

AVID TECHNOLOGY INC
Form DEF 14A
April 05, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Avid Technology, 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):

- x No fee required.
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 - (3) Filing Party:
 - (4) Date Filed:

Avid Technology, Inc.

**Avid Technology Park
One Park West
Tewksbury, Massachusetts 01876**

Notice of 2007 Annual Meeting of Stockholders to be Held on Wednesday, May 16, 2007

The 2007 Annual Meeting of Stockholders of Avid Technology, Inc. will be held on Wednesday, May 16, 2007, at our offices located at 1925 Andover Street, Tewksbury, Massachusetts at 10:00 a.m., local time, to consider and act upon the following matters:

1. To elect two Class II Directors to serve for three-year terms.
2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.
3. To consider such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. Stockholders of record at the close of business on March 20, 2007 are entitled to notice of and to vote at the meeting or any adjournment thereof. A copy of our Annual Report to Stockholders for 2006, which contains consolidated financial statements and other information of interest to stockholders, accompanies this notice and proxy statement. All stockholders are cordially invited to attend the meeting.

By Order of our Board of Directors,
PAIGE PARISI
Secretary

Tewksbury, Massachusetts
April 5, 2007

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ENSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY IS MAILED IN THE UNITED STATES.

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Avid Technology, Inc.

**Avid Technology Park
One Park West
Tewksbury, Massachusetts 01876**

**Proxy Statement for the Annual Meeting of Stockholders
to be Held on Wednesday, May 16, 2007**

This proxy statement is furnished in connection with the solicitation of proxies by our board of directors for use at our company's 2007 annual meeting of stockholders and at any adjournments of that meeting. The annual meeting will be held at 10:00 a.m., local time, on May 16, 2007, at our offices located at 1925 Andover Street, Tewksbury, Massachusetts. All proxies will be voted in accordance with the stockholders' instructions, and if no choice is specified, the proxies will be voted in favor of the matters set forth in the accompanying notice of the annual meeting. Any proxy may be revoked by a stockholder at any time before its exercise by delivery of written revocation or a subsequently dated proxy to our Secretary, or by voting in person at the annual meeting.

The notice of the annual meeting, this proxy statement, the accompanying proxy card and our 2006 Annual Report are being mailed to stockholders on or about April 5, 2007.

Voting Securities and Votes Required

At the close of business on March 20, 2007, the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting, there were outstanding and entitled to vote an aggregate of 41,247,018 shares of our common stock, \$.01 par value per share. Stockholders are entitled to one vote per share.

Shares of common stock represented in person or by proxy (including shares that abstain or do not vote for any reason with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum is present at the annual meeting. The affirmative vote of the holders of a plurality of the shares of common stock present or represented and voting at the annual meeting is required for the election of the Class II Directors. The affirmative vote of the holders of a majority of the shares of common stock present or represented and voting at the annual meeting is required to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.

Shares that abstain from voting as to a particular matter, and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to a particular matter, or broker non-votes, will not be counted as votes in favor of such matter, and also will not be counted as votes cast or shares voting on such matter. Accordingly, assuming the presence of a quorum, abstentions and broker non-votes will not affect the voting on the election of the Class II Directors or the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.

Costs of Soliciting Proxies

We bear all costs for this solicitation of proxies. In addition to solicitations by mail, our directors, officers and employees may solicit proxies by telephone, email or personally without additional compensation. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting material to the owners of shares of our common stock that they hold in their names. We will reimburse banks and brokers for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information with respect to the beneficial ownership of our common stock by:

- each person known by us to beneficially own more than five percent of the outstanding shares of our common stock;
- each of our directors;
- each executive officer named in the Summary Compensation Table for Fiscal Year 2006 set forth on page 22; and
- all of our directors and executive officers as a group.

Except as otherwise noted, information in the following table is as of January 15, 2007.

Beneficial Owner	Number of Shares Beneficially Owned(1)	Percentage of Common Stock Outstanding(1)(2)
5% Stockholders		
Blum Capital Partners, L.P.(3) 909 Montgomery Street, Suite 400 San Francisco, CA 94133	6,277,883	15.3 %
Columbia Wanger Asset Management, L.P.(4) 227 West Monroe Street, Suite 3000 Chicago, IL 60606	5,989,300	14.6 %
Private Capital Management, L.P.(5) 8889 Pelican Bay Boulevard Naples, FL 34108	4,890,950	11.9 %
T. Rowe Price Associates, Inc.(6) 100 East Pratt Street Baltimore, Maryland 21202	3,989,249	9.7 %
PRIMECAP Management Company(7) 225 South Lake Avenue, #400 Pasadena, CA 91101	2,182,800	5.3 %
Barclays Global Investors, NA(8) 45 Fremont Street San Francisco, CA 94105	2,143,272	5.2 %
Directors and Officers		
George H. Billings(9)	20,000	*
Elizabeth M. Daley(10)	10,000	*
John V. Gutttag(11)	33,000	*
Nancy Hawthorne(12)	48,000	