

LIME ENERGY CO.
Form DEF 14A
April 18, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)

SCHEDULE 14A INFORMATION

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:

- 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 §240.14a-12

LIME ENERGY CO.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
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- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:

(4)

Date Filed:

Table of Contents

1280 Landmeier Road

Elk Grove Village, Illinois 60007

April 18, 2011

Dear Fellow Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the 2011 Annual Meeting of Stockholders to be held at 9:00 a.m., local time, on Thursday, June 2, 2011 at the Holiday Inn Hotel, 1000 Busse Road, Elk Grove Village, Illinois 60007. The formal notice of the Annual Meeting appears on the following page.

The attached Notice of Annual Meeting and Proxy Statement contain detailed information about the matters that we expect to act upon at the Annual Meeting.

Please sign, date and specify your choices on the enclosed proxy card and promptly return it in the enclosed business reply envelope. This will help insure that your shares are represented at the Annual Meeting, whether or not you plan to attend the Annual Meeting. If you attend the meeting, you may revoke your proxy and personally cast your vote.

We look forward to seeing you at the Annual Meeting and urge you to return your proxy card as soon as possible.

Sincerely,

/s/ David R. Asplund
Lime Energy Co.
David R. Asplund

Chief Executive Officer

Table of Contents

LIME ENERGY CO.

1280 Landmeier Road

Elk Grove Village, Illinois 60007

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held June 2, 2011

To the Stockholders of

LIME ENERGY CO.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Lime Energy Co. will be held at the Holiday Inn Hotel, 1000 Busse Road, Elk Grove Village, Illinois 60007 at 9:00 a.m. local time, on Thursday, June 2, 2011, for the following purposes:

1. To elect eight directors to our Board of Directors;
2. To approve the 2011 Employee Stock Purchase Plan; and
3. To ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year 2011.

Stockholders will also transact such other business as may properly come before the Annual Meeting or any adjournment thereof. As of the date of this notice, our Board of Directors knows of no other proposals or matters to be presented.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. This proxy statement is accompanied by a copy of the annual report to stockholders. The Board of Directors has fixed the close of business on April 6, 2011 as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof.

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The Board of Directors encourages you to complete, sign and date the enclosed proxy card and promptly return it in the enclosed postage prepaid envelope, regardless of whether you plan to attend the Annual Meeting.

By Order of the Board of Directors,

/s/ Richard Kiphart

Richard Kiphart

Chairman of the Board of Directors

Elk Grove Village, Illinois
April 18, 2011

Table of Contents

PROXY STATEMENT

Table of Contents

<u>GENERAL INFORMATION</u>	1
<u>SOLICITATION</u>	1
<u>RECORD DATE AND OUTSTANDING SHARES</u>	1
<u>REQUIRED VOTE</u>	2
<u>QUORUM; ABSTENTIONS AND BROKER NON-VOTES</u>	2
<u>VOTING OF PROXIES; REVOCABILITY OF PROXIES</u>	2
<u>DISSENTER'S RIGHT OF APPRAISAL</u>	2
<u>ANNUAL REPORT TO STOCKHOLDERS</u>	2
<u>MULTIPLE STOCKHOLDERS SHARING THE SAME ADDRESS</u>	3
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	4
<u>NOMINEES FOR DIRECTOR</u>	4
<u>LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT</u>	6
<u>DIVERSITY</u>	7
<u>FAMILY RELATIONSHIPS</u>	7
<u>DIRECTOR ATTENDANCE</u>	7
<u>INDEPENDENT DIRECTORS</u>	7
<u>COMPENSATION OF DIRECTORS</u>	7
<u>DIRECTOR COMPENSATION PROGRAM</u>	7
<u>DIRECTOR COMPENSATION TABLE</u>	9
<u>COMMITTEES OF THE BOARD OF DIRECTORS</u>	10
<u>SELECTION OF BOARD NOMINEES</u>	12
<u>CODES OF CONDUCT AND BUSINESS ETHICS</u>	12
<u>EXECUTIVE OFFICERS</u>	12
<u>SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT</u>	13
<u>BENEFICIAL OWNERS OF GREATER THAN 5% OF OUR COMMON STOCK</u>	13
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	14
<u>CHANGES IN CONTROL</u>	14
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	14
<u>TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CONTROL PERSONS</u>	14
<u>EXECUTIVE COMPENSATION</u>	15
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	15
<u>2010 SUMMARY COMPENSATION TABLE</u>	19
<u>EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS</u>	20
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	21
<u>GRANTS OF PLAN-BASED AWARDS FOR 2010</u>	22
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2010</u>	23

<u>STOCK OPTIONS AND INCENTIVE COMPENSATION</u>	24
<u>OPTION EXERCISES AND STOCK VESTED DURING 2010</u>	25
<u>OPTION RE-PRICING</u>	25

Table of Contents

<u>PROPOSAL 2 APPROVAL OF 2011 EMPLOYEE STOCK PURCHASE PLAN</u>	26
<u>MATERIAL FEATURES OF THE ESPP</u>	26
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	29
<u>REQUIRED VOTE</u>	29
<u>PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	30
<u>AUDIT COMMITTEE DISCLOSURE</u>	31
<u>GENERAL</u>	31
<u>INDEPENDENT AUDITORS FEES</u>	31
<u>PROCEDURES FOR AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITOR</u>	32
<u>REPORT OF THE AUDIT COMMITTEE</u>	32
<u>MISCELLANEOUS AND OTHER MATTERS</u>	34
<u>STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS</u>	34
<u>PROPOSALS OF STOCKHOLDERS FOR NEXT YEAR S MEETING</u>	34
<u>STOCKHOLDER LIST</u>	34
<u>OTHER BUSINESS</u>	34
<u>INCORPORATION BY REFERENCE</u>	35
<u>FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION</u>	35

Table of Contents

LIME ENERGY CO.

1280 Landmeier Road

Elk Grove Village, Illinois 60007

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

To be held Thursday, June 2, 2011

GENERAL INFORMATION

This proxy statement and the enclosed proxy card are being furnished to our stockholders in connection with the solicitation of proxies by the Board of Directors of Lime Energy Co., a Delaware corporation, for use at our Annual Meeting of Stockholders to be held at the Holiday Inn Hotel, 1000 Busse Road, Elk Grove Village, Illinois 60007 at 9:00 a.m. local time, on Thursday, June 2, 2011, and any adjournments thereof. This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about April 18, 2011.

A copy of our 2010 Annual Report on Form 10-K for the year ended December 31, 2010 has been mailed to you. Our proxy statement for the Meeting and the 2010 Annual Report on Form 10-K can be viewed on our website at <http://www.lime-energy.com/investors>.

We use the terms Lime Energy, the Company, we, our and us in this proxy statement to refer to Lime Energy Co. and its consolidated subsidiaries, unless the context otherwise requires.

Solicitation

The cost of this proxy solicitation will be borne by Lime Energy. We may request banks, brokers, fiduciaries, custodians, nominees and certain other record holders to send proxies, proxy statements and other materials to their principals at our expense. Those banks, brokers, fiduciaries, custodians, nominees and other record holders will be reimbursed by us for their reasonable out-of-pocket expenses of solicitation. We do not anticipate that costs and expenses incurred in connection with this proxy solicitation will exceed an amount normally expended for a proxy solicitation for an election of directors in the absence of a contest. In addition to soliciting proxies by mail, we and our directors, officers and regular employees may also solicit proxies personally, by telephone or by other appropriate means. No additional compensation will be paid to directors, officers or other regular employees for such services.

Record Date and Outstanding Shares

Our Board of Directors fixed the close of business on April 6, 2011 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. As of the close of business on the record date, we had 23,804,776 shares of common stock with voting rights as to certain matters outstanding. Each outstanding share of common stock on such date is entitled to one vote on each matter to be voted on at the Annual Meeting.

Table of Contents

Required Vote

The affirmative vote of a majority of the shares of common stock voted in person or by proxy at the Annual Meeting is required to elect the nominees to the Board of Directors, to approve our 2011 Employee Stock Purchase Plan and to ratify the appointment of our independent auditors. Stockholders do not have any rights to cumulate their votes in the election of directors.

Quorum; Abstentions and Broker Non-Votes

The required quorum for transaction of business at the Annual Meeting will be a majority of the total votes of the shares of common stock issued and outstanding as of the record date. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspector appointed for the meeting and will be taken into account in determining whether or not a quorum is present. Abstentions and broker non-votes, which occur when a broker has not received customer instructions and indicates that it does not have the discretionary authority to vote on a particular matter on the proxy card, will be included in determining the presence of a quorum at the Annual Meeting. Neither abstentions nor broker non-votes will be counted, and therefore will have no effect on the outcome on any of the proposals.

Rules that govern how brokers vote your shares have recently changed. Unless you provide voting instructions to any broker holding shares on your behalf, your broker may no longer use discretionary authority to vote your shares on any of the matters to be considered at the annual meeting other than the ratification of our independent registered public accounting firm. Please vote your proxy so your vote can be counted.

Voting of Proxies; Revocability of Proxies

Our Board of Directors selected Jeffrey R. Mistarz and John O Rourke, the persons named as proxies on the proxy card accompanying this proxy statement, to serve as proxies. Mr. Mistarz is our executive vice president, chief financial officer, treasurer and corporate secretary, and John O Rourke is our chief operating officer. The shares of common stock represented by each executed and returned proxy will be voted in accordance with the directions indicated thereon, or if no direction is indicated, the proxy will be voted in accordance with the recommendations of the Board of Directors contained in this proxy statement.

All stockholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting.

You can revoke a proxy you have given at any time before the shares it represents are voted by giving our secretary either (1) an instrument revoking the proxy or (2) a duly executed proxy bearing a later date. Additionally, you may change or revoke a previously executed proxy by voting in person at the Annual Meeting. However, your attendance at the Annual Meeting will not, by itself, revoke your proxy.

Dissenter s Right of Appraisal

There is no proposal or matter that will be acted upon in the meeting that would grant dissenting stockholders the right of appraisal.

Annual Report to Stockholders

We are simultaneously furnishing to you with this proxy statement our Annual Report to

Table of Contents

Stockholders for the fiscal year ended December 31, 2010, which contains financial and other information pertaining to us.

Multiple Stockholders Sharing the Same Address

Owners of common stock who hold their shares in a brokerage account may receive a notice from their broker stating that only one proxy statement will be delivered to multiple security holders sharing an address. This practice, known as householding, is designed to reduce printing and postage costs. However, if any stockholder residing at such an address wishes to receive a separate proxy statement, he or she may contact our Corporate Secretary at Lime Energy Co., 1280 Landmeier Road, Elk Grove Village, Illinois 60007-2410 or by telephone at 847-437-1666.

Table of Contents

**PROPOSAL 1
ELECTION OF DIRECTORS**

At the Annual Meeting, eight nominees to the Board of Directors will be elected to hold office for a one year term ending at our 2012 Annual Meeting of stockholders or until their respective successors are duly elected and qualified. All nominees listed below are currently members of our Board of Directors and have consented to being named in this proxy statement and to serve as directors, if elected. If, at the time of the Annual Meeting, any nominee becomes unavailable or declines to serve as a director for any reason, the persons named in the proxy will vote for the substitute nominee(s) as the Board of Directors recommends, or vote to allow the vacancy created by the nominee who is unable or declines to serve to remain open until filled by the Board of Directors, as the Board of Directors recommends. The Board of Directors has no reason to believe that any nominee will be unable or decline to serve if elected to office.

Nominees for Director

The following table presents the names of the director nominees as well as certain information about them. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Name	Age	Position Held with the Company	Served as Director Since
David R. Asplund	52	Chief Executive Officer and Director	2002
Gregory T. Barnum	55	Director (1)(2)	2006
Christopher W. Capps	27	Director (1)	2009
William R. Carey, Jr.	62	Director (2)(3)	2006
Joseph F. Desmond	46	Director (1)(3)	2007
Stephen Glick	63	Director	2009
Richard P. Kiphart	68	Chairman of the Board of Directors and Director (2)(3)	2006
Daniel W. Parke	54	Director; President and Chief Operating Officer; President of Parke Industries Incorporated	2005

-
- (1) Member of our Audit Committee.
- (2) Member of our Compensation Committee.
- (3) Member of our Governance and Nominating Committee.

Our Board has set the size of the Company's board of directors at nine members. With the resignation of David Valentine on December 31, 2010, there is currently one vacancy, which the Board is seeking to fill. To date it has not identified a qualified candidate to fill this position, but it hopes to fill this vacancy within the near future. Under our by-laws, the Board may appoint a director to fill a vacancy until the next annual meeting of stockholders.

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Below, we provide the following information for each director and Board of Directors nominee: