

MIMEDX GROUP, INC.

Form PRE 14A

April 02, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant

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

MIMEDX GROUP, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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MIMEDX GROUP, INC.
811 Livingston Ct., S.E., Ste. B
Marietta, GA 30067
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held on May 11, 2010

The Annual Meeting of Shareholders of MiMedx Group, Inc. (MiMedx or the Company) will be held on May 11, 2010, at 11:00 a.m. Eastern Daylight Time at _____, for the following purposes:

1. To elect directors;
2. To approve an amendment to Article 10 of the Company s Articles of Incorporation to provide for the classification of the Board of Directors into three classes of directors with staggered terms of office;
3. To approve an amendment to Article 10 of the Company s Articles of Incorporation to provide that directors may only be removed for cause;
4. To approve an amendment to the Company s Assumed 2006 Stock Incentive Plan;
5. To ratify the appointment of Cherry, Bekaert & Holland L.L.P. as our independent registered public accounting firm for the current fiscal year; and
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on April 5, 2010, as the record date for us to determine those shareholders entitled to notice of and to vote at the Annual Meeting of Shareholders.

Shareholders who cannot attend the Annual Meeting may vote their shares over the Internet or by telephone, or by completing and promptly returning the enclosed proxy card or voting instruction form. Internet and telephone voting procedures are described in the enclosed proxy statement and on the proxy card or, if shares are held in street name, on the voting instruction form that shareholders receive from their brokerage firm, bank or other nominee in lieu of a proxy card.

Please vote as promptly as possible, whether or not you plan to attend the Annual Meeting. Even though you submit your proxy, you may nevertheless attend the Annual Meeting and vote your shares in person if you wish. If you want to revoke your proxy at a later time for any reason, you may do so in the manner described in the attached proxy statement.

I look forward to welcoming you to the meeting.

Very truly yours,

/s/ Roberta L. McCaw
Roberta L. McCaw
Secretary

April ____, 2010

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PRELIMINARY COPIES

**MIMEDX GROUP, INC.
811 Livingston Court, S.E., Suite B
Marietta, Georgia 30067**

**PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS
To Be Held On May 11, 2010**

This proxy statement is furnished in connection with the solicitation of proxies to be voted at the Annual Meeting of Shareholders of MiMedx Group, Inc. (MiMedx or the Company) to be held on May 11, 2010, at 11:00 a.m. Eastern Daylight Time at _____.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 11, 2010**

**The Proxy Statement, form of proxy and our 2009 Annual Report on Form 10-K are available at
<http://www.proxyvote.com>**

This proxy statement, our Annual Report on Form 10-K for the nine months ended December 31, 2009, and the enclosed proxy card are being first sent or given to shareholders on or about April [9], 2010. The enclosed proxy card is solicited by the Company on behalf of our Board of Directors and will be voted at the Annual Meeting of Shareholders and any adjournments thereof.

Shareholders as of the close of business on April 5, 2010, the record date, may vote at the Annual Meeting. As of the record date, _____ shares of common stock were outstanding and entitled to vote. Shareholders have one vote, non-cumulative, for each share of common stock held on the record date, including shares held directly in their name as shareholder of record and shares held in an account with a broker, bank or other nominee (shares held in street name). Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or nominee how to vote their shares.

This solicitation is being made by mail and may also be made in person or by fax, telephone or Internet by the Company's officers, directors or employees. The Company will pay all expenses incurred in this solicitation. The Company will request banks, brokerage houses and other institutions, nominees and fiduciaries to forward the soliciting material to beneficial owners and to obtain authorization for the execution of proxies. The Company will, upon request, reimburse these parties for their reasonable expenses in forwarding proxy materials to beneficial owners.

Proposals for Shareholder Action

The matters proposed for consideration at the meeting are:

the election of directors;

approval of an amendment to Article 10 of the Company's Articles of Incorporation to provide for the classification of the Board of Directors into three classes of directors with staggered terms of office;

approval of an amendment to Article 10 of the Company's Articles of Incorporation to prohibit removing directors other than for cause;

approval of an amendment to the Company's Assumed 2006 Stock Incentive Plan;

ratification of the appointment of Cherry, Bekaert & Holland L.L.P. as our independent registered public accounting firm for the current fiscal year; and

the transaction of such other business as may come before the meeting or any adjournment thereof.

Our Board of Directors recommends that you vote FOR the director nominees and the other proposals.

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Voting

Shareholders of record may vote:

By Mail To vote by mail using the enclosed proxy card, shareholders will need to complete, sign and date the proxy card and return it promptly in the envelope provided or mail it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. When the proxy card is properly executed, dated, and timely returned, the shares it represents will be voted in accordance with its instructions.

By Internet Shareholders may vote over the Internet, by going to www.proxyvote.com. Shareholders will need to type in the Company Number and the Account Number indicated on the proxy card and follow the instructions.

By Telephone Shareholders may vote over the telephone, by dialing 1-800-690-6903 in the United States or Canada from any touch-tone telephone and following the instructions. Shareholders will need the Company Number and the Account Number indicated on the proxy card.

By Attending the Meeting in Person Shareholders may vote by attending the meeting in person and voting. Please contact Denise Bell at 678-384-6720 or dbell@mimedx.com in order to obtain directions to the Annual Meeting.

Internet and telephone voting facilities will close at 11:59 p.m., Eastern Daylight Time, on May 10, 2010.

In addition, a large number of banks and brokerage firms participate in online programs that provide eligible beneficial owners who hold their shares in street name rather than as a shareholder of record, with the opportunity to vote over the Internet or by telephone. Street name shareholders who elected to access the proxy materials electronically over the Internet through an arrangement with their brokerage firm, bank or other nominee should receive instructions from their brokerage firm, bank or other nominee on how to access the shareholder information and voting instructions. If shareholders hold shares in street name and the voting instruction form received from the brokerage firm, bank or other nominee does not reference Internet or telephone information, or if you prefer to vote by mail, please complete and return the paper voting instruction form. In order to vote shares held in street name in person at the Annual Meeting, a proxy issued in the owner's name must be obtained from the record holder (typically your brokerage firm, bank or other nominee) and presented at the Annual Meeting.

Shareholders of record and street name shareholders who vote over the Internet or by telephone need not return a proxy card or voting instruction form by mail, but may incur costs, such as usage charges, from telephone companies or Internet service providers, for which the shareholder is responsible.

If no instructions are indicated, your proxy will be voted FOR the election of the director nominees and the other proposals.

Other Matters

It is not anticipated that any other matters will be considered at the Annual Meeting. If, however, any other matter properly comes before the Annual Meeting, or any adjournment or postponement thereof, the persons named in the proxy will vote the proxy in accordance with their best judgment on any such matter.

Revocation of Proxies

Each shareholder sending a proxy will have the power to revoke it at any time before it is exercised. The proxy may be changed or revoked before it is exercised by sending a written revocation or a duly executed proxy bearing a later date to us at our principal offices at 811 Livingston Court, S.E., Suite B, Marietta, Georgia 30067, Attention: Corporate Secretary. The proxy may also be revoked by attending the meeting and voting in person.

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Quorum and Vote Required

The presence, in person or by proxy, of a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum at the Annual Meeting and at any adjournments thereof. Directions to withhold authority to vote for directors, abstentions and broker non-votes will be counted for purposes of determining if a quorum is present at the Annual Meeting. If a quorum is not present or represented at the Annual Meeting, the chairman of the meeting or the shareholders holding a majority of the shares of common stock entitled to vote, present in person or represented by proxy, have the power to adjourn the meeting from time to time without notice, other than an announcement at the meeting, until a quorum is present or represented. Directors, officers and employees of the Company may solicit proxies for the reconvened meeting in person or by mail, telephone or telegram. At any such reconvened meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally scheduled.

Directors are elected by the affirmative vote of the holders of a plurality of the shares of our capital stock present in person or represented by proxy and entitled to vote at the Annual Meeting of Shareholders. The affirmative vote of the holders of a majority of the shares of stock present in person or represented in proxy and entitled to vote is required to approve the other proposals.

Votes cast in person or by proxy, abstentions and broker non-votes will be tabulated by the inspector of election and will be considered in the determination of whether a quorum is present at the Annual Meeting. The inspector of election will treat shares represented by executed proxies that abstain as shares that are present and entitled to vote for purposes of determining the approval of such matter and will have the same effect as a vote against the proposal. If, with respect to any shares, a broker or other nominee submits a proxy card with a broker non-vote on one or more proposals, those shares will not be treated as present and entitled to vote for purposes of determining the approval of any such proposal.

No Appraisal Rights

No appraisal rights are available under Florida law or our Charter or bylaws if you dissent from or vote against any of the proposals presented for consideration, and we do not plan to independently provide any such right to shareholders.

ELECTION OF DIRECTORS

(PROPOSAL 1)

If Proposal 2 is not adopted, the directors elected at the Annual Meeting will serve for a term of one year or until their respective successors are duly elected and qualified. If Proposal 2 is adopted, and the directors nominated and elected in this Proposal 1 are elected, they will be elected for the terms set forth below under **Classification of Directors** in Proposal 2. With respect to the election of directors, you may (i) vote for all of the nominees, or (ii) withhold with respect to some or all nominees. Directors are elected by the affirmative vote of the holders of a plurality of the shares of our capital stock present in person or represented by proxy and entitled to vote at the Annual Meeting of Shareholders. As a result, the nine director nominees that receive the most votes will be elected. Broker non-votes will not be counted as votes for or against any nominee or director. In the event that any nominee should become unable or unwilling to serve as a director, it is the intention of the persons named in the proxy to vote for the election of such substitute nominee for the office of director as the Board of Directors may recommend. It is not anticipated that any nominee will be unable or unwilling to serve as a director.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES TO SERVE AS DIRECTORS.

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The names, ages, principal occupations and other information concerning the director nominees, based upon information received from them, are set forth below.

Parker H. Pete Petit, age 70, joined the Company as Chairman of the Board of Directors, Chief Executive Officer and President in February 2009. From May 2008 until he joined the Company, Mr. Petit was the President of The Petit Group, LLC, a private investment company. Prior to that, Mr. Petit was the Chairman and CEO of Matria Healthcare, Inc., (Nasdaq: MATR), which was sold to Inverness Medical Innovations, Inc. in May 2008. Matria Healthcare was a former subsidiary of Healthdyne, Inc., which Mr. Petit founded in 1971. Mr. Petit served as Chairman and CEO of Healthdyne and some of its publicly traded subsidiaries after Healthdyne became a publicly traded company in 1981. Mr. Petit received his bachelor's degree in Mechanical Engineering and Master of Science degree in Engineering Mechanics from Georgia Tech and an MBA degree in Finance from Georgia State University. At Georgia Tech, Mr. Petit funded a professorial chair for Engineering in Medicine, endowed the Petit Institute for Bioengineering and Bioscience, and assisted with the funding of the Biotechnology Building which bears his name. At Georgia State University, he assisted with the funding of the Science Center building which also bears his name. In 1994, he was inducted into the Technology Hall of Fame of Georgia. In 2007, he was inducted into the Georgia State Business Hall of Fame. Mr. Petit has previously served as a member of the Board of Directors of the Georgia Research Alliance, which is chartered by the State of Georgia to promote high technology and scientific development in the State. He serves as a member of the Board of Directors of: Intelligent Systems Corporation (NYSE Amex: INS). Mr. Petit was nominated as a director due to his extensive healthcare business experience and leadership success.

Steve Gorlin, age 72, serves as a Director of the Company. He served as Chairman of the Board of Directors and a Director of Alynx Co. (Alynx), the Company's predecessor, during February 2008, and MiMedx Group, Inc. from March 2008 to February 2009. Mr. Gorlin served as Chairman of MiMedx, Inc. from its inception in November 2006 to February 2009. Mr. Gorlin continues to serve as an employee of the Company as an advisor to Mr. Petit and in connection with the Company's efforts to raise additional capital. Over the past 35 years, Mr. Gorlin has founded several biotechnology and pharmaceutical companies, including Hycor Biomedical, Inc., Theragenics Corporation, CytRx Corporation, Medicis Pharmaceutical Corporation, EntreMed, Inc., Surgi-Vision, Inc., DARA BioSciences, Inc. [NasdaqCM:DARA], SpineMedica Corp., and Medivation, Inc. [NasdaqGM: MDVN]. Mr. Gorlin served as the Chairman of the Board of Directors and Chief Executive Officer of DARA BioSciences, Inc. from July 2002 to January 2007, and continued to serve as Co-Chairman of the Board of Directors until January 2009. Mr. Gorlin also currently serves on the Board of Directors of the following private companies: Nano Technology Corporation, Surgi-Vision, Inc., and Simtrol, Inc. Mr. Gorlin served for many years on the Business Advisory Council to the Johns Hopkins School of Medicine and presently serves on the board of The Johns Hopkins Alliance for Science and Technology Development and the board of the Andrews Foundation for Research and Education. He also founded a number of non-medical related companies, including Perma-Fix, Inc., Pretty Good Privacy, Inc., and Judicial Correction Services, Inc. He started The Touch Foundation, a nonprofit organization for the blind and was a principal financial contributor to the founding of Camp Kudzu for diabetic children. He also serves on the Board of Directors of the Mercy and Sharing Foundation. Mr. Gorlin was nominated as a director due to his extensive healthcare business experience and success in founding and nurturing biotechnology and pharmaceutical companies.

Kurt M. Eichler, age 52, serves on our Board of Directors. He became a Director of Alynx in February 2008 and of MiMedx Group, Inc. in March 2008. He was first elected as a Director of MiMedx, Inc. in April 2007. Mr. Eichler is employed by LCOR Incorporated, a multi-billion dollar real estate investment and development company, where he has worked since 1981 and is currently serving as Principal and Executive Vice President in charge of operations of the metropolitan New York region. Mr. Eichler also serves on LCOR's Executive Committee. Previously, Mr. Eichler worked for Merrill Lynch, Hubbard in the Real Estate Debt and Equity Finance Group. During his tenure at LCOR, Mr. Eichler has assumed responsibility for the acquisition, development, management and sale of millions of square feet of real estate, including urban and suburban office properties, multifamily rental communities and a \$1.4 billion airline terminal redevelopment project at John F. Kennedy International Airport. Among the other major developments on which Mr. Eichler has worked are 101 Hudson in Jersey City, New Jersey, a 1.2 million-square-foot, 42-story office tower; and the Foley Square Federal Office Building in New York City, a 974,000 square-foot, 34-story office tower for the US Attorney's office, the Environmental Protection Agency and the Internal Revenue

Service. Currently, Mr. Eichler is an investor in several biotech companies, and he previously served as a Director of DARA BioSciences, Inc, a publicly-traded company [NasdaqCM: DARA]. Mr. Eichler was nominated as a director due to his extensive business experience, both as an executive and as a director.

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Charles E. (Chuck) Koob, age 65, serves on our Board of Directors. He became a Director of Alynx in February 2008, and of MiMedx Group, Inc. in March 2008. He was first elected as a Director of MiMedx, Inc. in April 2007. Mr. Koob joined the law firm of Simpson Thacher & Bartlett, LLP in 1970 and became a partner in 1977. He retired from that firm on January 1, 2007. While at that firm, Mr. Koob was the co-head of the Litigation Department and served on the Firm's Executive Committee. Mr. Koob specialized in competition, trade regulation and antitrust issues. Throughout his 37-year tenure, he represented clients before the Federal Trade Commission, the Antitrust Division of the Department of Justice, and numerous state and foreign competition authorities. His résumé includes the representation of Virgin Atlantic Airways, Archer Daniels Midland, and Kohlberg Kravis Roberts and Co. He received his B.A. from Rockhurst College in 1966 and his J.D. from Stanford Law School in 1969. In addition to his practice, Mr. Koob is trustee of the Natural Resources Defense Council, is President of the Yellowstone Park Foundation, and is the co-chair of the Steering Committee for the current campaign for Stanford Law School. Mr. Koob is the brother of Dr. Thomas J. Koob, Chief Scientific Officer of MiMedx, Inc. Mr. Koob was nominated as a director due to his 37 years of legal expertise in representing both publicly traded and privately held businesses.

Larry W. Papasan, age 69, serves on our Board of Directors. He became a Director of Alynx in February 2008 and of MiMedx Group, Inc. in March 2008. He was first elected as a Director of MiMedx, Inc. in April 2007. From July 1991 until his retirement in May 2002, Mr. Papasan served as President of Smith & Nephew Orthopaedics. Mr. Papasan has been a Director and Chairman of the Board of Directors of BioMimetic Therapeutics, Inc. (NasdaqGM:BMTI) since August 2005. BioMimetic Therapeutics, Inc. is developing and commercializing bio-active recombinant protein-device combination products for the healing of musculoskeletal injuries and disease, including orthopedic, periodontal, spine and sports injury applications. Mr. Papasan has also served as a member of the Board of Directors of Reaves Utility Income Fund (NasdaqCM:UTG), a closed-end management investment company, since February 2003 and of Triumph Bankshares, Inc. (a bank holding company) since April 2005. Mr. Papasan also serves as a Director of SSR Engineering, Inc., and AxioMed Spine Corporation. Since January 2009 Mr. Papasan has also served as a member of the Board of Directors of ExtraOrtho, Inc. Mr. Papasan was nominated as a director due to his extensive business experience, including experience in the medical device field, as well as experience as a director of several other companies, both public and private.

Andrew K. Kreamer Rooke, Jr., age 26, serves on our Board of Directors. He became a Director of MiMedx Group, Inc. in February 2009. Mr. Rooke is an investor in the Company and worked directly with the Steven Gorlin from January 2007 to June 2008, during which time he advised on the acquisition of SpineMedica Corp. and aided in the Company's emergence into the public markets. During this time, he also worked with the Gorlin Companies, assisting in the management and capitalization of portfolio companies and new investment opportunities. Prior to joining Larsen MacColl Partners, a private equity firm located in Pennsylvania in July 2009, Mr. Rooke handled his family's private investments and company's affairs. From July 2008 to November 2008, Mr. Rooke worked as an Investment Banking Analyst in the Global Healthcare Group of Collins Stewart, Inc. He has worked with over eight different companies, across several industries, on either a consulting or full-time basis and has initiated the investment of more than \$25 million in lower/middle market opportunities. From 2003 to 2006, Mr. Rooke studied at the University of Pennsylvania, where he received a bachelor's degree in Economics. Mr. Rooke was nominated as a director due to his investment expertise.

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Joseph G. Bleser, age 64, serves on our Board of Directors. He became a Director of MiMedx Group, Inc. in September 2009. He has been the Managing Member of J. Bleser, LLC, a financial consulting firm, since July 1998. Prior to July 1998, Mr. Bleser had over fifteen years experience as chief financial officer and other financial executive positions in various publicly traded companies, including HBO & Company, Allegiant Physician Services, Transcend Services, Inc. and Healthcare.com. Mr. Bleser is a licensed Certified Public Accountant with ten years of experience in public accounting with Arthur Andersen LLC, an international public accounting firm. Mr. Bleser is a member of the Board of Directors, the Audit Committee and the Corporate Governance Committee of Transcend Services, Inc. [NASDAQ: TRCR]. Mr. Bleser also served as director of Matria Healthcare, Inc. until it was acquired by Inverness Medical Innovations, Inc. in May 2008. In addition, Mr. Bleser serves on the Board of Directors of a privately held information technology solutions company. Mr. Bleser was nominated as a director due to his extensive financial background and experience as a member of the Audit Committee of other publicly traded companies.

J. Terry Dewberry, age 66, serves on our Board of Directors. He became a Director of MiMedx Group, Inc. in September 2009. Mr. Dewberry is a private investor with significant experience at both the management and board levels in the healthcare industry. He has extensive experience in corporate mergers and takeovers on both the buy and sell sides at sizes up to \$5 billion. He has served on the Boards of Directors of several publicly traded healthcare products and services companies, including Respironics, Inc. (Nasdaq:RESP) (1998-2008), Matria Healthcare, Inc. (Nasdaq:MATR) (2006-2008), Healthdyne Information Enterprises, Inc. (1996-2002), Healthdyne Technologies, Inc. (1993-1997), Home Nutritional Services, Inc. (1989-1994) and Healthdyne, Inc. (1981-1996). From March 1992 until March 1996, Mr. Dewberry was Vice Chairman of Healthdyne, Inc. From 1984 to 1992, he served as President and Chief Operating Officer, and Executive Vice President of Healthdyne, Inc. Mr. Dewberry received a Bachelor of Electrical Engineering from Georgia Institute of Technology in 1967 and a Masters of Public Accounting from Georgia State University in 1972. He currently serves on the board of DrTango, Inc., a private company in the multicultural communications and health management industry. Mr. Dewberry was nominated as a director due to his extensive business and financial background and experience as a member of the Board s of Directors of other publicly traded companies and a member of the Audit Committee of at least one other public company.

Bruce Hack, age 61, serves on our Board of Directors. He became a Director of MiMedx Group, Inc. in December 2009. Mr. Hack was Vice Chairman of the Board of Directors and Chief Corporate Officer of Activision Blizzard (Nasdaq:ATVI) until 2009. Prior to that, Mr. Hack was Chief Executive Officer of Vivendi Games, from 2004 to 2008, Vice Chairman of the Board of Directors of Universal Music Group, from 1998 to 2001, and Chief Financial Officer of Universal Studios, from 1995 to 1998. From 1982-1994, Mr. Hack held several positions at The Seagram Company, including: Assistant to the Executive Vice President, Sales and Marketing for Seagram USA; Director, Strategic Planning, at The Seagram Company Ltd.; and Chief Financial Officer of Tropicana Products, Inc. Prior thereto, he was a trade negotiator for the U.S. Treasury. He has been Director of iSuppli Corporation since September 2007. Mr. Hack earned a B.A. in government at Cornell University and an M.B.A. in finance at the University of Chicago. Mr. Hack was nominated as a director due to his business expertise, particularly as it relates to sales and marketing, and experience as a member of the Boards of Directors of other companies, both public and private.

Board of Directors Leadership Structure

Our Board of Directors has carefully considered the benefits and risks in combining the role of Chairman of the Board of Directors and Chief Executive Officer and has determined that Mr. Petit is the most qualified and appropriate individual to lead our Board of Directors as its Chairman. The Board of Directors believes there are efficiencies of having the Chief Executive Officer also serve in the role of Chairman of the Board of Directors. As our Chief Executive Officer, Mr. Petit is responsible for the day-to-day operation of the Company and for the implementation of the Company's strategy. Mr. Petit serves as a bridge between management and our Board of Directors, ensuring that both groups act with a common purpose. Our Board of Directors further noted that the combined role of Chairman of the Board of Directors and Chief Executive Officer facilitates centralized leadership in one person so that there is no ambiguity about accountability. Our Board of Directors also considered Mr. Petit's knowledge regarding our operations and the industries and markets in which we compete and his ability to promote communication, to synchronize activities between our Board of Directors and our senior management and to provide consistent

leadership to both our Board of Directors and our Company.

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In determining whether to combine the roles of Chairman of the Board of Directors and Chief Executive Officer, our Board of Directors closely considered our current system for ensuring significant independent oversight of management, including the following: (1) only two members of our Board of Directors, Mr. Petit and Mr. Gorlin, also serve as employees; (2) each director serving on our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee is independent and (3) the Compensation Committee annually evaluates the Chief Executive Officer's performance and has the authority to retain independent compensation advisors. The Board of Directors has not designated a lead independent director.

Director Independence

We are not a listed company under SEC rules and are therefore not required to comply with the director independence requirements of any securities exchange. However, in determining whether our directors are independent, we apply the standards set forth in the rules of the NYSE Amex. The Company qualifies as a smaller reporting company as that term is defined in Item 10(f)(1) of Regulation S-K because its public float as of the last business day of the Company's most recent second fiscal quarter was less than \$75.0 million. As a result, the rules of the NYSE Amex require that at least 50% of the members of our Board of Directors be independent, which means that they are not officers of the Company and are free of any relationship that would interfere with the exercise of their independent judgment. The Board of Directors has determined that five of its nine directors, Larry W. Papasan, Kurt M. Eichler, J. Terry Dewberry, Joseph Bleser, and Bruce L. Hack are independent, as defined by the listing standards of the NYSE Amex, Section 10A(m)(3) of the Exchange Act, and the rules and regulations of the SEC.

Board of Directors Risk Oversight

The Board as a whole is responsible for overseeing the Company's risk exposure as part of determining a business strategy that generates long-term shareholder value. Each of the Board's standing committees focuses on risk areas associated with its area of responsibility.

Meetings and Committees of the Board of Directors

During the nine months ended December 31, 2009, there were four meetings of the Board of Directors, one of which was a telephonic meeting. Each incumbent director attended at least 75% of the aggregate total number of the meetings of the Board of Directors during the nine months ended December 31, 2009, and the meetings of the Board of Directors committees on which he served during that fiscal year.

In addition to other single purpose committees established from time to time to assist the Board of Directors with particular tasks, the Company's Board of Directors has the following standing committees: an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee.

We strongly encourage each of our directors to attend in person each annual meeting of shareholders whenever attendance does not unreasonably conflict with the director's other business and personal commitments. No annual meeting was held in the nine months ended December 31, 2009.

Audit Committee and Audit Committee Financial Expert

We are not a listed company under SEC rules and are therefore not required to have an audit committee comprised of independent directors. However, our goal is to comply with the rules of the NYSE Amex, which require that as a smaller reporting company, as that term is defined in Item 10(f)(1) of Regulation S-K, the Audit Committee of the Board of Directors be comprised of at least two members, all of whom qualify as independent under the criteria set forth in Rule 10 A-3 of the Exchange Act.

We established an Audit Committee comprised of three independent members of our Board of Directors in April 2008. We currently have three members on our Audit Committee; J. Terry Dewberry (Chairman), Joseph G. Bleser, and Larry W. Papasan, each of whom satisfies the independence standards of the NYSE Amex rules. The Board of Directors has determined that Mr. Dewberry is an audit committee financial expert within the meaning of Item 407(d)(5)(ii) of Securities and Exchange Commission (SEC) Regulation S-K. The charter for the Audit Committee is posted on our website at www.mimedx.com.

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As part of its duties, the Audit Committee:

Oversees the accounting and financial reporting processes of the Company and the audits of the Company's financial statements;

Reviews the Company's financial statements with management and the Company's outside auditors, and recommends to the Board of Directors whether the audited financial statements should be included in the Company's Annual Report on Form 10-K;

Establishes policies and procedures to take, or recommends that the full Board of Directors take, appropriate action to oversee the independence of the outside auditors;

Establishes policies and procedures for the engagement of the outside auditors to provide permitted non-audit services;

Takes responsibility for the appointment, compensation, retention, and oversight of the work of the Company's outside auditors and recommends their selection and engagement;

Ensures that the outside auditors report directly to the Audit Committee;

Reviews the performance of the outside auditors and takes direct responsibility for hiring and, if appropriate, replacing any outside auditor failing to perform satisfactorily;

Provides, as part of any proxy filed pursuant to SEC regulations, the report required by SEC regulations; and

Establishes procedures for handling complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

The Audit Committee held three meetings during the nine months ended December 31, 2009.

Compensation Committee

We established our Compensation Committee in April 2008. Currently, its membership consists of Mr. Eichler, who serves as the Committee Chairman, Messrs. Papasan and Bleser. The Compensation Committee held one meeting during the nine months ended December 31, 2009. All members of the Compensation Committee meet the independence standards of the NYSE Amex rules. Pursuant to its charter, the Compensation Committee is responsible for establishing the Company's overall compensation philosophy and programs and exercising the authority of the Board of Directors in the administration of all compensation plans and programs. The Compensation Committee also is charged with reviewing the performance of the Company's Chief Executive Officer, reviewing and approving compensation arrangements for and contractual arrangements with the Company's executive officers, and reviewing and recommending to the full Board of Directors for approval contractual incentive and equity-based compensation plans and directors' compensation. The charter for the Compensation Committee is posted on our website at www.mimedx.com. The Committee establishes compensation for executive officers and directors based on peer data, the Company's resources and, with respect to executive officers, the qualifications and experience of the executive.

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Nominating and Corporate Governance Committee; Procedures by which Security Holders May Recommend Nominees to the Board of Directors

We established our Nominating and Corporate Governance Committee in April 2008. Its membership currently consists of Mr. Papasan, who serves as the Committee Chairman, Messrs. Eichler, Dewberry and Bleser. The charter for this Committee requires that it annually present to the Board of Directors a list of individuals, who meet the criteria for Board of Directors membership, recommended for nomination for election to the Board of Directors at the annual meeting of shareholders and also consider suggestions received from shareholders regarding director nominees in accordance with any procedures adopted from time to time by the Nominating and Corporate Governance Committee. All of the Committee members meet the independence requirements of the NYSE Amex rules. The charter for the Nominating and Corporate Governance Committee is posted on our website at www.mimedx.com. The Nominating and Corporate Governance Committee held two meetings during the nine months ended December 31, 2009.

No material changes have been made to the procedures by which our shareholders may recommend nominees to our Board of Directors since we last described these procedures in the Form 10-K/A filed with the SEC on July 29, 2009. However our Nominating and Corporate Governance Committee adopted a formal policy consistent with those procedures and our bylaws in March 2010.

Evaluation of Director Candidates

In evaluating and recommending director candidates, the Nominating and Corporate Governance Committee takes into consideration such factors as it deems appropriate based on current needs. These factors may include leadership skills, business judgment, relevant expertise and experience, whether the candidate has a general understanding of marketing, finance, and other disciplines relevant to the success of a publicly-traded company in today's business environment, relevant regulatory experience, decision-making ability, interpersonal skills, community activities and relationships, and the interrelationship between the candidate's experience and business background and other Board members' experience and business background, as well as the candidate's ability to devote the required time and effort to serving on the Board of Directors.

To date, nominees for appointment and election to our Board of Directors have been selected pursuant to an informal process. Each person selected has been personally known to one or more members of the Board of Directors or to our executive team, and has been nominated based upon a recommendation made to the Nominating and Corporate Governance Committee or the Board of Directors (prior to formation of that Committee). The Nominating and Corporate Governance Committee has not established a policy for consideration of diversity in its nominating process. In accordance with our bylaws, the Nominating and Corporate Governance Committee will consider for nomination candidates recommended by shareholders if the shareholders comply with the following requirements. If a shareholder wishes to recommend a director candidate to the Board of Directors for consideration as a nominee to the Board of Directors, such shareholder must submit in writing to the Secretary of the Company:

the name, age and address of each proposed nominee;

the principal occupation of each proposed nominee;

the nominee's qualifications to serve as a director;

such other information relating to such nominee as required to be disclosed in solicitation of proxies for the election of directors pursuant to the rules and regulations of the SEC;

the name and residence address of the notifying shareholder; and

the number of shares owned by the notifying shareholder, and shall be accompanied by the nominee's written consent to being named a nominee and serving as a director if elected.

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This information must be delivered or mailed to the Secretary of the Company: (a) in the case of an annual meeting of shareholders that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than 120 days prior to such anniversary date; and (b) in the case of an annual meeting of shareholders that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, or in the case of a special meeting of shareholders, not later than the close of business on the tenth day following the day on which the notice of meeting is mailed or public disclosure of the date of the meeting is made, whichever occurs first.

A shareholder making any proposal shall also comply with all applicable requirements of the Exchange Act.

Candidates properly by shareholders will receive the same consideration as candidates presented by other persons.

Nominations or proposals not made in accordance herewith may be disregarded by the chairman of the meeting in his discretion, and upon his instructions all votes cast for each such nominee or for such proposal may be disregarded.

Shareholder Communications with the Board of Directors

MiMedx shareholders may communicate with the Board of Directors, or individual specified directors, in writing addressed to:

Board of Directors
c/o Corporate Secretary
811 Livingston Court, S.E.
Suite B
Marietta, Georgia 30067

The Corporate Secretary will review each shareholder communication. The Corporate Secretary will forward to (i) the entire Board of Directors, (ii) the non-management members of the Board of Directors, if so addressed, or (iii) the members of a Board of Directors committee, if the communication relates to a subject matter clearly within that committee's area of responsibility, each communication that (a) relates to MiMedx's business or governance, (b) is not offensive and is legible in form and reasonably understandable in content and (c) does not merely relate to a personal grievance against MiMedx or a team member or further a personal interest not shared by other shareholders generally.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our Chief Executive Officer (our principal executive officer), Chief Financial Officer (our principal accounting officer), controller, and persons performing similar functions. A copy is posted on our website at www.mimedx.com. In the event that we amend any of the provisions of the Code of Business Conduct and Ethics that require disclosure under applicable law, SEC rules or applicable listing standards, we intend to disclose the amendment on our website.

Any waiver of the Code of Business Conduct and Ethics for any executive officer or director must be approved by the Board of Directors and will be disclosed on a Form 8-K filed with the SEC, along with the reasons for the waiver.

Table of Contents**EXECUTIVE OFFICERS**

In addition to Messrs. Petit and Gorlin, who are also directors, the following persons currently serve as our executive officers:

William C. Taylor, age 41, became our President and Chief Operating Officer in September 2009. He is an operating executive with more than 20 years experience in healthcare product design, development and manufacturing. From 2001 through 2008, Mr. Taylor was President and CEO of Facet Technologies, LLC, a medical device company focused on medical device design, development, and manufacturing for OEM clients, such as Abbott, Bayer, BD, LifeScan (J&J), Roche, and Flextronics. Over his 14 year career at Facet and its predecessor company, Gainor Medical, he held various management positions, beginning with R&D, QA & Regulatory Affairs and progressing through General Management. Mr. Taylor was instrumental in growing the design and manufacturing business of Gainor Medical from \$14 million in revenue to over \$40 million, when the company was sold to Matria Healthcare. As President, he led the company to the number one market position in Microsampling and grew it to over \$85 million in revenue. He also led the company as CEO for 18 months after it was sold to Water Street Healthcare Partners. Mr. Taylor started his career in healthcare at Miles, Inc., Diagnostics Division (now Bayer Healthcare) as an engineering co-op, and then progressed to project management and senior mechanical engineering positions. A graduate of Purdue University, Mr. Taylor holds a Bachelor of Science degree in Mechanical Engineering and is co-inventor on eight patents.

Michael J. Senken, age 51, joined the Company as Chief Financial Officer in January 2010. Prior to joining the Company he was the Vice President and Chief Financial Officer of Park N Fly, Inc. from August 2007 to September 2009. From August 2005 to August 2007, Mr. Senken was Vice President & Chief Financial Officer of Patient Portal Technologies (OTCBB:PPRG). From June 2005 to August 2005, Mr. Senken was a consultant for JC Jones LLC. From 2002 to 2004, Mr. Senken was Senior Vice President & General Manager-Broadband Consumer Lifestyle for Philips Consumer Electronics. Prior thereto, Mr. Senken was employed by Philips Broadband Networks, serving as Senior Vice President & General Manager from 1996-2002, as Vice President and Chief Financial Officer from 1986 to 2002, and as Controller from 1983 to 1986. From 1980 to 1983, Mr. Senken was an auditor for Philips Electronics North America.

Roberta McCaw, age 54, was appointed General Counsel and Secretary in September 2009. Ms. McCaw is a lawyer in private practice and had been a consultant to the Company since January 2009. From February 2006 through May 2008, Ms. McCaw served as Senior Vice President, General Counsel and Secretary of Matria Healthcare, Inc., a publicly traded healthcare and medical device company. She previously served as Vice President Legal, General Counsel and Secretary of Matria from April 1998 to February 2006. She was Assistant General Counsel and Assistant Secretary of Matria from December 1997 to April 1998, and Assistant General Counsel of Matria from July 1996 to December 1997. Prior to joining Matria, Ms. McCaw was a partner in a Connecticut-based law firm. She is a graduate of the University of Connecticut School of Law. Prior to law school, Ms. McCaw studied accounting at Miami University and Cleveland State University, and worked as a Certified Public Accountant.

Thomas J. Koob, Ph.D., age 61, is an Executive Vice President and Chief Scientific Officer and the inventor of the patents that are the basis of the Company's license agreement with Shriners Hospital for Children and the University of South Florida. Dr. Koob has served as the Chief Scientific Officer of MiMedx, Inc. since March 2007. He received his Ph.D. in Biochemistry from Washington University School of Medicine in St. Louis. He completed four years of post-doctoral training at Harvard Medical School and four years of specialty training in the Laboratory of Skeletal Disorders, Department of Orthopedics at Children's Hospital Medical Center in Boston. As Section Chief of Skeletal Biology at Shriners Hospital for Children in Tampa, a position he held from June 1992 to August 2006, he developed and patented a core technology now licensed to MiMedx, Inc. He has published over 125 biomedical and biological articles and 12 book chapters. Dr. Koob is the brother of Charles E. Koob, who is one of our directors.

EXECUTIVE COMPENSATION

We established our Compensation Committee in April 2008. Its membership currently consists of Kurt M. Eichler (Chairman), Larry W. Papasan and Joseph G. Bleser. The Board of Directors has determined that each of the members is independent, as described above. The charter for the Compensation Committee is posted on our website at www.mimedx.com.

The following table summarizes the compensation paid by the Company for services in all capacities rendered to the Company during the nine months ended December 31, 2009, and the years ended March 31, 2009, and 2008, by the individual who served as our principal executive officer during the nine months ended December 31, 2009, and by each of the two other most highly compensated executive officers serving as executive officers at the end of 2009. These individuals are referred to collectively as our Named Executive Officers.

Table of Contents**Summary Compensation Table**

Name and Principal Position	Reporting Period	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) (1)	All Other Compensation (\$)	Total (\$)
Parker H. Pete Petit, Chairman of the Board of Directors, and CEO	Nine Months Ended 12/31/09	190,961			100,000		290,961
	Year Ended 3/31/09	22,212			490,000		512,212
	3/31/08						
Thomas J. Koob, Ph.D. Chief Scientific Officer, MiMedx, Inc.	Nine Months Ended 12/31/09	145,469			60,000		205,469
	Year Ended 3/31/09	183,750					183,750
	3/31/08	175,000			59,930		234,930
William C. Taylor, President and Chief Operating	Nine Months Ended 12/31/09	60,940(2)			442,500		503,440
	Year Ended 3/31/09						
	3/31/08						

(1) The Company follows the provisions of ASC topic 718 Compensation Stock compensation which requires the use of the fair-value based method to determine compensation for all arrangements

under which employees and others receive shares of stock or equity instruments. The assumptions made in the valuation of our option awards is disclosed in Note 9 to our consolidated financial statements contained in our Annual Report on Form 10-K for the nine months ended December 31, 2009.

- (2) Prior to joining the Company Mr. Taylor was paid \$69,400 for consulting services which is not included in this amount.

Narrative to Summary Compensation Table

We have no employment agreements with any of our Named Executive Officers. The material terms of our employment arrangements with each of our Named Executive Officers is described below:

Effective February 24, 2009, Mr. Petit was appointed our President and Chief Executive Officer, in addition to being elected as Chairman of the Board of Directors. He was awarded a base salary of \$225,000 and granted one million options, of which 70% vested immediately and the remainder will vest in equal increments on each of the next two anniversaries of the grant date. Additionally, Mr. Petit was awarded 250,000 options on July 31, 2009, of which 25% vested immediately and the remainder to vest in equal installments on each of the next three anniversaries of the grant date. Mr. Petit relinquished his position as President upon the appointment of Mr. William C. Taylor in September 2009. On February 23, 2010, the Compensation Committee approved an increase in Mr. Petit's annual base salary to \$325,000 effective March 1, 2010.

On March 1, 2007, we had entered into an employment agreement with Dr. Koob, our Chief Scientific Officer, which agreement expired by its terms on February 28, 2010. Dr. Koob currently receives an annual base salary of \$183,700. Mr. Koob was awarded 150,000 options on July 31, 2009, of which 25% vested immediately and the remainder to vest in equal installments on each of the next three anniversaries of the grant date.

Effective September 22, 2009, Mr. Taylor was appointed our President and Chief Operating Officer. He was awarded a base salary of \$225,000 and granted 750,000 options, of which 50% vest on the one year anniversary of the grant date and the remainder to vest in equal installments on the next two anniversaries of the grant date. On February 23, 2010, the Compensation Committee approved an increase in Mr. Taylor's base salary to \$300,000 effective March 31, 2010.

Table of Contents**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

The following table shows the number of shares covered by exercisable and unexercisable options held by our Named Executive Officers on December 31, 2009. We have not made any equity awards under incentive plans and no equity incentive plan awards are outstanding on December 31, 2009.

Name	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date
	(#)	(#)		
	Exercisable	Unexercisable	(\$)	
Parker H. Pete Petit	700,000	300,000(1)	0.73	2/24/2019
	62,500	187,500(2)	0.50	7/31/2014
Thomas J. Koob, Ph.D.	75,000	25,000(3)	1.00	6/15/2012
	75,000	25,000(4)	2.40	9/25/2012
	37,500	112,500(2)	.50	7/31/2014
William C. Taylor	2,500	750,000(5)	.70	9/22/2019
	2,500			