Reed, Secretary

13000 South Spring Street

Los Angeles, California 90061

Tel: (310) 217-9400

Fax: (310) 217-9411

Stockholders may also address future requests for separate delivery of Proxy Statements and/or annual reports by contacting us at the address listed above. Stockholders sharing an address with another stockholder who has received multiple copies of the Company's proxy materials may contact us to request delivery of a single copy of these materials.

## **STOCKHOLDER ADVISORY VOTES**

**The current frequency of stockholder advisory votes on executive compensation is every three years and the next stockholder advisory vote will occur at the Company's 2016 annual meeting.**

## **IMPORTANT**

**Please promptly vote and submit your proxy by signing, dating and returning the enclosed proxy card in the postage-prepaid return envelope so that your shares can be voted. This will not limit your rights to attend or vote at the 2015 Annual Meeting.**



## PROPOSAL 1

### **ELECTION OF CHRISTOPHER J. REED, JUDY HOLLOWAY REED, MARK HARRIS, DANIEL S.J. MUFFOLETTO AND MICHAEL FISCHMAN TO SERVE AS DIRECTORS UNTIL THE 2016 ANNUAL MEETING, OR UNTIL EACH DIRECTOR'S SUCCESSOR IS ELECTED AND QUALIFIED**

Our Bylaws provide that the number of directors on the Board of Directors shall be not less than one or more than seven. The Board of Directors is empowered to fix the number of directors from time to time and is currently set at five. Christopher J. Reed, Judy Holloway Reed, Mark Harris, Daniel S.J. Muffoletto and Michael Fischman are to be elected to our Board of Directors at the Annual Meeting. Proxies cannot be voted for a greater number of persons than the number of nominees named.

The Board of Directors has nominated and approved the nominations of five persons to serve as directors until the 2016 annual meeting, or until each director's successor is elected and qualified. All of the nominees currently serve on our Board of Directors. Each of the nominees has agreed to continue to serve if elected. Management expects that each of the nominees will be available for election, but if any of them is not a candidate at the time the election occurs, it is intended that the proxies will be voted for the election of another nominee to be designated by the Board of Directors to fill any vacancy. Additionally, the Board of Directors may elect additional members of the Board to fill any additional vacancies.

The nominees are as follows:

<b>Name</b>	<b>Age</b>	<b>Current Position with the Company</b>
Christopher J. Reed	57	President, Chief Executive Officer and Chairman of the Board
Judy Holloway Reed	56	Secretary, Director
Mark Harris	59	Director
Daniel S.J. Muffoletto	61	Director
Michael Fischman	60	Director

#### **Business Experience of Nominees**

*Christopher J. Reed* founded our company in 1987. Mr. Reed has served as our Chairman, President and Chief Executive Officer since our incorporation in 1991. Mr. Reed previously served as our Chief Financial Officer and was re-appointed as Chief Financial Officer on April 17, 2008. Mr. Reed has been responsible for our design and products,

including the original product recipes, the proprietary brewing process and the packaging and marketing strategies. Mr. Reed received a B.S. in Chemical Engineering in 1980 from Rensselaer Polytechnic Institute in Troy, New York.

**Judy Holloway Reed** has been with us since 1992 and, as we have grown, has run the accounting, purchasing and shipping and receiving departments at various times since the 1990s. Ms. Reed has been one of our directors since June 2004 and our Secretary since October 1996. In the 1980s, Ms. Reed managed media tracking for a Los Angeles Infomercial Media Buying Group and was an account manager with a Beverly Hills, California stock portfolio management company. She earned a Business Degree from MIU in 1981. Ms. Reed is the wife of Christopher J. Reed, our Chairman, President and Chief Executive Officer.

**Mark Harris** has been a member of our Board of Directors since April 2005. Mr. Harris is an independent venture capitalist and has been retired from the work force since 2002. In late 2003, Mr. Harris joined a group of Amgen colleagues in funding NeoStem, Inc., a company involved in stem-cell storage, archiving, and research to which he is a founding angel investor. From 1991 to 2002, Mr. Harris worked at biotech giant Amgen managing much of the company's media production for internal use and public relations. Mr. Harris spent the decade prior working in the aerospace industry at Northrop with similar responsibilities.

**Daniel S.J. Muffoletto, N.D.** has been a member of our Board of Directors from April 2005 to December 2006 and from January 2007 to the present. Dr. Muffoletto has practiced as a Naturopathic Physician since 1986. He has served as chief executive officer of It's Your Earth, a natural products marketing company, since June 2004. From 2003 to 2005, Dr. Muffoletto worked as Sales and Marketing Director for Worthington, Moore & Jacobs, a Commercial Law League member firm serving FedEx, UPS, DHL and Kodak, among others. From 2001 to 2003, he was the owner-operator of the David St. Michel Art Gallery in Montreal, Québec. From 1991 to 2001, Dr. Muffoletto was the owner/operator of a Naturopathic Apothecary, Herbal Alter\*Natives of Seattle, Washington and Ellicott City, Maryland. The apothecary housed Dr. Muffoletto's Naturopathic practice. Dr. Muffoletto received a Bachelor of Arts degree in Government and Communications from the University of Baltimore in 1977 and conducted postgraduate work in the schools of Public Administration and Publication Design at the University of Baltimore from 1978 to 1979. In 1986, he received his Doctorate of Naturopathic Medicine from the Santa Fe Academy of Healing, Santa Fe, New Mexico.

**Michael Fischman** has been a member of our Board of Directors since April 2005. Since 1998, Mr. Fischman has served as president and chief executive officer of the APEX course, the corporate training division of the International Association of Human Values. In addition, Mr. Fischman is a founding member and the director of training for USA at the Art of Living Foundation, a global non-profit educational and humanitarian organization, at which he has coordinated over 200 personal development instructors since 1997.

### **Director Independence**

The Board of Directors has determined that three members of our Board of Directors and nominees, Mr. Harris, Dr. Muffoletto and Mr. Fischman, do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these nominees is an “independent director” as defined under Rule 303A.02 of the NYSE Listed Company Manual. We intend to maintain at least three independent directors on our Board of Directors at all times in the future.

### **No Arrangements or Understandings**

There are no arrangements or understandings pursuant to which a nominee has been or will be elected as a director.

### **Family Relationships**

Other than the relationship of Christopher J. Reed and Judy Holloway Reed as husband and wife, none of our directors or executive officers is related to one another.

### **Legal Proceedings**

To the best of our knowledge, none of the nominees are parties to any material proceedings adverse to Reed's, have any material interest adverse to Reed's or have, during the past ten years, been involved in any of the following events or proceedings:



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A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any

1. partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of

3. any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures

- i. Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
- ii. Engaging in any type of business practice; or
- iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of

4. any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;

Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated

5. any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading

6. Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment,

7. decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

- i. Any Federal or State securities or commodities law or regulation; or

Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a

- ii. temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and-desist order, or removal or prohibition order; or

- iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 8.78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

## **Vote Required**

In accordance with applicable law and our Bylaws, the election of directors shall be by the affirmative vote of the majority of the votes cast. For the purposes of election of directors, although abstentions will count toward the presence of a quorum, they will not be counted as votes cast and will have no effect on the result of the vote. Brokers who hold shares in street name may not vote on behalf of beneficial owners with respect to Proposal 1 if they do not receive voting instructions from the beneficial owners. Unless a stockholder indicates otherwise, each signed proxy will be voted **FOR** the election of these nominees.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF CHRISTOPHER J. REED, JUDY HOLLOWAY REED, MARK HARRIS, DANIEL S.J. MUFFOLETTO AND MICHAEL FISCHMAN TO SERVE AS A DIRECTOR**

## **PROPOSAL 2**

### **RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The Board's Audit Committee has appointed Weinberg & Company, P.A. ("Weinberg") as the Company's independent registered public accountants. The Board of Directors requests that stockholders ratify its selection of Weinberg as our independent registered public accountants for the 2015 fiscal year. If the stockholders do not ratify the selection of Weinberg, the Board of Directors will select another firm of accountants. Representatives of Weinberg will not be present at the 2015 Annual Meeting although they were afforded the opportunity to attend and make a statement.

Weinberg has been our independent registered public accounting firm for a number of fiscal years.

### **Audit Fees and Related Fees**

The aggregate fees billed for each of the last two fiscal years for professional services rendered by Weinberg for the audit of annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were:

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The following table shows the fees paid or accrued by us for the audit and other services provided by Weinberg for the years ended December 31, 2014 and 2013.

	<b>2014</b>	<b>2013</b>
Audit Fees	\$89,000	\$123,000
Audit-Related Fees	30,000	0
Tax Fees	20,000	10,000
All Other Fees	0	0
Total	\$139,000	\$133,000