

MULTIBAND CORP  
Form DEF 14A  
July 18, 2011

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

Filed by the Registrant

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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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MULTIBAND CORPORATION

\_\_\_\_\_  
(Name of Registrant As Specified in its Charter)

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MULTIBAND CORPORATION  
AND SUBSIDIARIES

9449 Science Center Drive  
New Hope, Minnesota 55428

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NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS

To be held August 17, 2011

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The Annual Meeting of the Shareholders of Multiband Corporation and Subsidiaries (Multiband or the Company) will be held at 9449 Science Center Drive, New Hope, MN 55428 on August 17, 2011 at 3:00 p.m. Minneapolis time, for the following purposes, as more fully described in the accompanying Proxy Statement.

1. To elect seven Directors for a term of one year.
2. To ratify the election of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm of the Company for fiscal year 2010.
3. To transact such business as may properly come before the meeting or any adjournment thereof.

Only Shareholders of record at the close of business June 30, 2011 will be entitled to receive notice of and vote at the meeting. The Company's Board of Directors recommends a vote in favor of all the proposals.

All shareholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the meeting, you are urged to mark, sign, date and return the enclosed proxy as promptly as possible in the postage-paid envelope enclosed for that purpose. Returning your proxy will help the Company ensure a quorum and avoid the additional expense of duplicate proxy solicitations. Any shareholder attending the meeting may vote in person even if he or she has returned the proxy.

By Order of the Board of Directors

Steven M. Bell  
Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 17, 2011**

The following materials, also included with this Notice, are available for view on the Internet at <http://www.multibandusa.com/investorRelations.asp>

- Proxy Statement for the Annual Meeting of Shareholders
- Annual Report to Shareholders, including Form 10-K, for the year end December 31, 2010.



MULTIBAND CORPORATION  
9449 Science Center Drive  
New Hope, Minnesota 55428

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PROXY STATEMENT

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ANNUAL MEETING OF SHAREHOLDERS  
AUGUST 17, 2011  
SOLICITATION, EXECUTION AND REVOCATION OF PROXIES

The mailing address of the principal corporate office of the Company is 9449 Science Center Drive, New Hope, MN 55428. This Proxy Statement and the form of proxy, which is enclosed, are being mailed to the Company's shareholders commencing on or about July 20, 2011.

Proxies in the accompanying form are solicited on behalf, and at the direction, of the Board of Directors of the Company. All shares of common stock represented by properly executed proxies, unless such proxies have previously been revoked, will be voted in accordance with the direction of the proxies. If no direction is indicated, the shares will be voted in accordance with the direction of the proxies. If any other matters are properly presented at the meeting for action, including a question of adjourning the meeting from time to time, the persons named in the proxies and acting there under will have discretion to vote on such matters in accordance with their best judgment.

When stock is in the name of more than one person, each such person must sign the proxy. If the shareholder is a corporation, an executive or other authorized officer must sign the proxy in the name of such corporation. If signed as attorney, executor, administrator, trustee, and guardian or in any other representative capacity, the signer's full title should be given and, if not previously furnished, a certificate or other evidence of appointment must be furnished.

A shareholder executing and returning a proxy has the power to revoke it at any time before it is voted. A shareholder who wishes to revoke a proxy can do so by executing a later dated proxy relating to the same shares and delivering it to the Secretary of the Company prior to the vote at the Annual Meeting, by written notice of revocation received by the Secretary prior to the vote at the Annual Meeting, or by appearing in person at the Annual Meeting and voting in person the shares to which the proxy relates.

In addition to the use of the mail, proxies may be solicited by personal interview, telephone and telegram by the Directors, officers and regular employees of the Company. Such persons will receive no additional compensation for such services. Arrangements will also be made with certain brokerage firms and certain other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of common stock held of record by such persons, and such brokers, custodians, nominees and fiduciaries will be reimbursed by the Company for their reasonable out-of-pocket expenses incurred by them in connection therewith. All expenses incurred in connection with this solicitation will be borne by the Company.

The Company is including with this Proxy Statement its Annual Report to shareholders for the year ended December 31, 2010, which includes a copy of the Company's Form 10-K, as filed with the Securities and Exchange Commission. Shareholders may receive, without charge, additional copies of the Form 10-K, by writing to Multiband Corporation at its principal corporate office.

The presence at the Annual Meeting in person or by proxy of the holders of 34% of the outstanding shares of the Company's common stock entitled to vote shall constitute a quorum for the transaction of business. If a broker returns a "non-vote" proxy, indicating a lack of voting instructions by the beneficial holder of the shares and a lack of discretionary authority on the part of the broker to vote on a particular matter, then the shares covered by such non-vote shall be deemed present at the meeting for purposes of determining a quorum but shall not be deemed to be represented at the meeting for purposes of calculating the vote required for approval of such matter. If a shareholder abstains from voting as to any matter, then the shares held by such shareholder shall be deemed present at the meeting for purposes of determining a quorum and for purposes of calculating the vote with respect to such matter, but shall not be deemed to have been voted in favor of such matter. An abstention as to any proposal will therefore have the same effect as a vote against the proposal.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Only shareholders of record at the close of business on June 30, 2011 (the Record Date) will be entitled to vote at this meeting. On the Record Date, there were 21,593,779 shares of common stock issued and outstanding. Each holder of common stock is entitled to one vote, exercisable in person or by proxy, for each share of common stock held of record on the Record Date. The affirmative vote of holders of a majority of shares of common stock outstanding on the Record Date is required for approval of the proposals to be voted upon at the Annual Meeting.

The following table sets forth certain information with respect to the beneficial ownership of our outstanding common stock by (i) each of our executive officers; (ii) each of our directors; (iii) all of our executive officers and directors as a group; and (iv) each of those known by us to be beneficial owners of more than 5% of our common stock.

The percentage ownership information shown in the table is based upon 21,593,779 shares outstanding as of June 30, 2011. Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of June 30, 2011 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws. Except as otherwise noted below, the address for each person or entity listed in the table is c/o Multiband Corporation, 9449 Science Center Drive, New Hope, Minnesota 55428.

Name	Beneficial Ownership		Percent
	Number		
<b>Executive Officers and Directors</b>			
Steven M. Bell	260,813	(1)	1.20 %
Frank Bennett	399,741	(2)	1.84
Jonathan Dodge	103,644	(3)	*
David Ekman	420,583	(4)	1.94
Eugene Harris	187,995	(5)	*
James L. Mandel	577,281	(6)	2.62
Donald Miller	390,565	(7)	1.79
Henry Block	8,333		*
Kent Whitney	128,833	(8)	*
All directors and officers as a group (9 persons)	2,477,788	(9)	11.47
<b>5% Shareholders</b>			
<b>Wellington Management Company, LLP</b>			
527 Madison Avenue New York, NY 10022	1,928,800	(10)	8.93
<b>Trellus Management Company, LLC</b>			
350 Madison Avenue New York, NY 10017	1,400,000	(11)	7.08
<b>Alydar Capital, LLC</b>			
222 Berkeley Street Boston, MA 02116	1,000,000	(12)	5.06





\* Indicates ownership of less than 1%.

- (1) Includes 148,850 shares of common stock subject to options that are exercisable within 60 days of the date of this table. Mr. Bell's beneficial ownership also includes 6,250 shares of common stock owned by his spouse as to which Mr. Bell disclaims beneficial ownership.
- (2) Includes 117,404 shares of common stock subject to options and warrants that are exercisable within 60 days of the date of this table and 9,755 shares of common stock issued as dividends in 2011 on Class E Preferred Stock which were redeemed by Mr. Bennett on May 26, 2011.
- (3) Includes 74,555 shares of common stock subject to options that are exercisable within 60 days of the date of this table.
- (4) Includes 56,766 shares of common stock subject to options that are exercisable within 60 days of the date of this table and 109,000 Series C Preferred Shares convertible into 43,600 shares of common stock.
- (5) Includes 90,856 shares of common stock subject to options and warrants that are exercisable within 60 days of the date of this table. Mr. Harris also owns 50,000 shares of the Company's Class E Preferred Stock, however, these shares are not convertible into common stock of the Company and were redeemed by Mr. Harris on May 26, 2011.
- (6) Includes vested options to purchase 441,889 shares of common stock.
- (7) Includes 166,955 shares of common stock subject to options and warrants that are exercisable within 60 days of the date of this table.
- (8) Includes 33,333 shares of common stock subject to options that are exercisable within 60 days of the date of this table.
- (9) See footnotes 1 through 8 above.
- (10) The number of shares indicated is based on the following information reported to the Company by Wellington Management Company, LLP; "As of June 30, 2011, Wellington Management, in its capacity as investment adviser, may be deemed to have beneficial ownership of 1,928,800 shares, of the common stock of the Company. Such shares are owned by numerous investment advisory clients of Wellington Management, one of which Wellington Trust Company, NA is known to have beneficial ownership of five percent or more of that class of securities of the Company. Wellington Management has voting power and/or dispositive power over such shares..
- (11) As reported in Schedule 13G filed with the Securities and Exchange Commission on June 3, 2011 by Trellus Management Company, LLC; "As of May 26, 2011, Trellus Management Company, LLC ("Trellus") was the beneficial owner of 1,400,000 shares of Common Stock of Multiband Corporation ("Common Stock") for a total beneficial ownership of 7.08% of the outstanding shares of Common Stock. Adam Usdan is the President of Trellus. Trellus and Adam Usdan are shown as sharing voting power and dispositive power of the same 1,400,000 shares of common stock."
- (12) As reported in Schedule 13G filed with the Securities and Exchange Commission on May 26, 2011 by Alydar Capital, LLC prior to the closing of the public stock offering on June 1, 2011.



## 1. ELECTION OF DIRECTORS

The Nominating Committee has nominated seven persons for election at the 2011 Annual Meeting as Directors for a one-year term expiring at the 2012 Annual Meeting. The Directors will hold office for the term for which elected and will serve until their successors have been duly elected and qualified.

It is intended that votes will be cast pursuant to the enclosed proxy for the election of the nominees in the table below, except for those proxies that withhold such authority. In the event that any of the nominees of the Company is unable or declines to serve as a Director at the time of the Annual Meeting, the proxy will be voted for the election of such other individual as the Nominating Committee shall designate in the place of such nominee. Management has no reason to believe that any of the nominees will not be a candidate or will be unable to serve.

### THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE NOMINEES LISTED BELOW.

#### Information About Nominees

The following information has been furnished to the Company by the respective nominees for Director.

Name	Age	Position	Director Since
James L. Mandel	54	Chief Executive Officer and Director	1998
Steven M. Bell	52	General Counsel, Chief Financial Officer and Director	1994
Frank Bennett	53	Director	2002
Jonathan Dodge	64	Director	1997
Eugene Harris	46	Director	2004
Donald Miller	71	Chairman of the Board of Directors	2001
Peter A. Pitsch	59	Director	-

James Mandel has been the Chief Executive Officer and a Director of Multiband since October 1, 1998. From October 1991 to October 1996, he was Vice President of Systems for Grand Casinos, Inc., a gaming company. Mr. Mandel serves on the Board of Directors of New Market Technology, Inc., a global small business incubator, GeoSpan Corporation, a geospatial imaging company and Independent Multi-Family Communications Council, a national trade group for the private cable industry. Among other attributes, skills and qualifications, the Board believes that Mr. Mandel is qualified to serve as a Director based on his long service to Multiband both as its Chief Executive Officer and as a Director, and his resulting deep familiarity with Multiband's operations and its industry. In addition, his prior executive management experience in the casino industry and his current experiences as a private company director of companies in industries different than Multiband's industry provide the Board with a broad range of knowledge regarding management and operational strategies.

Steven M. Bell was General Counsel of Multiband from June 1985 through October 1994, at which time he also became Chief Financial Officer. He is a graduate of the University of Minnesota and William Mitchell College of Law. Among other attributes, skills and qualifications, the Board believes that Mr. Bell is qualified to serve as a Director based on his extensive service to Multiband as its General Counsel, Chief Financial Officer and as a Director, and his unique experience and knowledge of Multiband's history, operations, and industry. As the Chief Financial Officer, Mr. Bell also brings significant financial and legal expertise to the Board.

Frank Bennett has been a Director of Multiband since 2002 and is the Chairman of Multiband's Audit and Nominating Committees. Mr. Bennett is President of Artesian Management, Inc., a private equity investment firm. Prior to founding Artesian Management in 1989, he was a Vice President of Mayfield Corporation, a venture capital firm, and a Vice President of Corporate Finance of Piper Jaffray & Co. and a Vice President of Piper Jaffray Ventures, Inc. Among other attributes, skills and qualifications, the Board believes that Mr. Bennett is qualified to serve as a Director and as Chairman of Multiband's Audit Committee based on his financial expertise and knowledge of investment banking, finance and raising capital. In particular, he has assisted management with structuring debt and equity offerings. The Board also believes that Mr. Bennett is qualified to serve on the Nominating Committee based on the diverse experience he has gained at companies throughout his career and through his service on Multiband's Board.

Jonathan Dodge has been a Director of Multiband since 1997 and is a member of the Compensation Committee. He is a senior partner at Brunberg, Blatt and Company, an accounting firm. Previously, he was a partner with McGladrey and Pullen, an accounting firm, and Dodge & Fox C.P.A. Mr. Dodge is a member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants for which he has served on the ethics and the tax conference committees. He serves on four other boards in the Minneapolis-Saint Paul area. Among other attributes, skills and qualifications, the Board believes that Mr. Dodge is qualified to serve as a Director based on his financial expertise as a certified public accountant, including his thorough understanding of financial statements, corporate accounting and finance, financial reporting and internal controls. The Board also believes that Mr. Dodge is qualified to serve on the Compensation Committee based on his lengthy business experience and service on Multiband's Board and on other, private company boards.

Eugene Harris has been a Director of Multiband since April 2004 and is Chairman of the Compensation Committee and a member of the Audit and Nominating Committees. He is the Managing Member of Step Change Advisors, LLC, a portfolio management and financial consulting company. Prior to forming Step Change Advisors, LLC, Mr. Harris was Chief Operating Officer of Fulcrum Securities and President of Fulcrum Advisory Services. Mr. Harris joined Fulcrum in 2007 after spending four years at Flagstone Securities. Mr. Harris joined Flagstone after 10 years as the majority shareholder of Eidelman, Finger, Harris & Co., a registered investment advisor. Prior to joining Eidelman, Finger, Harris & Co., Mr. Harris held positions in general management and new business development for the Monsanto Company, an agricultural products company, from 1990 to 1994. He also was an Associate Consultant with Bain and Co. from 1986 to 1988. He is a Chartered Financial Analyst and is a member of the Financial Analysts Federation. He serves on the Board of Directors of the Business Bank of St. Louis and Fulcrum Capital Corp. Among other attributes, skills and qualifications, the Board believes that Mr. Harris is qualified to serve as a Director and as a member of the Audit Committee and to chair the Compensation Committee based on his financial expertise. The Board also believes that Mr. Harris is qualified to serve on the Nominating Committee based on the significant management and operational experience gained throughout his career across a range of industries, and through his service on Multiband's Board and on other, private company boards.

Donald Miller has been a Director of Multiband since September 2001 and is Chairman of the Board of Directors and a member of the Audit and Compensation Committees. Mr. Miller worked for Schwan's Enterprises from 1962 to 2007, primarily as Chief Financial Officer. He serves on the Board of Directors of Schwan's Enterprises and is the Chairman of the Finance Committee and a member of the Audit and Risk Committees. Mr. Miller also serves on the Board of Directors of FoodShacks, Inc., a restaurant chain company and Webdigs, Inc., a real estate company, and is on the Audit Committee of Webdigs, Inc. Among other attributes, skills and qualifications, the Board believes that Mr. Miller is qualified to serve as Chairman of the Board based on his extensive business experience, financial literacy and tenure with Multiband. The Board also believes that Mr. Miller is qualified to serve on the Audit Committee due to his financial expertise, having served as the Chief Financial Officer of another company for several decades and his service on other audit committees, and that Mr. Miller is qualified to serve on the Compensation Committee due to his experience serving as a public and private company director.

Peter K. Pitsch is the Executive Director of Communications Policy and Associate General Counsel for Intel Corporation. He is responsible for coordination of Intel's global telecommunications policies. Prior to joining Intel, Pitsch was the president of Pitsch Communications from 1989 to 1998 which represented telecommunications clients before the FCC and Congress. Pitsch was the Chief of Staff to the Chairman of the Federal Communications Commission from 1987 to 1989 and Chief of FCC's Office of Plans and Policy from 1981 to 1987. He was a senior attorney at Montgomery Ward, Inc. from 1979 to 1981. Prior to that, he worked for three years as an attorney at the Federal Trade Commission including as attorney-advisor to FTC Commissioner Calvin Collier. Mr. Pitsch received a B.A. in Economics from the University of Chicago in 1973 and his J.D. from Georgetown University Law Center in 1976. He is a member of the District of Columbia Bar, the Virginia State Bar, and the Federal Communications Bar Association. We have agreed to elect Peter Pitsch, a designee of DirecTECH Holding Co, Inc. (DTHC), as a

member of our board of directors and such designee shall remain until both: i) a promissory note owed to DTHC is repaid in full; and (ii) DTHC's beneficial ownership is reduced to less than 10%, which occurred effective June 1, 2011.

The Company knows of no arrangements or understandings between a director and any other person pursuant to which any person has been selected as a director. There is no family relationship between any of the directors or executive officers of the Company.

## Senior Management

Henry Block has been the Vice President of Marketing since January 2008. He served as President of Michigan Microtech, Inc., a former subsidiary of DirecTECH Holding Company, Inc. from 1980 to 2005. Mr. Block continues to serve on the Board of Directors of DirecTECH Holding Company, Inc.

Dave Ekman is the Chief Information Officer of Multiband. He founded a computer company that subsequently merged with Vicom, Incorporated, Multiband's predecessor, in November 1999, at which time he joined Multiband. He serves on the Board of Trustees of the North Dakota State University Development Foundation.

Kent Whitney is the Chief Operating Officer of Multiband. He joined Multiband in 2004 as Vice President of Operations. In 1994, Mr. Whitney became a DirecTV retail television receive-only dealer. In 1996, he joined Pace Electronics, an electronics contract manufacturing company, and was General Manager and later Vice President. In 1998, Mr. Whitney co-founded Minnesota Digital Universe (MNMDU), a current Multiband subsidiary. Mr. Whitney has served on the Board of Directors of the Satellite Broadcasting & Communications Association and the Independent Multi-Family Communications Council.

## Board of Directors and its Committees

The Board of Directors met five times in 2010. As permitted by Minnesota Law, the Board of Directors also acted from time to time during 2010 by unanimous written consent in lieu of conducting formal meetings. Last year, there was one such action and accompanying Board Resolution passed. The Board has designated an audit committee consisting of Eugene Harris, Donald Miller and Frank Bennett. The Board also designated a Compensation committee consisting of Jonathan Dodge, Eugene Harris, and Donald Miller. Frank Bennett and Eugene Harris were also designated to the nominating committee.

To the best of the Company's knowledge, none of the Company's directors have been involved with any legal proceedings brought by the government or private individuals during the past ten years that involve allegation of securities law violations or other fraud.

## Diversity

The Company has no formal board diversity policy at present. The Company's nominating committee, in assessing candidates for potential board membership, does examine whether those candidates have particular skill sets or elements in their background that would raise the board's overall level of expertise and enhance the furtherment of the Company's business plans and objectives.

## Shareholder Communication with the Board

Our Board welcomes your questions and comments. If you would like to communicate directly to our Board, or if you have a concern related to the Company's business ethics or conduct, financial statements, accounting practices or internal controls, then you may contact our website via [www.multibandusa.com](http://www.multibandusa.com), section Investor Relations. All communications will be forwarded to our audit committee.

Directors' attendance at Annual Meetings can provide shareholders with an opportunity to communicate with Directors about issues affecting the Company. The Company does not have a policy regarding director attendance, but all Directors are encouraged to attend the Annual Meeting of Shareholders. Five of our directors attended our Annual Meeting in 2010.





Our Audit Committee, consisting of Frank Bennett, Don Miller and Jon Dodge, met six times during 2010. As previously reported, the Company determined that Mr. Dodge no longer met the “independence” requirements under NASDAQ Rule 5605(c)(2) for serving as an audit committee member of the Company. After the internal review and effective April 25, 2011, Jon Dodge resigned from the Company’s audit committee and effective the same date, the Company’s independent board members appointed Eugene Harris, Multiband director, as an audit committee member. The Audit Committee is comprised of individuals who meet the independence and financial literacy requirements of NASDAQ listing standards. Our Board has determined that all current members, Eugene Harris, Donald Miller, and Frank Bennett, qualify as an "audit committee financial expert" independent from management as defined by Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended. The Company acknowledges that the designation of the members of the audit committee as financial experts does not impose on them any duties, obligations or liability that are greater than the duties, obligations and liability imposed on them as a member of the audit committee and the Board of Directors in the absence of such designation.

Report of the Audit Committee