

PARK CITY GROUP INC  
Form DEF 14A  
September 15, 2016

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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

Filed by the Registrant    
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the SEC Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to 14a-12

PARK CITY 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.  
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- Fee paid previously with preliminary materials.  
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1. Amount Previously Paid:

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2. Form, Schedule or Registration Statement No.:
3. Filing Party:
4. Date Filed:

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PARK CITY GROUP, INC.  
299 South Main Street, Suite 2370  
Salt Lake City, Utah 84111  
(435) 645-2000

September 13, 2016

Dear Stockholders of Park City Group, Inc.:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Park City Group, Inc. (the “Annual Meeting”), which will be held at our corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah on October 26, 2016 at 9:00 a.m., local time.

Details of the business to be conducted at the Annual Meeting are described in the Notice of Internet Availability of Proxy Materials (the “Notice”) you received in the mail, and in this Proxy Statement. We have also made available a copy of our 2016 Annual Report on Form 10-K (“Annual Report”) with this Proxy Statement. We encourage you to read our Annual Report. It includes our audited financial statements and provides information about our business and services.

As part of our efforts to conserve environmental resources and prevent unnecessary corporate expenses, we have elected to provide access to our proxy materials over the Internet, rather than mailing paper copies. Our management believes that providing our proxy materials over the Internet increases the ability of our stockholders to access the information they need, while lowering the costs of our Annual Meeting and conserving natural resources.

Regardless of whether you plan to attend the Annual Meeting in person, please read the accompanying Proxy Statement and then vote by Internet, telephone or e-mail as promptly as possible. Please refer to the Notice for instructions on submitting your vote. Voting promptly will save us additional expense in soliciting proxies and will ensure that your shares are represented at the Annual Meeting.

Our Board of Directors has unanimously approved the proposals set forth in the Proxy Statement and we recommend that you vote in favor of each such proposal.

We look forward to seeing you at the Annual Meeting.

Sincerely,

RANDALL K. FIELDS  
Chief Executive Officer

#### YOUR VOTE IS IMPORTANT

All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to vote by internet,

telephone or e-mail as promptly as possible. Submitting your vote assures that a quorum will be present at the Annual Meeting and avoid the additional expense of duplicate proxy solicitations. Any stockholder attending the Annual Meeting may vote in person, even if he or she has returned a proxy.

PARK CITY GROUP, INC.  
299 South Main Street, Suite 2370  
Salt Lake City, Utah 84111  
(435) 645-2000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on October 26, 2016

Dear Stockholders of Park City Group, Inc.:

We are pleased to invite you to attend the Annual Meeting of Stockholders (the "Annual Meeting") of Park City Group, Inc., a Nevada corporation (the "Company"), which will be held at the Company's corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah, on October 26, 2016 at 9:00 a.m., local time, for the following purposes:

1. the election of six directors to our Board of Directors, each to serve until the next Annual Meeting of Stockholders, or until his respective successor is elected and qualified;
2. to approve, on an advisory basis, the compensation of our named executive officers;
3. ratification of the appointment of Haynie & Company as our independent auditors for the fiscal year ending June 30, 2017; and
4. to vote upon such other matters as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

These matters are more fully discussed in the attached Proxy Statement.

We have elected to provide access to this year's proxy materials primarily over the Internet under the Securities and Exchange Commission's (the "SEC") "notice and access" rules. We believe that this process expedites stockholders' receipt of proxy materials, while lowering the costs of our Annual Meeting and conserving natural resources. On or about September 16, 2016, we mailed a Notice of Internet Availability of Proxy Materials (the "Notice") to each of our stockholders entitled to notice of and to vote at the Annual Meeting. This Notice contained instructions on how to access the attached Proxy Statement, our Annual Report on Form 10-K for the year ended June 30, 2016 ("Annual Report"), and how to submit your vote via the Internet, telephone and/or e-mail. The Notice also included instructions on how you can receive a paper copy of your proxy materials. The Proxy Statement and the Annual Report both are available online at: [www.hivedms.com/PCG](http://www.hivedms.com/PCG)

The close of business on August 29, 2016 (the "Record Date") has been fixed as the Record Date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournments or postponements thereof. Only holders of record of shares of our common stock and Series B Preferred Stock at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting. A complete list of these stockholders will be available for examination by any of our stockholders for purposes pertaining to the Annual Meeting at our corporate offices, 299 South Main Street, Suite 2370, Salt Lake City, Utah, during normal business hours for a period of 10 days prior to the Annual Meeting, and at the time and place of the Annual Meeting.

Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by Internet, telephone or e-mail, so that your shares may be represented and voted at the Annual Meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the record holder.

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Our Board of Directors unanimously recommends that you vote "FOR" each nominee identified in Proposal No. 1, and "FOR" Proposal Nos. 2 and 3, all of which are described in detail in the accompanying Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON OCTOBER 26, 2016:

THE ANNUAL REPORT AND PROXY STATEMENT ARE AVAILABLE ONLINE AT:  
[WWW.HIVEDMS.COM/PCG](http://WWW.HIVEDMS.COM/PCG)

By Order of the Board of Directors,

Randall K. Fields  
Chief Executive Officer, Chairman and Director

Salt Lake City, Utah  
September 13, 2016

PARK CITY GROUP, INC.  
299 South Main Street, Suite 2370  
Salt Lake City, Utah 84111  
(435) 645-2000

## PROXY STATEMENT

The enclosed proxy is solicited on behalf of the Board of Directors of Park City Group, Inc., a Nevada corporation (the "Company"), for use at the 2016 Annual Meeting of Stockholders ("Annual Meeting") to be held on October 26, 2016 at 9:00 a.m., local time, and at any adjournment or postponement thereof, at our corporate offices located at 299 South Main Street, Suite 2370, Salt Lake City, Utah.

We have elected to provide access to this year's proxy materials primarily over the Internet, under the Securities and Exchange Commission's (the "SEC") "notice and access" rules. On or about September 16, 2016, we mailed a Notice of Internet Availability of Proxy Materials (the "Notice") to each of our stockholders entitled to notice of and to vote at the Annual Meeting. This Notice contained instructions on how to access this Proxy Statement, our Annual Report on Form 10-K for the year ended June 30, 2016 ("Annual Report") and how to submit your vote via the Internet, telephone and/or e-mail. The Notice also included instructions on how you can receive a paper copy of your proxy materials. The Proxy Statement and the Annual Report both are available online at: [www.hivedms.com/PCG](http://www.hivedms.com/PCG)

### Voting

The specific proposals to be considered and acted upon at our Annual Meeting were summarized in the Notice, and are described in more detail in this Proxy Statement. On August 29, 2016, the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting (the "Record Date"), we had outstanding 19,266,186 shares of our common stock, par value \$0.01 per share ("Common Stock"), and 625,375 shares of our Series B Preferred Stock ("Series B Preferred"), each of which are entitled to vote at the Annual Meeting. Each holder of Common Stock is entitled to one vote per share of Common Stock held, and each holder of Series B Preferred is entitled to 2.5 votes per share of Series B Preferred held on the Record Date. As of the Record Date, outstanding shares represented 20,829,624 votes, consisting of 19,266,186 attributable to Common Stock and 1,563,438 attributable to Series B Preferred.

### Quorum

In order for any business to be conducted at the Annual Meeting, the holders of more than 50% of the shares entitled to vote must be represented at the Annual Meeting, either in person or by properly executed proxy. If a quorum is not present at the scheduled time of the Annual Meeting, the stockholders who are present may adjourn the Annual Meeting until a quorum is present. The time and place of the adjourned Annual Meeting will be announced at the time the adjournment is taken, and no other notice will be given. An adjournment will have no effect on the business that may be conducted at the Annual Meeting.

### Required Vote for Approval

Proposal No. 1: Election of Directors. The six nominees who receive the greatest number of votes cast at the Annual Meeting by the shares present, either in person or by proxy and entitled to vote, will be elected.

Proposal No. 2: Advisory Vote to Approve Executive Compensation. This proposal calls for a non-binding, advisory vote regarding the compensation paid to our named executive officers (the "Say-on-Pay Vote"). Accordingly there is no



"required vote" that would constitute approval. However, our Board of Directors, including our Compensation Committee, values the opinions of our stockholders and will consider the result of the vote when making future decisions regarding our executive compensation policies and practices.

Proposal No. 3: Ratification of Appointment of Auditors. To ratify the appointment of Haynie & Company as our independent auditors for the fiscal year ending June 30, 2017, the number of votes cast "FOR" must exceed the number of votes cast "AGAINST" this Proposal.

#### Abstentions and Broker Non Votes

All votes will be tabulated by the inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. An abstention is the voluntary act of not voting by a stockholder who is present at a meeting and entitled to vote. A broker "non-vote" occurs when a broker nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary power for that particular item and has not received instructions from the beneficial owner. If you hold your shares in "street name" through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to some of the matters to be acted upon. If you do not give your broker or nominee specific instructions regarding such matters, your proxy will be deemed a "broker non-vote."

Under Nevada law, abstentions and broker non-votes are not counted as votes cast on an item and therefore will not affect the outcome of any Proposal presented in this Proxy Statement, although they are counted for purposes of determining whether there is a quorum present at the Annual Meeting.

### Voting and Revocation of Proxies

If your proxy is properly returned to the Company, the shares represented thereby will be voted at the Annual Meeting in accordance with the instructions specified thereon. If you return your proxy without specifying how the shares represented thereby are to be voted, the proxy will be voted (i) FOR the election of the directors nominated by our Board, (ii) FOR the Say-on-Pay Vote, (iii) FOR ratification of the appointment of Haynie & Company as our independent auditors for fiscal year 2017, and (iv) at the discretion of the proxy holders on any other matter that may properly come before the Annual Meeting or any adjournment or postponement thereof.

You may revoke or change your proxy at any time before the Annual Meeting by filing, with our Corporate Secretary at our principal executive offices at 299 South Main Street, Suite 2370, Salt Lake City, Utah, 84111, a notice of revocation or another signed proxy with a later date. You may also revoke your proxy by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting alone will not revoke your proxy. If you are a stockholder whose shares are not registered in your own name, you will need additional documentation from your broker or record holder to vote personally at the Annual Meeting.

### Solicitation

We will bear the entire cost of solicitation, including the printing and mailing of the Notice, and the preparation and assembly of the proxy and any additional solicitation materials furnished to the stockholders. Copies of any solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, we may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, facsimile or other means by our directors, officers or employees. No additional compensation will be paid to these individuals for any such services. Except as described above, we do not presently intend to solicit proxies other than by e-mail, mail and telephone.

MATTERS TO BE CONSIDERED AT ANNUAL MEETING

PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The Company's Board of Directors currently consists of six directors, each of whom is nominated to be elected at the Annual Meeting. Each of the nominees has confirmed that he will be able and willing to serve as a director if elected. If any of the nominees become unable or unwilling to serve, your proxy will be voted for the election of a substitute nominee recommended by the current Board of Directors. Upon recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated for election as directors at our Annual Meeting Randall K. Fields, Robert W. Allen, William S. Kies, Jr., Richard Juliano, Austin F. Noll, Jr. and Ronald C. Hodge.

Please see disclosure captioned "Directors" on page 8 of this Proxy Statement for more information, including background information, business experience, and the Nominating and Corporate Governance Committee's recommendation of each nominee.

Our Articles of Incorporation and Bylaws provide that the Board of Directors shall consist of no less than one director, and that upon any change in the number of directors, any newly created directorships or eliminated directorships shall be apportioned by the remaining members of the Board of Directors or by stockholders.

Required Vote and Recommendation

The election of directors requires the affirmative vote of a plurality of the shares present or represented by proxy and entitled to vote at the Annual Meeting. The six nominees receiving the highest number of affirmative votes will be elected. Accordingly, under Nevada law, the Company's Articles of Incorporation and Bylaws, abstentions and broker non-votes will not have any effect on the election of a particular director. Unless otherwise instructed or unless authority to vote is withheld, shares represented by executed proxies will be voted "FOR" the election of each of the nominees.

The Board of Directors recommends that the stockholders vote "FOR" the election of Messrs. Fields, Allen, Kies, Juliano, Noll and Hodge.

The following sections set forth certain information regarding the nominees for election as directors of the Company. There are no family relationships between any of the directors and the Company's executive officers.

## DIRECTORS

Name of Nominee	Age	Title
Randall K. Fields	69	President, Chief Executive Officer and Chairman
Robert W. Allen	73	Director
William S. Kies, Jr.	64	Director
Richard Juliano	69	Director
Austin F. Noll, Jr.	73	Director
Ronald C. Hodge	68	Director

Randall K. Fields has been the Chief Executive Officer and Chairman of the Board of Directors since June 2001. Mr. Fields founded the Company in 1990 and has been its President, Chief Executive Officer and Chairman of the Board since its inception. Mr. Fields has also been responsible for the strategic direction of the Company since its inception. Mr. Fields co-founded Mrs. Fields Cookies with his then wife, Debbi Fields. He served as Chairman of the Board of Mrs. Fields Cookies from 1978 to 1990. In the early 1970's Mr. Fields established a financial and economic consulting firm called Fields Investment Group. Mr. Fields received a Bachelor of Arts degree in 1968 and a Masters of Arts degree in 1970 from Stanford University, where he was Phi Beta Kappa, Danforth Fellow and National Science Foundation Fellow.

The Nominating and Corporate Governance Committee believes that Mr. Fields' expertise in the Company's industry and markets following his founding of the Company in 1990, his extensive sales, marketing and technical background and experience, and his knowledge of business allow him to bring a unique understanding of the industries and markets in which the Company operates, as well as an entrepreneurial vision to the Company and the Board of Directors.

Robert W. Allen joined the Board of Directors in October 2007. Mr. Allen is a seasoned executive with many years experience as Chairman, President and Chief Executive Officer of businesses ranging in size from \$200 million to \$2.5 billion. Mr. Allen has over thirty years experience in the dairy industry, most notably as a catalyst for developing companies and a turn-around agent for troubled companies or divisions. Mr. Allen was Chief Executive Officer of Tuscan Lehigh Dairies where he established a leadership team to reposition the company and developed a position in the market place for the branding of its products. Prior to this, he was Executive Vice President of Borden, Inc., where he was recruited to turn around the largest and most troubled division of the company. He is also a past Chair of Kid Peace International, a \$160 million non-profit agency assisting children in crises.

The Nominating and Corporate Governance Committee believes that Mr. Allen's years of experience in an area of growth for the Company, the dairy industry, as well as his extensive experience developing and managing companies in senior executive roles, add significant value to the Company and its Board of Directors in assessing challenges in one of its growth markets, and in addressing organizational and development issues facing the Company.

William S. Kies, Jr. joined the Board of Directors in November 2011. Mr. Kies is currently a principal of Kies Consulting, LLC, a premier consulting practice specializing in the supermarket industry since 1994. Clients include Fortune 100 consumer package goods corporations and companies offering national services, programs and in-store support to all channels of food distribution. Prior to Kies Consulting, which Mr. Kies founded in 1994, he was the President and Chief Operating Officer of IGA, Inc., the world's largest banner group of independent supermarkets with over 4,000 stores serviced by 24 wholesalers in 20 countries.

The Nominating and Corporate Governance Committee believes that Mr. Kies' extensive management experience, including experience in the supermarket industry, together with his substantial contacts with potential clients for the

Company's services, contributes to the Board's deliberations and provides the Company with valuable insight and direction as the Company executes its business plan.

Richard Juliano joined the Board of Directors in October 2012. Mr. Juliano is a partner and founder of the Burke, Gillis, Juliano Group, a consulting firm specializing in assisting retailers and manufacturers with creating strategic marketing and merchandising partnerships to grow their business and market share. He began his career with Giant Eagle Super Markets, becoming the Senior Vice President and General Manager of the GM/HBC Division and then Senior Vice President of Merchandising and Marketing of the Phar-Mor Division. Mr. Juliano then served as Executive Vice President at Thrifty Payless Drug and Vice President of Marketing and Merchandising at Genuardis Family Markets in Philadelphia. Most recently, he was a senior executive at SUPERVALU, joining the company as Executive Vice President of Supply Chain Services for the Central Region and then moving to the Corporate Retail group as Vice President, GM/HBC, and ultimately Group Vice President of Center Store Merchandising. Mr. Juliano has served on the Red Cross of Columbiana County Board of Directors, National Association of Chain Drug Stores Advisory Board, Global Market Development Center Board of Directors and Youngstown State University Athletic Board. He currently is on the President's Innovative Network Board at GMDC.

The Nominating and Corporate Governance Committee believes that Mr. Juliano's knowledge and experience with supply chain management for large grocery retailers allows him to substantively contribute to the Company's business plan both with existing grocery clients, and new clients as the Company expands its business beyond the grocery industry.

Austin F. Noll, Jr. joined the Board of Directors in October 2012. Mr. Noll is the owner of Austin Noll & Associates, a trade relations and industry affairs consultancy based in New Jersey. Mr. Noll started his career with General Foods, spending 22 years in sales related positions. He then became Vice President of Trade Relations for the grocery division of Borden, Inc., and was promoted to Vice President of Industry and Trade Relations, before moving to Nabisco, Inc. as Senior Vice President of Industry and Trade Relations. Mr. Noll has served on the Trade Advisory Boards of Grocery Manufacturing Association, Food Marketing Institute, National Grocers Association, North American Wholesale Grocers Association, Western Association of Food Chains and IGA. He is currently a member of the Board of Directors of Food for All and a founding member of the Trade Advisory Board of Instant Combo Savings.

The Nominating and Corporate Governance Committee believes that Mr. Noll's experience working for and advising national food retailers provides a unique perspective to the Company that is particularly beneficial as the Company continues to expand its client base within the grocery industry.

Ronald C. Hodge joined the Board of Directors in February 2013. Mr. Hodge is an advisor to Delhaize America, LLC, a role he transitioned into following his time as Delhaize America's Chief Executive Officer from March 2011 to October 2012. Prior to Delhaize America, Mr. Hodge served as Executive Vice President and Chief Executive Officer of Hannaford Bros. Co. He joined Hannaford in 1980 and has served in various executive roles, including Vice President and General Manager of Hannaford's New York Division, Senior Vice President of Retail Operations, Executive Vice President of Sales and Marketing, and Executive Vice President and Chief Operating Officer. He became President of Hannaford in December 2000 and Chief Executive Officer in 2001. While leading the start-up of Hannaford's entry into upstate New York, Mr. Hodge was elected Chairman of the New York State Food Merchant's Association, and served on several Community Agency Boards of Directors. He chaired the Northeastern New York United Way Campaign in 1995 and was selected as the New York Capital Region's Citizen of the Year in 1996. Mr. Hodge holds a Bachelor of Science degree in business administration from Plymouth State College, Plymouth, New Hampshire.

The Nominating and Corporate Governance Committee believes that Mr. Hodge's 33 years of management experience in the grocery industry, including leading the successful expansion of Hannaford Bros. Co., provides the Company with valuable industry knowledge and insight as the Company continues to grow its scan-based technologies to an expanding client base.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any director or nominee during the past ten years.

#### Director Compensation

The outside directors of the Company, consisting of Messrs. Allen, Kies, Juliano, Noll and Hodge were entitled to receive the following compensation during fiscal 2016:

annual cash compensation of \$10,000 payable at the rate of \$2,500 per quarter. The Company has the right to pay this amount in the form of shares of Common Stock, and did so for all compensation owed directors during fiscal 2016; and

upon appointment, outside independent directors receive a grant of \$150,000 payable in shares of the Company's restricted Common Stock calculated based on the market value of the shares of Common Stock on the date of grant. The shares vest ratably over a five-year period.

The following table sets forth information concerning director compensation earned during fiscal year 2016:

Name	Stock Awards \$(1)	Total (\$)
Robert W. Allen	10,000	10,000
William S. Kies, Jr.	25,000	25,000
Richard Juliano	40,000	40,000
Austin F. Noll, Jr.	40,000	40,000
Ronald C. Hodge	40,000	40,000

(1) Stock awards consist solely of stock grants of fully vested Common Stock. Amounts shown do not reflect compensation actually received by the director. Instead, the amounts shown reflect the compensation costs recognized by the Company during the fiscal year for Common Stock awards as determined pursuant to FAS 123R.

## GOVERNANCE AND BOARD MATTERS

### Term of Office

The Company's Articles of Incorporation provides for a Board of Directors comprised of one class of directors. Directors serve from the time they are duly elected and qualified until the next Annual Meeting of stockholders or their earlier death, resignation or removal from office.

### Director Independence

The Board has determined that all of its members, other than Mr. Fields, who serves as the Company's Chief Executive Officer, are "independent" within the meaning of Rule 5605(a)(2) of the NASDAQ Stock Market Rules, and the SEC rules regarding independence.

### Code of Ethics and Business Conduct

In August 2008, the Company and its Board of Directors unanimously adopted a new Code of Ethics and Business Conduct, which replaced the Code of Ethics adopted in 2005. The Company's Code of Ethics and Business Conduct is posted at the Company's website located at [www.parkcitygroup.com](http://www.parkcitygroup.com).

### The Role of the Board in Risk Oversight

The Board's role in the Company's risk oversight process includes reviewing and discussing with members of management areas of material risk to the Company, including strategic, operational, financial and legal risks. The Board as a whole primarily deals with matters related to strategic and operational risk. The Audit Committee deals with matters of financial and legal risk. The Compensation Committee addresses risks related to compensation and other related matters. The Nominating and Governance Committee manages risks associated with Board independence and corporate governance. Committees report to the full Board regarding their respective considerations and actions.

## The Board's Leadership Structure

Our Board of Directors has discretion to determine whether to separate or combine the roles of Chief Executive Officer and Chairman of the Board. Our founder, Randall K. Fields, has served in both roles since 2001, and our Board continues to believe that his combined role is most advantageous to the Company and our stockholders. Our technology has its genesis in the operations of Mrs. Fields Cookies, co-founded by Mr. Fields, and Mr. Fields possesses in-depth knowledge of the issues, opportunities and risks facing us, our business and our industry and is best positioned to fulfill the Chairman's responsibility to develop meeting agendas that focus the Board's time and attention on the most critical matters and to facilitate constructive dialogue among Board members on strategic issues.

In addition to Mr. Fields' leadership, the Board maintains effective independent oversight through a number of governance practices, including, open and direct communication with management, input on meeting agendas, and regular executive sessions.

## MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors met five times and acted three times by unanimous written consent during the fiscal year ended June 30, 2016. The Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each of the Company's directors who served during fiscal 2016 attended or participated in no less than 75% or more of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served during fiscal 2016.

The following table represents the composition of each committee of the Board of Directors during the year ended June 30, 2016:

Name of Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Randall K. Fields	-	-	-
Robert W. Allen	Member	Chairman	-
William S. Kies, Jr.	-	-	Chairman
Richard Juliano	Member	Member	-
Austin F. Noll, Jr.	-	-	Member
Ronald C. Hodge	Chairman	-	Member
No. of Meetings Held in 2016	4	1	1

**Audit Committee.** The Audit Committee provides assistance to the Board of Directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal accounting controls. The Audit Committee also oversees the audit efforts of our independent accountants and takes those actions as it deems necessary to satisfy it that the accountants are independent of management. The Audit Committee currently consists of Ronald C. Hodge (Chairman), Richard Juliano and Robert W. Allen, each of whom is a non-management member of our Board of Directors. Mr. Allen is our Audit Committee financial expert, as that term is defined under SEC rules implementing Section 407 of the Sarbanes Oxley Act of 2002, and possesses the requisite financial sophistication, as defined under



applicable rules. We believe that the composition of our Audit Committee meets the criteria for independence under, and the functioning of our Audit Committee complies with the applicable requirements of the NASDAQ Stock Market Rules, the Sarbanes-Oxley Act of 2002 and SEC rules and regulations

Compensation Committee. The Compensation Committee determines our general compensation policies and the compensation provided to our directors and officers. The Compensation Committee also reviews and determines bonuses for our officers and other employees. In addition, the Compensation Committee reviews and determines equity-based compensation for our directors, officers, employees and consultants and administers our stock option plans and employee stock purchase plan. The Compensation Committee currently consists of Robert W. Allen (Chairman) and Richard Juliano, each of whom is a non-management member of our Board of Directors. We believe that the composition of our Compensation Committee meets the criteria for independence under, and the functioning of our Compensation Committee complies with the applicable requirements of the NASDAQ Stock Market Rules, the Sarbanes-Oxley Act of 2002 and SEC rules and regulations.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board of Directors regarding candidates for directorships and the size and composition of the Board. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to the Board concerning corporate governance matters. The current members of the Nominating and Corporate Governance committee are William S. Kies, Jr. (Chairman), Austin F. Noll, Jr. and Ronald C. Hodge. We believe that the composition of our Nominating and Corporate Governance Committee meets the criteria for independence under, and the functioning of our Nominating and Corporate Governance Committee complies with the applicable requirements of the NASDAQ Stock Market Rules, the Sarbanes-Oxley Act of 2002 and SEC rules and regulations.

For a stockholder to submit a candidate for consideration to the Nominating and Corporate Governance Committee, a stockholder must notify the Company's Corporate Secretary. To make a recommendation for director nomination in advance of an Annual Meeting, a stockholder must notify the Company's Corporate Secretary in writing no later than May 16, 2017, or 120 days prior to the anniversary of the date of the prior year's Annual Meeting Proxy Statement. Notices should be sent to the following address:

Park City Group, Inc.  
299 South Main Street, Suite 2370  
Salt Lake City, Utah 84111  
Attn: Corporate Secretary

All notices must include all information relating to the stockholder and the proposed nominee that would be required to be disclosed in a Proxy Statement or other filings required to be made in connection with solicitations of proxies for elections of directors under the proxy rules of the SEC.

PROPOSAL NO. 3

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

General

We are providing our stockholders with the opportunity to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the SEC's rules and regulation. This Say-on-Pay Vote is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which added Section 14A to the Securities Exchange Act of 1934, as amended ("Exchange Act").

Our executive compensation programs are designed to attract key employees and to retain, motivate and reward our executive officers for their performance and contribution to our long-term success. Under these programs, our executive officers are rewarded the achievement of corporate and individual performance objectives, and our executive officers' incentives are aligned with stockholder value creation. These goals may include the achievement of specific financial or business development goals. Also, when possible and appropriate taking into account the Company's financial condition and other related facts and circumstances, the compensation committee seeks to set performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

The "Executive Compensation" section below describes, in detail, our executive compensation programs and the decisions made by management and the Board of Directors with respect to the fiscal years ended June 30, 2016, 2015 and 2014. Although we have no formal policy for a specific allocation between current and long-term compensation, or cash and non-cash compensation, when possible and appropriate taking into account the Company's financial condition and other related facts and circumstances, we seek to implement a pay mix for our officers with a relatively equal balance of both, providing a competitive salary with a significant portion of compensation awarded on both corporate and personal performance.

As an advisory vote, this proposal is not binding and will not overrule any decision by the Company or the Board, including decisions made by the Company's Compensation Committee, creates or implies any change to the fiduciary duties of the Company or the Board of Directors, or creates or implies any additional fiduciary duties for the Company or the Board of Directors. However, management and the Compensation Committee value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for named executive officers.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE FOLLOWING ADVISORY RESOLUTION:

RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the disclosure under "Executive Compensation", the compensation tables and accompanying narrative disclosure, and any related material disclosed in this Proxy Statement, is hereby approved.

Vote Required and Recommendation

On this advisory, non-binding matter, the affirmative vote of at least a majority of the votes cast at the Annual Meeting is required to approve this Proposal No. 2.

The Board recommends that stockholders vote “FOR” the advisory resolution above, approving of the compensation paid to the Company’s named executive officers.

EXECUTIVE OFFICERS

The following table sets forth information regarding the executive officers of the Company during the year ended June 30, 2016:

Name	Age	Title
Randall K. Fields	69	Chief Executive Officer, Chairman of the Board and Director
Todd Mitchell	49	Chief Financial Officer
Edward L. Clissold	60	General Counsel, Secretary

The executive officers named above were appointed by the Board of Directors to serve in such capacities until their respective successors have been duly appointed and qualified or until their earlier death, resignation or removal from office.

Randall K. Fields Please see Mr. Fields’ biography on page 8 of this Proxy Statement, under the section titled “Directors.”

Todd Mitchell joined the Company in September 2015 and serves as the Company’s Chief Financial Officer. Prior to joining the Company, Mr. Mitchell served as a Senior Analyst and the Director of Research for Brean Capital, LLC. From March 2005 until joining Brean Capital in June 2011, Mr. Mitchell was a Senior Analyst with Kaufman Bros., L.P. Mr. Mitchell holds a B.A. in Political Science from Vassar College, and a MBA/MA in International Finance and Economics from The George Washington University School of Business.

Edward L. Clissold joined the Company in March 2002 and currently serves as the Company’s General Counsel and Corporate Secretary. Mr. Clissold previously served as the Company’s Chief Financial Officer from August 2012 until September 2015. Prior to his time with the Company, Mr. Clissold served as General Counsel for Mrs. Fields Cookies from August 1987 to April 1995 and was also in private practice. Mr. Clissold holds a Bachelors degree in Finance from the University of Utah and a Law Degree from Brigham Young University.

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table sets forth certain information about the compensation paid or accrued during the year ended June 30, 2016 to our Chief Executive Officer and each of our executive officers, other than our Chief Executive Officer, who were serving as an executive officer as of June 30, 2016 and whose annual compensation exceeded \$100,000 during such year (collectively the “Named Executive Officers”):

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Randall K. Fields Chief Executive Officer and Chairman of the Board	2016	618,678	400,000(3)	-	136,877(5)	1,155,555
	2015	572,252(2)	471,875(3)	519,000(4)	124,704(5)	1,687,831
	2014	550,000(2)	448,125(3)	519,000(4)	116,715(5)	1,633,840
Todd Mitchell (6) Chief Financial Officer	2016	171,346	-	84,375	-	255,721
Edward L. Clissold (7) General Counsel and Corporate Secretary, former Chief Financial Officer	2016	150,000	-	48,948	-	198,948
	2015	150,000	-	54,197	-	204,197
	2014	150,000	-	38,497	-	188,497

- (1) Stock awards consist solely of shares of restricted Common Stock. Amounts shown do not reflect compensation actually received by the Named Executive Officer. Instead, the amounts shown are the compensation costs recognized by the Company during the fiscal year for stock awards as determined pursuant to FAS 123R.
- (2) On June 30, 2013, the Company and Mr. Fields and Fields Management, Inc., a management company wholly-owned by Mr. Fields (“FMI”), entered into an updated Employment Agreement and an updated Service Agreement, respectively, replacing similar agreements that expired on the same date. The year-over-year change in Mr. Fields’ salary, bonus and other compensation are a result of terms in the updated agreements. See “Employment Agreements” below for a more detailed description of Mr. Fields’ updated Employment Agreement and FMI’s updated Service Agreement.
- \$562,435, \$520,205 and \$500,000 of Mr. Fields’ cash compensation during 2016, 2015 and 2014, respectively, was paid to FMI pursuant to the terms and conditions of the Service Agreement in effect during the applicable period.
- (3) The terms and conditions of the amended Employment Agreement by and between Mr. Fields and the Company, first dated June 30, 2013, and the amended Services Agreement, by and between FMI and the Company, first dated June 30, 2013, provide for an incentive bonus to be paid to Mr. Fields at the discretion of the Compensation Committee and upon approval by the Board of Directors, based upon the Company’s

achievement of certain performance goals. Upon recommendation of the Compensation Committee, the Board of Directors approved a \$400,000, \$400,000 and \$375,000 bonus to Mr. Fields for performance in the years ended June 30, 2015, 2014 and 2013, respectively. The amounts granted reflect successful completion of certain business objectives, including successful implementation of ReposiTrak during the year ended June 30, 2015 and an increase in revenue during the 2015 period, as compared to the 2014 period. The amounts paid in the years ended June 30, 2016 and 2015 were satisfied through the issuance of shares of the Company's non-voting, non-convertible Series B-1 Preferred Stock.

Amounts reported for the years ended June 30, 2016, 2015 and 2014 also include \$0 for the 2016 period, \$71,875 for the 2015 period and \$73,125 for the 2014 period, attributable to annual vesting of a previously granted bonus.

- (4) Pursuant to Services Agreement by and between the Company and FMI in effect during the applicable periods, FMI received 600,000 shares of restricted Common Stock in July 2009 and 600,000 shares of restricted Common Stock in July 2013. The shares vest ratably over a 10-year period and are valued as of the date of issuance, or \$1.10 per share and \$7.55 per share, respectively. The amounts reported herein represent the value of the shares of Common Stock that vested during the applicable periods.
- (5) These amounts include premiums paid on life insurance policies of \$73,416, \$73,416 and \$57,392 for 2016, 2015 and 2014, respectively; computer related expenses of \$6,000 for each of 2016, 2015 and 2014; Company car related expenses of \$20,186, \$18,192 and \$17,917 for 2016, 2015 and 2014, respectively; medical premiums of \$25,275, \$15,096 and \$23,406 for 2016, 2015 and 2014, respectively; and reimbursement for certain accounting services of \$12,000 for each of 2016, 2015 and 2014.
- (6) Mr. Mitchell joined the Company in September 2015, and did not receive any compensation from the Company during the years ended June 30, 2015 or 2014.
- (7) Mr. Clissold served as the Company's Chief Financial Officer during the years ended June 30, 2015 and 2014.

## Employment Arrangements

### Fields Employment Agreement

The Company has an Employment Agreement with Randall K. Fields, first dated June 30, 2013 and subsequently amended on July 1, 2017, (the “Fields Employment Agreement”), pursuant to which Mr. Fields is employed by the Company in the position of Sales Department Manager through June 30, 2021 for annual compensation of \$50,000, subject to annual increases equal to 75% of the Company’s percentage annual revenue growth beginning in the 2014 fiscal year. Mr. Fields may also be eligible for an annual incentive bonus, awarded at the discretion of the Compensation Committee.

The Company also has a Services Agreement with Fields Management, Inc. (“FMI”), first dated June 30, 2013 and subsequently amended on July 1, 2017, to provide certain executive management services to the Company, including designating Mr. Fields to perform the functions of President and Chief Executive Officer for the Company through June 30, 2021 (the “Services Agreement”). Pursuant to the Services Agreement, FMI is paid an annual base fee of \$500,000, subject to annual increases equal to 75% of the Company’s percentage annual revenue growth beginning in the 2014 fiscal year. FMI may also be eligible for an annual incentive bonus, awarded at the discretion of the Company’s Board of Directors.

FMI also receives: (i) up to \$1,200 per month for reimbursement of vehicle expenses; (ii) an annual computer equipment allowance of up to \$6,000; (iii) 600,000 shares of the Company’s Common Stock, subject to a pro-rata 10-year vesting schedule; and (iv) a retirement annuity or other bonus award to be developed within six months of the effective date. The Company also maintains and pays the premiums for a \$5.0 million life insurance policy in the name of Mr. Fields, with the beneficiary to be designated by Mr. Fields at his sole discretion.

### Mitchell Employment Agreement

The Company and Todd Mitchell entered into a two-year Employment Agreement on September 28, 2015 (the “Mitchell Employment Agreement”) pursuant to which Mr. Mitchell receives an annual base salary of \$225,000. Upon execution of the Mitchell Employment Agreement, Mr. Mitchell received 43,144 restricted shares of the Company’s Common Stock (the “Incentive Shares”), which Incentive Shares are subject to vesting conditions set forth in the Mitchell Employment Agreement.

### Outstanding Equity Awards at Fiscal Year-End

The following table generally sets forth the number of outstanding equity awards that have not been earned or vested or that have not been exercised for each of the Named Executive Officers as of June 30, 2016. No other equity awards otherwise reportable in this table have been granted to any of our Named Executive Officers.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)

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Randall K. Fields Chief Executive Officer, Chairman and Director	-	-	\$ -	-	776,744	\$ 6,967,394
Todd Mitchell Chief Financial Officer	-	-	-	-	43,144	387,002
Edward L. Clissold						