

SPEEDEMISSIONS INC  
Form DEF 14A  
April 18, 2008

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14a**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**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 Rule 14a-11(c) or Rule 14a-12

**Speedemissions, 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  
The filing fee of \$\_\_\_\_\_ was calculated on the basis of the information that follows:

1. Title of each class of securities to which transaction applies:

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2. Aggregate number of securities to which transaction applies:

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3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

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4. Proposed maximum Aggregate value of transaction:

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5. Total fee paid:

.. Fee paid previously with preliminary materials.

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6. Amount Previously Paid:

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7. Form, Schedule or Registration Statement No.:

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8. Filing Party:

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9. Date Filed:

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**SPEDEMISSIONS, INC.**

**1015 Tyrone Road, Suite 220**

**Tyrone, Georgia 30290**

**(770) 306-7667**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**to be held May 19, 2008**

**To our Shareholders:**

The Annual Meeting of Shareholders of Speedemissions, Inc. ( Speedemissions ) will be held at 10:00 a.m., local time, on Monday, May 19, 2008, at the headquarters of Speedemissions located at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, for the following purposes:

- (1) To elect five (5) directors of Speedemissions to serve until the 2009 annual meeting and until their successors are elected and qualified;
- (2) To ratify the appointment of Tauber & Balsler, P.C. as independent auditors of Speedemissions for the fiscal year ending December 31, 2008;
- (3) To approve and adopt the Speedemissions, Inc. 2008 Stock Grant and Option Plan; and
- (4) To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

The Board of Directors has set March 31, 2008 as the record date for the annual meeting. You will only be entitled to notice of, and to vote at, the annual meeting if you are a holder of record of shares of Speedemissions common stock or Series A Convertible Preferred Stock at the close of business on the record date. The stock transfer books will not be closed.

We may adjourn the annual meeting without notice other than announcement at the meeting or adjournments thereof, and any business for which notice is hereby given may be transacted at any such adjournment.

We have provided details concerning those matters to come before the annual meeting in the accompanying proxy statement. Whether you plan to attend the annual meeting or not, please sign, date and return the enclosed proxy card in the envelope provided. Returning your proxy card does not deprive you of your right to attend the annual meeting and to vote your shares in person.

By order of the Board of Directors,

/s/ Richard A. Parlontieri  
**Richard A. Parlontieri, President**

April 18, 2008

Tyrone, Georgia

**SPEEDEMISSIONS, INC.**

**1015 TYRONE ROAD, SUITE 220**

**TYRONE, GEORGIA 30290**

**(770) 306-7667**

**PROXY STATEMENT**

**Annual Meeting of Shareholders**

**to be held May 19, 2008**

**INTRODUCTION**

We are mailing this proxy statement and proxy card to the shareholders of Speedemissions, Inc., which we sometimes refer to as Speedemissions, on behalf of Speedemissions Board of Directors on or about April 18, 2008. Our Board of Directors is soliciting your proxy to vote your shares at the annual meeting of Speedemissions shareholders to be held at 10:00 a.m., local time, on Monday, May 19, 2008, at the headquarters of Speedemissions located at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, or at any adjournment or postponement thereof.

At the annual meeting, the shareholders will be asked to:

- (1) elect five (5) members to the Board of Directors of Speedemissions to serve until the 2009 annual meeting;
- (2) ratify the appointment of Tauber & Balsler, P.C. as independent auditors of Speedemissions for the fiscal year ending December 31, 2008
- (3) approve and adopt the Speedemissions, Inc. 2008 Stock Grant and Option Plan; and
- (4) transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

The Board of Directors has set March 31, 2008 as the record date for the annual meeting. You are entitled to notice of and to vote at the annual meeting if you own shares as of the close of business on our record date. At the close of business on the record date there were 5,162,108 outstanding shares of our common stock, par value \$0.001 per share, and 5,133 outstanding shares of our Series A Convertible Preferred Stock, par value \$0.001 per share. If you own shares of our common stock, you are entitled to one (1) vote for each share in person or by proxy on all matters properly to come before the annual meeting for each share of our common stock that you own on the record date. If you own shares of our Series A Convertible Preferred Stock, you are entitled to eight hundred thirty three and one-third (833.33) votes for each share in person or by proxy on all matters properly to come before the annual meeting for each share of our Series A Convertible Preferred Stock that you own on the record date.

***Voting Instructions***

If you are a record owner of our common stock or Series A Convertible Preferred Stock you may vote your shares on matters properly presented at the annual meeting in one of two ways:

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by signing and returning the enclosed proxy card in the enclosed envelope; or

by attending the meeting and voting in person.

If you hold shares in street name (that is, through a bank, broker or other nominee), such shares must be voted in accordance with instructions provided by the nominee. If your shares are held in the name of a nominee and you would like to attend the annual meeting and vote in person, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the annual meeting.

If you properly cast your vote, and your vote is not subsequently revoked, your vote will be voted in accordance with your instructions. If you sign and return the enclosed proxy card but do not give instructions, the shares represented by that proxy will be voted **FOR** the election of each director nominee nominated by the Board of Directors, **FOR** the ratification of the appointment of Tauber & Balsler, P.C. as independent auditors, and **FOR** the approval and adoption of the Speedemissions, Inc. 2008 Stock Grant and Option Plan.

- 1 -

You may revoke your proxy prior to the annual meeting by either (i) submitting to Speedemissions a properly executed proxy bearing a later date, (ii) by voting in person at the meeting, or (iii) by giving written notice of revocation to the Secretary of Speedemissions. The mailing address of Speedemissions is 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290.

### ***Quorum and Voting Requirements***

#### **Quorum**

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at a meeting will constitute a quorum to conduct business at the annual meeting. Proxies received but marked as abstentions and broker non-votes (which occur where shares held by brokers or nominees for beneficial owners are not voted on a matter) will be included in the calculation of the number of shares considered to be present at the meeting.

#### **Voting Requirements**

The vote required to approve the above proposals is the affirmative vote of the holders of a majority of Speedemissions' voting securities. Each holder of common stock is entitled to one (1) vote for each share held. Each holder of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share held, representing a total of 4,277,483 votes.

The record date for purposes of determining the number of outstanding shares of voting securities of Speedemissions, and for determining shareholders entitled to vote, is the close of business on March 31, 2008 (the Record Date). As of the Record Date, Speedemissions had outstanding 5,162,108 shares of common stock and 5,133 shares of Series A Convertible Preferred Stock. Holders of the shares have no preemptive rights. All outstanding shares are fully paid and nonassessable. The transfer agent for the common stock is Interwest Transfer Company, 1981 - 4800 South, Suite 100, Salt Lake City, Utah 84117, telephone (801) 272-9294.

#### ***Expenses of Solicitation***

Speedemissions will pay the expenses of the preparation of proxy materials and the solicitation of proxies for the annual meeting. In addition to the solicitation of proxies by mail, solicitation may also be made by certain of our directors, officers or employees telephonically, electronically or by other means of communication and they will receive no additional compensation for such solicitation. We will reimburse brokers and other nominees for costs incurred by them in mailing proxy materials to beneficial owners in accordance with applicable rules.

#### ***Availability of Certain Documents***

You may obtain copies of our 2007 Annual Report on Form 10-KSB (including the financial statements) without charge by contacting Richard Parlontieri at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, telephone (770) 306-7667. Our Annual Report on Form 10-KSB is not a proxy soliciting material.

## **PROPOSAL ONE**

### **ELECTION OF DIRECTORS**

Our Bylaws provide that our Board of Directors is comprised of at least one and not more than seven directors until changed by a duly adopted amendment to our Articles of Incorporation or by an amendment to the Bylaws, adopted by the vote or written consent of a majority of our shareholders entitled to vote. Directors are elected by the shareholders at each annual meeting to hold office until their respective successors are elected and qualified, and need not be shareholders of Speedemissions or residents of the State of Florida. The majority of the remaining directors, though less than a quorum, or a sole remaining director, may fill any vacancies on the board of directors resulting from the death, resignation or removal of a director. A director elected by the directors to fill a vacancy on the board of directors holds office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

The affirmative vote of the holders of a majority of the shares present or represented by proxy at the 2008 annual meeting is required to elect the nominees for director. Each share of common stock is entitled to one (1) vote and, therefore, has a number of votes equal to the number of authorized directors. Each share of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share. Broker non-votes and abstentions will be included in the number of shares present at the 2008 annual meeting and will have the same effect as a negative vote.



Although the Board of Directors of Speedemissions expects that each of the following nominees will be available to serve as a director, in the event that any of them should become unavailable prior to the shareholders meeting, a replacement will be appointed by a majority of the then-existing Board of Directors. The Board of Directors has no reason to believe that any of its nominees, if elected, will be unavailable to serve. All nominees are expected to serve until the next annual meeting of shareholders or until their successors are duly elected and qualified.

*Nominees For Election As Director*

**Richard A. Parlontieri** (Age 62) has served on our Board of Directors and as our President since June 2003. He served as the President and CEO of our wholly owned subsidiary since January 2001. From 1997 to December 2000, he was the chief executive officer of ebank.com, Inc. ( ebank ), a publicly held bank holding company headquartered in Atlanta. ebank, which began as a traditional bank designed to deliver banking services in a non-traditional way, was an internet bank that provided banking services focusing on small business owners. Prior to starting ebank, Mr. Parlontieri was president and chief executive officer of Habersham Resource Management, Inc., a consulting firm with over 16 years experience in the financial services, mortgage banking, real estate, home health care and capital goods industries. While at Habersham, Mr. Parlontieri co-founded and organized banks (including Fayette County Bank which was sold to Regions Financial Corporation) and completed strategic acquisitions or divestitures for banks, mortgage companies and real estate projects.

Mr. Parlontieri currently serves on the Industry Advisory Board for Georgia's Vehicle Emission Inspection and Maintenance Program. He is also a member of the Georgia Emissions Testing Association (GETA).

**Bradley A. Thompson** (Age 43) was appointed to our Board of Directors in August 2003. Mr. Thompson is currently the executive vice president of Portfolio Management for PMFM, Inc. From 1999 to September 2006, Mr. Thompson served as the chief investment officer and chief financial analyst for Global Capital Advisors, LLC, an affiliate of GCA Strategic Investment Fund, Limited, where he served as a Board member until September of 2006. Mr. Thompson also served as the chief operating officer and secretary for Global Capital Management Services, Inc., the corporate general partner and managing partner of Global Capital Funding Group, LP, a licensed SBIC. Prior to joining GCA in 1998, Mr. Thompson was self-employed, managing his own small business enterprises. Mr. Thompson was the president and sole owner of Time Plus, an automated payroll accounting services firm for small to mid sized companies. Mr. Thompson was also 50% owner and vice president, chief financial officer of AAPG, Inc., a specialty retail sporting goods firm. Mr. Thompson has since sold his interest in AAPG, Inc.

Mr. Thompson has a Bachelor of Business Administration Degree in Finance from the University of Georgia, and also holds the Chartered Financial Analyst designation. He is a member of the CFA Institute and the Bermuda Society of Financial Analysts. Mr. Thompson served as a Board member on Axtive, Inc. from May 2003 to June 2005.

**Ernest A. Childs, Ph. D** (Age 61) was appointed to our Board of Directors in June 2005. Mr. Childs is currently the chief executive officer of ArcheaSolutions, Inc., a position he has held since April 2000. ArcheaSolutions is a privately held environmental company that specializes in solutions for wastewater processing problems. Prior to joining ArcheaSolutions, Dr. Childs was the chief executive officer of Benesys, Inc. and Equity Development, Inc. Benesys is a benefit consulting company for companies in the health care industry and Equity Development is a consulting company that specializes in assisting people injured in major work and traffic accidents. Dr. Childs received his Bachelor of Science from the University of Tennessee in 1968, his Masters of Science from the University of Tennessee in 1969, and his Doctorate from the University of Georgia in 1971.

**John Bradley** (Age 49) was appointed to our Board of Directors in June 2006. Mr. Bradley is currently vice president of sales at Environmental Systems Products, where he has been employed since 1998. He is also a member and active participant in a number of industry trade associations and various states. Mr. Bradley currently serves as a director for Auto Repair Coalition, which represents certain large auto repair entities and is based in Sacramento, California. He received a degree in automotive technology from the State University of New York.

**Michael E. Guirlinger** (Age 60) was appointed to our Board of Directors in August 2006. Mr. Guirlinger is currently the chief executive officer and chief operating officer for Language Access Network, which was publicly held until its acquisition by Emergent Medical Associates in March 2008. Prior to joining Language Access Network in June 2006, Mr. Guirlinger served as Managing Director from March 2001 to May 2006 for Profit Technologies Corporation, a privately held company in Davidson, North Carolina, which offered consulting services to the financial/corporation market. He has extensive experience, as both manager and a director, in a variety of professional practices, both public and private, with a particular emphasis in the financial services industry. Mr. Guirlinger received his Bachelor of Arts from Aquinas College in 1970 and his Masters in Business Administration from Ohio State University in 1986.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE NOMINEES NOMINATED FOR ELECTION AS DIRECTORS BY THE BOARD OF DIRECTORS.**



### ***Board Meetings and Committees***

During the fiscal year ended December 31, 2007, the Board of Directors held six meetings. Each of our directors attended at least 67% all of the meetings of the Board of Directors and the committees of the board on which he served during 2007. We currently have two standing committees of the Board of Directors: the Compensation Committee and the Audit Committee, which are described below. We do not presently have a standing Nominating Committee.

#### **Nominating Committee**

During the fiscal year ended December 31, 2007, Speedemissions did not have a standing nominating committee. The NASDAQ rules do not require us to have a nominating committee since we are a controlled company in that more than 50% of our voting common stock was held by GCA Strategic Investment Fund Ltd. The Board believes that there is no material benefit to having a separate nominating committee at this time in view of the size of our company, and the fact that we are controlled by one large shareholder. Nominees for election as a director are determined by the entire Board. The Board makes all decisions regarding nominees for directors based upon the best interest of the company and its shareholders.

#### **Compensation Committee**

Our Compensation Committee consists of three directors. In 2007, Dr. Ernest Childs served as chairman of the Compensation Committee and Messrs. Parlontieri and Guirlinger also served on the Compensation Committee. The primary purposes of the Compensation Committee are to assist the Board of Directors in its responsibilities relating to compensation and to determine the compensation arrangements for certain executive officers. The Compensation Committee is also charged with approving incentive compensation plans for executive management. Mr. Parlontieri, our President and Chief Executive Officer, makes recommendations to the Compensation Committee regarding the structure of compensation packages and discusses such recommendations with the committee. Mr. Parlontieri recuses himself from decisions regarding his own compensation. The Compensation Committee met two times in 2007. The Compensation Committee does not have a written charter.

#### **Audit Committee**

In 2007, we had two members on the Audit Committee: Bradley A. Thompson, who served as chairman and John Bradley. The primary purposes of our Audit Committee are to represent and assist the Board of Directors in its responsibilities relating to the accounting, reporting and financial practices of Speedemissions and its subsidiaries, including the integrity of our financial statements and the outside auditor's qualifications and independence. The Audit Committee also prepared the report, included elsewhere in this proxy statement, required by the rules of the SEC to be included in our annual proxy statements. The Audit Committee met four times during 2007. The Audit Committee does not have a written charter.

Our Board of Directors has determined that Bradley Thompson, based upon his education and extensive experience in accounting, is an audit committee financial expert within the meaning of the rules of the SEC. No member of the Audit Committee is presently serving on the audit committee of another company.

#### ***Director Independence***

The Company has determined that Bradley A. Thompson, Michael E. Guirlinger, Dr. Ernest Childs and John Bradley are independent directors. Because of his employment with Speedemissions, we have determined that Richard A. Parlontieri is not an independent director. The Company evaluated director independence under NASDAQ Rule 4200(a)(15).

## **PROPOSAL TWO**

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

The affirmative vote of the holders of a majority of the shares present or represented by proxy at the 2008 annual meeting is required to ratify the appointment of Tauber & Balsler, P.C. as Speedemissions' independent auditors for the fiscal year ending December 31, 2008. Each share of common stock is entitled to one (1) vote and, therefore, has a number of votes equal to the number of authorized directors. Each share of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share. Broker non-votes and abstentions will be included in the number of shares present at the 2008 annual meeting and will have the same effect as a negative vote.

The Board of Directors has appointed Tauber & Balsler, P.C. to audit the consolidated financial statements of Speedemissions for the fiscal year ending December 31, 2008, and seeks ratification of such appointment. In the event of a negative vote on such ratification, the Board of Directors will reconsider its appointment.

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Tauber & Balsler, P.C. was engaged as independent public accountants of Speedemissions for 2006 and 2007. Representatives from Tauber & Balsler, P.C. will be present at the annual meeting, will have the opportunity to make a statement if they so desire, and will be available to respond to appropriate questions. The Audit Committee is responsible for selecting our independent public accountants for 2009, and has not yet made its selection.

- 4 -

**Principal Accountant Fees and Services**

The table below sets forth the aggregate fees billed to Speedemissions for audit, audit-related, tax and other services provided by Tauber & Balser, P.C. to Speedemissions during 2007 and 2006.

|                    | 2007              | 2006              |
|--------------------|-------------------|-------------------|
| Audit fees (1)     | \$ 148,150        | \$ 142,591        |
| Audit-related fees |                   |                   |
| Tax fees (2)       | 8,000             | 29,409            |
| All other fees     |                   |                   |
| <b>Total</b>       | <b>\$ 156,150</b> | <b>\$ 172,000</b> |

(1) Fees for audit services billed by Tauber & Balser, P.C. in 2007 and 2006 consisted of:

Audit of Speedemissions' annual financial statements and Sarbanes-Oxley Act compliance related services;

Reviews of Speedemissions' quarterly financial statements; and

Consents and other services related to Securities and Exchange Commission matters.

(2) Fees for tax services billed by Tauber & Balser, P.C. in 2007 and 2006 consisted of:

Federal tax return compliance assistance;

State tax return compliance assistance.

All of the fees described above for the fiscal years ended December 31, 2007 and 2006 were either approved in advance, or subsequently ratified, by the Audit Committee. All fees paid to Tauber & Balser, P.C. in 2007 and 2006 which required the pre-approval of the Audit Committee were approved in accordance with our pre-approval policies and procedures described below.

***Pre-Approval Policies and Procedures***

**Audit and Non-Audit Services Pre-Approval Policy.** Under the Sarbanes-Oxley Act of 2002, the audit committee of the board of directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the audit committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence from Speedemissions. To implement these provisions of the Sarbanes-Oxley Act of 2002, the SEC has issued rules specifying the types of services that an independent auditor may not provide to its audit client and governing the audit committee's administration of the engagement of the independent auditor.

*Audit Services.* Audit services in the annual audit engagement include the annual financial statement audit (including required quarterly reviews), subsidiary audits, equity investment audits and other procedures required to be performed by the independent auditor in order for the independent auditor to form an opinion on Speedemissions' consolidated financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control and consultations relating to the annual audit or quarterly review. Audit services also include the engagement for the independent auditor's report on the effectiveness of internal controls for financial reporting and on management's assessment of the effectiveness of such internal controls. In addition to the audit services included in the annual audit engagement, the Audit Committee may approve other audit services. Other audit

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services are those services that only the independent auditor can reasonably provide and include statutory audits or financial audits for our subsidiaries or affiliates and services associated with SEC registration statements, periodic reports and other documents we file with the SEC or other documents issued in connection with a securities offering.

*Audit-Related Services.* Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the independent auditor. The Audit Committee may grant pre-approval to audit-related services if the provision of audit-related services does not impair the independence of the auditor and is consistent with SEC rules on auditor independence. Audit-related services include accounting consultations relating to accounting, financial reporting or disclosure matters not classified as audit services, assistance with understanding and implementing new accounting and financial reporting guidance from rule-making authorities, financial audits of employee benefit plans, and assistance with internal control reporting requirements.

*Tax Services.* Our Audit Committee believes that the independent auditor can provide tax services to Speedemissions such as tax compliance, tax planning and tax advice without impairing the auditor's independence, and the SEC has stated that the independent auditor may provide such services. The Audit Committee may grant pre-approval to those tax services that the Audit Committee believes would not impair the independence of the auditor and are consistent with SEC rules on auditor independence.

*Other Non-Audit Services.* Our Audit Committee believes, based on the SEC's rules prohibiting the independent auditor from providing specific non-audit services, that certain types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant pre-approval for those permissible non-audit services that it believes are routine and recurring services, would not impair the independence of the auditor, and are consistent with the SEC's rules on auditor independence. Our Audit Committee may not pre-approve any of SEC's prohibited non-audit services.

#### **Pre-Approval Procedures.**

*Annual Audit Engagement.* Our Audit Committee approves the appointment of the independent auditor of Speedemissions and pre-approves the services to be provided in connection with the preparation or issuance of the annual audit report or related work. The annual audit services are set forth in an engagement letter prepared by the independent auditor which is submitted to the Audit Committee for approval. The independent auditors report directly to the Audit Committee. Audit services within the scope of the engagement letter are deemed to have been pre-approved by our Audit Committee.

*Pre-Approval of Other Audit and Non-Audit Services.* Other audit services, audit-related services, tax services, and other non-audit services may be pre-approved by our Audit Committee either on a specific case-by-case basis as services are needed or on a pre-approval basis for services that are expected to be needed. Our management may submit requests for pre-approval of eligible services by the independent auditor from time to time to our Audit Committee. The request for approval must be sufficiently detailed as to the particular services to be provided so that the Audit Committee knows precisely what services it is being asked to pre-approve and so that it can make a well reasoned assessment of the impact of the service on the auditor's independence. Budgeted amounts or fee levels for services to be provided by the independent auditor must be submitted with the request for pre-approval. Our Audit Committee will be informed of the services rendered by the independent auditor. Management will immediately report to the chairman of the Audit Committee any services that are not in compliance with the pre-approval policy that comes to the attention of any member of management.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF TAUBER & BALSER, P.C. AS INDEPENDENT AUDITORS OF SPEEDEMISSIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2008.**

### **PROPOSAL THREE**

#### **APPROVAL OF THE SPEEDEMISSIONS, INC. 2008 STOCK GRANT AND OPTION PLAN**

The affirmative vote of the holders of a majority of the shares present or represented by proxy at the 2008 annual meeting is required to approve the Speedemissions, Inc. 2008 Stock Grant and Option Plan. Each share of common stock is entitled to one (1) vote and, therefore, has a number of votes equal to the number of authorized directors. Each share of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share. Broker non-votes and abstentions will be included in the number of shares present at the 2008 annual meeting and will have the same effect as a negative vote.

#### ***General***

The purpose of this proposal is to seek the consideration and approval of our shareholders regarding the Speedemissions, Inc. 2008 Stock Grant and Option Plan (the "2008 Plan"), attached as Exhibit A to this proxy statement, to be effective May 19, 2008. The 2008 Plan offers selected employees, directors, and consultants an opportunity to acquire our common stock, to align the interests of such persons with those of our shareholders, to encourage such persons to remain employed by us and to attract new employees. The 2008 Plan allows for the award of stock and options, up to 5,000,000 shares of our common stock. We have not issued any options or stock awards under the 2008 Plan.

#### ***Purpose***

The purpose of the 2008 Plan is to promote the interests of our company and its shareholders by using investment interests in our company to attract, retain and motivate its management and other persons, including officers, directors, key employees and certain consultants, to encourage and reward such persons' contributions to our performance and to align their interests with the interests of our shareholders. In furtherance of this purpose, the 2008 Plan authorizes the granting of the following types of stock-based awards (each, an "Award"):

stock options (including incentive stock options and non-qualified stock options);

restricted stock awards;

unrestricted stock awards; and

performance stock awards.

Each of these types of Awards is described below under Awards.

- 6 -

**Eligibility**

Key employees (including employees who are also directors or officers), directors and certain consultants to Speedemissions are eligible to be granted Awards under the 2008 Plan at the discretion of the Board of Directors. In determining the eligibility of any person, as well as in determining the number of shares to be covered by an Award and the type or types of Awards to be made, the Board of Directors may consider:

the position, relationship, responsibilities and importance of the person to the company; and

such other factors as the Board of Directors deems relevant.

Selected consultants may participate in the 2008 Plan if:

the consultant renders *bona fide* services to the company;

the services rendered by the consultant are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for our securities; and

the consultant is a natural person who has contracted directly us to render such services.

**Administration**

The 2008 Plan currently is administered by the Compensation Committee of the Board of Directors. The Board of Directors has delegated to the Compensation Committee full authority, in its discretion, to:

select the persons to whom Awards will be granted (each a Participant );

grant Awards under the 2008 Plan;

determine the number of shares to be covered by each Award;

determine the nature, amount, pricing, timing and other terms of the Award;

interpret, construe and implement the provisions of the 2008 Plan (including the authority to adopt rules and regulations for carrying out the purposes of the 2008 Plan); and

terminate, modify or amend the 2008 Plan.

The 2008 Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

**Shares Subject to the 2008 Plan**

A total of 5,000,000 shares of common stock (subject to adjustment as described below) are reserved for issuance under the 2008 Plan. Shares of common stock issued under the 2008 Plan may be authorized but unissued shares, or shares reacquired by us, including shares purchased on the

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open market. The unexercised, unearned or yet-to-be acquired portions of any Award that expire, terminate or are canceled, and shares of common stock issued pursuant to Awards under the 2008 Plan that are reacquired by us pursuant to the terms under which such shares were issued, will again become available for the grant of further Awards.

**Adjustment.** In general, the aggregate number of shares as to which Awards may be granted to Participants under the 2008 Plan, the number and kind of shares thereof covered by each outstanding Award, and/or the price per share thereof in each such Award will, upon a determination of the Board of Directors, all be proportionately adjusted for any increase or decrease in the number of issued shares of common stock resulting from an increase, decrease or exchange in the outstanding shares of common stock or additional shares or new or different shares are distributed in respect of such shares of common stock, through merger, consolidation, sale or exchange of all or substantially all of our assets, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, spin-off or other distribution with respect to such shares. Fractional interests will not be issued upon any adjustments made by the Board of Directors; however, the committee may, in its discretion, make a cash payment in lieu of any fractional shares of common stock issuable as a result of such adjustments.

### *Awards*

**Stock Options.** Under the 2008 Plan, the Board of Directors may grant either incentive stock options or nonqualified stock options. Incentive stock options and non-qualified stock options may be granted for such number of shares of common stock as the Board of Directors determines.

The exercise price for each stock option is determined by the Board of Directors. Stock options must have an exercise price of at least 85% (100% in the case of incentive stock options, or at least 110% in the case of incentive stock options granted to certain employees owning more than 10% of the outstanding voting stock) of the fair market value of the common stock on the date the stock option is granted. Under the 2008 Plan, fair market value of the common stock for a particular date is generally the average of the closing bid and asked prices per share for the stock as quoted on the OTC Bulletin Board on such date.

No stock option may be exercised after the expiration of ten years from the date of grant (or five years in the case of incentive stock options granted to certain employees owning more than 10% of the outstanding voting stock). Pursuant to the 2008 Plan, the aggregate fair market value of the common stock, for which one or more incentive stock options granted to any participant may for the first time become exercisable as incentive stock options under the federal tax laws during anyone calendar year shall not exceed \$100,000.

A stock option may be exercised in whole or in part according to the terms of the applicable stock option agreement by delivery of written notice of exercise to Speedemissions specifying the number of shares to be purchased. The exercise price for each stock option may be paid by the Participant in cash or by such other means as the Board of Directors may authorize. Fractional shares are not to be issued upon exercise of a stock option.

The Board of Directors may, in its discretion, at any time after the grant of a stock option, accelerate vesting of such option, as a whole or in part, by increasing the number of shares then purchasable. However, the Board of Directors may not increase the total number of shares subject to an option.

Subject to the foregoing and the other provisions of the 2008 Plan, stock options may be exercised at such times and in such amounts and be subject to such restrictions and other terms and conditions, if any, as determined by the Board of Directors.

**Restricted Stock.** Restricted stock may be awarded by the Board of Directors subject to such terms, conditions and restrictions as it deems appropriate. Restrictions may include limitations on voting rights and transferability of the shares, restrictions based on the duration of employment or engagement with us, and corporate or individual performance. Restricted stock may not be sold or encumbered until all restrictions expire or are terminated. In this regard, the Secretary of Speedemissions or such other escrow holder as the Board of Directors may appoint shall retain physical custody of each certificate representing restricted stock until all restrictions imposed under the applicable Award Agreement shall expire or be removed.

The Board of Directors may require the Participant to pay Speedemissions an amount at least equal to the par value of the common stock awarded to the Participant. Subject to any limitations imposed by the applicable Award Agreement, from the date a Participant becomes the holder of record of restricted stock, the Participant has all the rights of a shareholder with respect to such shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares.

The 2008 Plan provides that to the extent the Board of Directors elects to grant an Award of restricted stock, the Award Agreement applicable thereto shall, except in certain specified situations, provide us with the right to repurchase the restricted stock then subject to restrictions immediately upon a termination of employment or engagement for any reason whatsoever at a cash price per share equal to the price paid by the Participant for the restricted stock.

**Unrestricted Stock.** The Board of Directors may, in its discretion, grant an Award of unrestricted stock to any eligible Participant, pursuant to which such Participant may receive shares of common stock free of any vesting restrictions under the 2008 Plan. The Board of Directors may also sell shares of unrestricted stock to eligible Participants at a purchase price determined in its discretion. Unrestricted stock may be granted or sold in respect of past services or other valid consideration, or in lieu of any cash compensation due to such individual.

**Performance Stock Awards.** The Board of Directors may make performance stock awards under the 2008 Plan based upon terms it deems appropriate. The Board of Directors may make performance stock awards independent of or in connection with the granting of any other Award under the 2008 Plan. The Board of Directors shall determine whether and to whom performance stock awards shall be made, the performance criteria applicable under each such Award, the periods during which performance is to be measured, and all other limitations and conditions applicable to the awarded shares. The Board of Directors may utilize any of the following performance criteria when granting performance stock awards:

net income;

pre-tax income;

operating income;

cash flow;

earnings per share;

return on equity;

return on invested capital or assets;

cost reductions or savings;

funds from operations;

appreciation in the fair market value of the common stock;

earnings before anyone or more of the following: interest, taxes, depreciation or amortization; and

such other criteria deemed appropriate by the Board of Directors.

The Participant receiving a performance stock award shall have the rights of a shareholder only as to shares actually received by the Participant and not with respect to shares subject to the Award but not actually received. At any time prior to the Participant's termination of employment (or other business relationship) by Speedemissions, the Board of Directors may, in its discretion, accelerate, waive or, subject to the other provisions of the 2008 Plan, amend any and all performance criteria specified under any performance stock award.

### ***Federal Income Tax Consequences***

The following is a brief summary of the principal federal income tax consequences of the grant and exercise of Awards under present law. This summary is not intended to be exhaustive and does not describe foreign, state or local tax consequences. Recipients of Awards are advised to consult their personal tax advisors with regard to all tax consequences arising with respect to the Awards.

**Tax Withholding.** If a distribution is made under this 2008 Plan in cash, we will withhold taxes as required by law. If an Award is satisfied in the form of shares of the common stock, then no shares may be issued unless and until arrangements satisfactory to us have been made to satisfy any tax withholding obligations applicable with respect to such Award.

**Deductibility of Awards.** Company deductions for Awards granted under the 2008 Plan are limited by Section 162(m) of the Internal Revenue Code of 1986 (the "Code") which generally limits our deduction for non-performance based compensation to \$1.0 million per year for our CEO and other four (4) most highly compensated officers. The Company has not paid any compensation to any executive officers that was not deductible by reason of the prohibition of Section 162(m).

**Incentive Stock Options.** Pursuant to the 2008 Plan, employees may be granted stock options that are intended to qualify as incentive stock options under the provisions of Section 422 of the Code. An optionee will not recognize any taxable income for federal income tax purposes upon receipt of an incentive stock option or, generally, at the time of exercise of an incentive stock option. The exercise of an incentive stock option generally will result in an increase in an optionee's taxable income for alternative minimum tax purposes.

If an optionee exercises an incentive stock option and does not dispose of the shares received in a subsequent disqualifying disposition (generally, a sale, gift or other transfer within two years after the date of grant of the incentive stock option or within one year after the shares are transferred to the optionee), upon disposition of the shares any amount realized in excess of the optionee's tax basis in the shares disposed of will be treated as a long-term capital gain, and any loss will be treated as a long-term capital loss. In the event of a disqualifying disposition, the difference between the fair market value of the shares received on the date of exercise and the exercise price (limited, in the case of a taxable sale or exchange, to the excess of the amount realized upon disposition over the optionee's tax basis in the shares) will be treated as compensation received by the optionee in the year of disposition. Any additional gain will be taxable as a capital gain and any loss as a capital loss, which will be long-term or short-term, depending on the length of time the optionee held the shares. If the exercise price of an incentive stock option is paid in whole or in part with shares of common stock, no income gain or loss generally will be recognized by the optionee with respect to the shares of common stock paid as the exercise price. However, if such shares of common stock were received upon the exercise of an incentive stock option, the use of those shares as payment of the exercise price will be considered a disposition for purposes of determining whether there has been a disqualifying disposition of those shares.

We will not be entitled to a deduction with respect to shares received by an optionee upon exercise of an incentive stock option and not disposed of in a disqualifying disposition. If an amount is treated as compensation received by an optionee because of a disqualifying disposition, we generally will be entitled to a corresponding deduction in the same amount for compensation paid.

**Non-Qualified Stock Options.** An optionee will not recognize any taxable income for federal income tax purposes upon receipt of a non-qualified stock option. Upon the exercise of a non-qualified stock option the amount by which the fair market value of the shares received, determined as of the date of exercise, exceeds the exercise price, the stock option will be treated as compensation received by the optionee in the year of exercise. If the exercise price of a non-qualified stock option is paid in whole or in part with shares of common stock, (i) no income, gain or loss will be recognized by the optionee on the receipt of shares equal in value on the date of exercise to the shares delivered in payment of the exercise price, and (ii) no income, gain or loss will be recognized by the optionee with respect to the shares of common stock paid as the exercise price of the option. The fair market value of the remainder of the shares received upon exercise of the non-qualified stock option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise, will be treated as compensation income received by the optionee on the date of exercise of the stock option. The Company or one of its subsidiaries, generally will be entitled to a deduction for compensation paid in the same amount treated as compensation received by the optionee.

**Restricted Stock.** A recipient of restricted stock will not recognize any taxable income for federal income tax purposes in the year of the Award, provided the shares are subject to restrictions (that is, they are non-transferable and subject to a substantial risk of forfeiture). However, the recipient may elect under Section 83(b) of the Code to recognize compensation income in the year of the Award in an amount equal to the fair market value of the shares on the date of the Award (less the amount paid by the recipient for such shares), determined without regard to the restrictions. If the recipient does not make a Section 83(b) election, the fair market



value of the shares on the date the restrictions lapse (less the amount paid by the recipient for such shares) will be treated as compensation income to the recipient and will be taxable in the year the restrictions lapse. The Company or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the recipient.

**Unrestricted Stock.** Any shares of common stock received pursuant to an Award of unrestricted stock will be treated as compensation income received by the recipient, generally, in the year in which the recipient receives such shares. In each case, the amount of compensation income will equal the fair market value of the shares of common stock on the date compensation income is recognized (less the amount, if any, paid by the recipient for such shares). The Company or one of its subsidiaries, generally, will be entitled to a corresponding deduction in the same amount for compensation paid.

**Performance Stock Awards.** A recipient of a performance stock award will not recognize any taxable income for federal income tax purposes upon receipt of the Award. Any shares of common stock received pursuant to the Award will be treated as compensation income received by the recipient, generally, in the year in which the recipient receives such shares of common stock. The amount of compensation income will equal the fair market value of the shares of common stock on the date compensation income is recognized. The Company or one of its subsidiaries, generally, will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the recipient.

**Other Tax Matters.** The exercise by a recipient of a stock option, the lapse of restrictions on restricted stock, or the deemed earnout of performance stock awards following the occurrence of a change in control, in certain circumstances, may result in:

a 20% federal excise tax (in addition to federal income tax) to the recipient on certain payments of common stock or cash resulting from such exercise or deemed earnout of performance stock awards or, in the case of restricted stock, on all or a portion of the fair market value of the shares on the date the restrictions lapse; and

the loss of a compensation deduction which would otherwise be allowable to Speedemissions as explained above.

***Grants Under the 2008 Plan***

As of the date of this Proxy Statement, no employee has been granted options or shares under the 2008 Plan.

***Interests of Certain Persons in the 2008 Plan***

The approval and adoption of the 2008 Plan is being solicited and recommended by both management and the Board of Directors. Each executive officer and each member of the Board of Directors will be eligible to participate in and such persons could receive benefits under the 2008 Plan.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL AND ADOPTION OF THE SPEDEMISSIONS, INC. 2008 STOCK GRANT AND OPTION PLAN.**

**BENEFICIAL OWNERSHIP OF OUR STOCK**

The following table shows how much common stock in the company is owned by the directors, certain executive officers, and owners of more than 5% of the outstanding common stock, as of March 31, 2008. The mailing address for each beneficial owner without a listed address below is in care of Speedemissions, Inc., 1015 Tyrone Road, Suite 220, Tyrone, GA 30290.

**Common Stock**

| <b>Name</b>  | <b>Number of<br/>Shares Owned</b> | <b>Right<br/>To<br/>Acquire(1)</b> | <b>Percentage of<br/>Beneficial<br/>Ownership(2)</b> |
|--|-----------------------------------|------------------------------------|--|
| GCA Strategic Investment Fund Ltd. (3)<br>c/o Prime Management Ltd<br>Mechanics Bldg 12 Church St. HM11<br>Hamilton, Bermuda HM 11 | 3,317,062                         | 3,103,333(4)                       | 55%  |
| Global Capital Funding Group, L.P.<br>106 Colony Park Drive, Suite 900<br>Cumming, GA 30040  | 62,299                            | 3,574,167(5)                       | 41%  |
| Global Capital Advisors, LLC (6)<br>227 King Street<br>Frederiksted, USVI 00840  |                                   | 10,000                             | <1%  |
| Richard A. Parlontieri (7)   | 256,242(8)                        | 925,666(9)                         | 19%  |
| Bradley A. Thompson (7)  | 850                               | 63,500(10)                         | 1%   |
| John Bradley (7)   |                                   | 50,000(11)                         | 1%   |
| Michael E. Guirlinger (7)  | 2,500                             | 50,000(11)                         | 1%   |
| Randy M. Dickerson   |                                   | 153,334(12)                        | 3%   |
| Michael S. Shanahan  |                                   | 153,334(12)                        | 3%   |
| Ernest A. Childs, PhD (7)  |                                   | 57,500(13)                         | 1%   |
| All directors and executive officers as a group (7 persons)  | 259,592                           | 1,453,334                          | 28%  |

(1) Includes shares that may be acquired within 60 days of the date of this report by exercising vested stock options and warrants but does not include any unvested stock options or warrants.

(2) For each individual or entity, this percentage is determined by assuming the named person or entity exercises all options and warrants either has the right to acquire within 60 days, but that no other persons or entities exercise any options or warrants. For the directors and executive officers as a group, this percentage is determined by assuming that each director and executive officer exercises all options and warrants which he or she has the right to acquire within 60 days, but that no other persons or entities exercise any options or warrants. The calculations are based on 5,162,108 shares of common stock outstanding as of March 31, 2008.

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- (3) Global Capital Advisors, LLC ( Global ), the investment advisor to GCA Strategic Investment Fund Limited ( GCA ), has sole investment and voting control over shares held by GCA. Mr. Lewis Lester is the sole voting member of Global.
- (4) Includes 3,103,333 shares of common stock which may be acquired upon conversion of 3,724 shares of Series A Convertible Preferred Stock.
- (5) Includes 1,174,167 shares of common stock which may be acquired upon conversion of 1,409 shares of Series A Convertible Preferred Stock. Includes 800,000 shares of common stock which may be acquired upon the exercise of warrants at \$0.90 per share, 800,000 shares of common stock which may be acquired upon the exercise of warrants at \$0.60 per share and 800,000 shares of common stock which may be acquired upon the exercise of warrants at \$0.30 per share.
- (6) Global is not a 5% owner, but is the investment advisor to GCA and has sole investment and voting control over shares held by GCA, which is a 5% owner of Speedemissions.
- (7) Indicates a Director of Speedemissions.
- (8) Includes 103,742 shares of common stock owned of record by Calabria Advisors, LLC, an entity controlled by Mr. Parlontieri.
- (9) Includes 150,000 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share; 44,000 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share; 716,666 shares of common stock which may be acquired upon the exercise of options at \$0.58, which are part of a grant of 1,075,000 shares with 358,334 shares vesting on 10/1/08. Includes 15,000 shares which may be acquired upon the exercise of warrants at \$2.50 per share.
- (10) Includes 5,000 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share. Includes 8,500 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share. Includes 50,000 shares of common stock which may be acquired upon the exercise of options at \$0.58, which are part of a grant of 75,000 options, 25,000 options vesting on October 1, 2008.
- (11) Includes 50,000 shares of common stock which may be acquired upon the exercise of options at \$0.58, which are part of a grant of 75,000 options with 25,000 options vesting on October 1, 2008.
- (12) Includes 133,334 shares of common stock which may be acquired upon the exercise of options at \$0.58, which are part of a grant of 200,000 options, 66,666 options vesting on October 1, 2008. Includes 20,000 shares of common stock which may be acquired upon the exercise of options at \$1.00.
- (13) Includes 5,000 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share. Includes 2,500 shares of common stock which may be acquired upon the exercise of options at \$2.00 per share. Includes 50,000 shares of common stock which may be acquired upon the exerc