

Turning Point Brands, Inc.
Form DEF 14A
April 06, 2017
TABLE OF CONTENTS

**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 o

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 under §240.14a-12

Turning Point Brands, 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:

Fee paid previously with preliminary materials.

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

Edgar Filing: Turning Point Brands, Inc. - Form DEF 14A

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:

TABLE OF CONTENTS

April 7, 2017

To our Stockholders:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of Turning Point Brands, Inc. on Wednesday, May 17, 2017. The meeting will be held at the offices of Frost Brown Todd LLC, 400 West Market Street, 32nd Floor, Louisville, Kentucky 40202 at 9:30 a.m. eastern daylight time.

The official Notice of Annual Meeting, Proxy Statement and Proxy Card are enclosed with this letter.

Please take the time to read carefully each of the proposals for stockholder action described in the accompanying proxy materials. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope. Stockholders of record can also vote by touch-tone telephone from the United States, using the toll-free number on the proxy card, or by the Internet, using the instructions on the proxy card. If you attend the meeting, you may revoke your proxy and vote your shares in person.

Your interest and participation in the affairs of the Company are greatly appreciated. Thank you for your continued support.

Sincerely,

/s/ Lawrence S. Wexler

Lawrence S. Wexler

President and Chief Executive Officer

TABLE OF CONTENTS

TURNING POINT BRANDS, INC.

**5201 Interchange Way
Louisville, Kentucky 40229**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 17, 2017**

To the Stockholders:

The Annual Meeting of Stockholders (the Annual Meeting) of Turning Point Brands, Inc. (the Company) will be held at the offices of Frost Brown Todd LLC, 400 West Market Street, 32nd Floor, Louisville, Kentucky 40202 on Wednesday, May 17, 2017 at 9:30 a.m. eastern daylight time.

At the Annual Meeting you will be asked to:

- elect seven directors to the Board of Directors, each for a term of one year;
- ratify the appointment of RSM US LLP as the Company's independent auditors; and
- transact such other business as may properly come before the meeting.

A Proxy Statement describing matters to be considered at the Annual Meeting is attached to this notice. Only stockholders of record at the close of business on March 31, 2017 are entitled to receive notice of and to vote at the meeting.

By Order of the Board of Directors,

/s/ James W. Dobbins

James W. Dobbins

General Counsel and Corporate Secretary

Louisville, Kentucky
April 7, 2017

IMPORTANT

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE SUBMIT YOUR VOTE USING ONE OF THE VOTING METHODS DESCRIBED IN THE ATTACHED MATERIALS. IF YOU ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 17, 2017: Our Proxy Statement related to our 2017 Annual Meeting of Stockholders, our Annual Report on Form 10-K for the fiscal year ended on December 31, 2016 and our Annual Report to Stockholders for the fiscal year ended on December 31, 2016 are available on our website at www.turningpointbrands.com in the Investor Relations section.

TABLE OF CONTENTS

Table of Contents

<u>SUMMARY OF MATTERS REQUIRING STOCKHOLDER ACTION</u>	<u>1</u>
<u>Proposal 1—Election of Directors</u>	<u>1</u>
<u>Proposal 2—Ratification of the Appointment of the Company’s Independent Auditors</u>	<u>1</u>
<u>Other Matters</u>	<u>1</u>
<u>INFORMATION ABOUT PROXIES AND VOTING</u>	<u>2</u>
<u>Record Date and Voting Securities</u>	<u>2</u>
<u>Solicitation of Proxies</u>	<u>2</u>
<u>How to Vote</u>	<u>2</u>
<u>Changing Your Vote</u>	<u>3</u>
<u>CORPORATE GOVERNANCE AND OUR BOARD</u>	<u>4</u>
<u>Director Biographies</u>	<u>4</u>
<u>Meetings of the Board of Directors</u>	<u>5</u>
<u>Corporate Governance</u>	<u>6</u>
<u>Committees of the Board</u>	<u>7</u>
<u>Consideration of Candidates for Director</u>	<u>8</u>
<u>Compensation of Directors</u>	<u>9</u>
<u>Code of Business Conduct and Ethics</u>	<u>9</u>
<u>Corporate Governance Guidelines</u>	<u>9</u>
<u>SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>10</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>11</u>
<u>EXECUTIVE COMPENSATION</u>	<u>12</u>
<u>Executive Compensation Objectives and Philosophy</u>	<u>12</u>
<u>Summary Compensation Table</u>	<u>12</u>
<u>Narrative Disclosure to Summary Compensation Table</u>	<u>13</u>
<u>Outstanding Equity Awards at Fiscal Year-End</u>	<u>18</u>
<u>Equity Compensation Plan Information</u>	<u>18</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>19</u>
<u>CERTAIN RELATIONSHIPS AND TRANSACTIONS</u>	<u>20</u>
<u>PRESENTATION OF PROPOSALS</u>	<u>23</u>
<u>Proposal 1—Election of Directors</u>	<u>23</u>
<u>Proposal 2—Ratification of Independent Auditors</u>	<u>23</u>
<u>STOCKHOLDER PROPOSALS</u>	<u>25</u>
<u>STOCKHOLDERS’ COMMUNICATIONS WITH THE BOARD</u>	<u>25</u>
<u>FORM 10-K</u>	<u>25</u>
<u>OTHER BUSINESS</u>	<u>26</u>

TABLE OF CONTENTS

TURNING POINT BRANDS, INC.

**5201 Interchange Way
Louisville, Kentucky 40229**

**PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 17, 2017**

This proxy statement and accompanying proxy card are being furnished in connection with the solicitation of proxies by the board of directors (the **Board**) of Turning Point Brands, Inc., a Delaware corporation, to be voted at the Annual Meeting of Stockholders (the **Annual Meeting**) and any adjournments thereof. In this proxy statement, references to the Company, **we**, **us** or **our** refer to Turning Point Brands, Inc. This proxy statement and accompanying proxy card are first being mailed to stockholders on or about April 7, 2017.

The Annual Meeting will be held at the offices of Frost Brown Todd LLC, 400 West Market Street, 32nd Floor, Louisville, Kentucky 40202 on Wednesday, May 17, 2017 at 9:30 a.m. eastern daylight time, for the purposes set forth in this proxy statement and the accompanying notice of Annual Meeting.

SUMMARY OF MATTERS REQUIRING STOCKHOLDER ACTION

Proposal 1—Election of Directors

The affirmative vote of a plurality of the votes entitled to be cast by the holders of the Company's common stock present in person or represented by proxy is required to elect each nominee. Election by a plurality means that the director nominee with the most votes for the available slot is elected for that slot. You may vote **FOR** each nominee or you may **WITHHOLD AUTHORITY** to vote for each nominee. Unless you **WITHHOLD AUTHORITY** to vote for a nominee, your proxy will be voted **FOR** the election of the individuals nominated as directors.

*The Board recommends that you vote **FOR** the nominees.*

Proposal 2—Ratification of the Appointment of the Company's Independent Auditors

The proposal to ratify the appointment of RSM US LLP as the Company's independent auditors for the fiscal year ending December 31, 2017 will be approved if more shares present (in person or by proxy) and entitled to vote at the Annual Meeting are voted **FOR** ratification than are voted **AGAINST** ratification. You may vote **FOR** or **AGAINST** ratification, or you may **ABSTAIN** from voting on this proposal. A vote to **ABSTAIN** will have no effect on the outcome of this proposal.

*The Board recommends that you vote **FOR** this proposal.*

Other Matters

As of the date of this proxy statement, the Board knows of no matters that will be presented for consideration at the Annual Meeting other than those matters discussed in this proxy statement. If any other matters should properly come before the Annual Meeting and call for a vote of stockholders, validly executed proxies in the enclosed form returned to us will be voted in accordance with the recommendation of the Board, or, in the absence of such a recommendation, in accordance with the judgment of the proxy holders. Any such additional matter will be approved if more shares present (in person or by proxy) and entitled to vote at the Annual Meeting are voted in favor of such matters than are voted against.

TABLE OF CONTENTS

INFORMATION ABOUT PROXIES AND VOTING

Record Date and Voting Securities

The Board has fixed the record date (the *Record Date*) for the Annual Meeting as the close of business on March 31, 2017. Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting and at any adjournment or postponement thereof. At the close of business on the Record Date, there were outstanding 18,823,935 shares of common stock, each of which is entitled to one vote per share on all matters to be considered at the Annual Meeting.

The presence in person or by proxy of the holders of a majority of the outstanding shares of common stock will constitute a quorum for the transaction of business at the Annual Meeting. Shares of common stock represented by properly executed proxies received before the close of voting at the Annual Meeting will be voted as directed by such stockholders, unless revoked as described below.

Solicitation of Proxies

The cost of solicitation of proxies being solicited on behalf of the Board will be borne by us. In addition to solicitation by mail, proxies may be solicited personally, by telephone or other means by our directors, officers or employees, who receive no additional compensation for these solicitation activities. We will, upon request, reimburse brokerage houses and persons holding common stock in the names of their nominees for their reasonable out-of-pocket expenses in sending materials to their principals.

How to Vote

Stockholders of Record

If you are a stockholder and your shares are registered directly in your name with our stock transfer agent, Wells Fargo Shareowner Services, you are considered the *stockholder of record* of those shares. If you are a stockholder of record, you can give a proxy to be voted at the meeting:

- » over the telephone by calling a toll-free number (1-866-883-3382);
- » online (