

VOIP INC
Form DEF 14A
February 12, 2007
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 x

Filed by a party other than the Registrant o

Check the appropriate box:

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

VoIP, INC.

(Name of Registrant as Specified In Its Charter)

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

(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:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

VoIP, Inc.
151 So. Wymore Rd., Suite 3000
Altamonte Springs, Florida 32714

Notice of Annual Meeting of Shareholders
to be held on March 16, 2007

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of VoIP, Inc., a Texas corporation (the "Company"), will be held on March 16, 2007, at 10:00 a.m., Eastern Standard Time, at the Holiday Inn, 230 W. State Road 436, Altamonte Springs Florida 32714 for the purpose of considering and voting upon the following matters:

1. To approve the election of Anthony Cataldo, Gary Post, Stuart Kosh, and Nicholas A. Iannuzzi, Jr. to the board of directors of the Company to serve for 2007 and until their successors are elected and qualified;
2. To approve the VoIP, Inc. 2006 Equity Incentive Plan;
3. To approve the Amended and Restated Articles of Incorporation of the Company to authorize 25,000,000 shares of preferred stock (which approval does not extend to the approval of any issuances of preferred stock);
4. To approve the Amended and Restated Articles of Incorporation of the Company to increase the number of authorized shares of common stock that the Company is authorized to issue to 400,000,000 shares of common stock (which approval does not extend to the approval of the issuance of any shares of common stock);
5. To consider and act on a proposal to approve the selection of Berkovits, Lago & Company, LLP as the Company's independent auditors for 2006; and
6. To transact such other business as may properly come before the annual meeting and any adjournment or adjournments of the meeting.

The proxies will not be used to vote to adjourn the meeting in order to continue to solicit votes to approve the matters to be voted on. Our board of directors has no knowledge of any other business to be transacted at the annual meeting.

Our board of directors has fixed the close of business on January 16, 2007 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting and at any adjournment or adjournments of the meeting. Our stock transfer books will remain open.

A copy of our Annual Report on Form 10-KSB, including Amendment No. 2 related thereto, for the fiscal year ended December 31, 2005, and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, which contains consolidated financial statements and other information of interest to shareholders, accompanies this notice and the enclosed Proxy Statement.

All shareholders are cordially invited to attend the annual meeting.

By Order of the Board of Directors

Robert V. Staats,
Secretary

Altamonte Springs, Florida

February 9, 2007

Your vote is very important. Whether or not you plan to attend the annual meeting, in order to ensure representation of your shares, please promptly complete, date and sign the enclosed proxy card and return it in the accompanying envelope or follow the instructions provided for voting by phone or via the Internet, if applicable. No postage need be affixed if the proxy card is mailed in the United States.

VoIP, INC.
151 So. Wymore Rd., Suite 3000
Altamonte Springs, Florida 32714

PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 16, 2007

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SUMMARY

The Company

VoIP, Inc.

151 So. Wymore Rd., Suite 3000
Altamonte Springs, FL 32714
(407) 389-3232

We are an emerging global provider of advanced communications services utilizing Voice over Internet Protocol (“VoIP”) technology. Internet Protocol telephony is the real time transmission of voice communications in the form of digitized “packets” of information over the Internet or a private network, similar to the way in which e-mail and other data is transmitted. VoIP services allow consumers and businesses to communicate at reduced costs compared to legacy telephony networks. For more information on the Company, see our 2005 Annual Report on Form 10-KSB, as amended, which accompanies this Proxy Statement.

INFORMATION ABOUT SOLICITATION AND VOTING

Solicitation

This Proxy Statement is furnished in connection with the solicitation of proxies by the board of directors of VoIP, Inc. (the “Company”) for use at the Annual Meeting of Shareholders to be held on March 16, 2007 at 10:00 a.m., Eastern Time, at the Holiday Inn, 230 W. State Road 436, Altamonte Springs, Florida 32714 and at any adjournment or adjournments of the annual meeting.

The notice of meeting, this Proxy Statement, the enclosed proxy card, our Form 10-Q for the quarter ended September 30, 2006 and our annual report to shareholders for the year ended December 31, 2005 which includes a copy of our Annual Report on Form 10-KSB for the same fiscal year, as amended, as filed with the Securities and Exchange Commission (the “SEC”), including financial statements and schedules, but excluding exhibits, are first being sent or given to shareholders on or about February 16, 2007. **We will, upon written request of any shareholder who has not otherwise received a copy of our annual report on Form 10-KSB for the fiscal year ended December 31, 2005, furnish without charge a copy of that annual report on Form 10-KSB (including amendments thereto), including financial statements and financial statement schedules, but excluding exhibits, as filed with the SEC. Please address your request to VoIP, Inc., 151 So. Wymore Rd., Suite 3000, Altamonte Springs, FL 32714, Attention: Robert Staats, Chief Accounting Officer. Exhibits will be provided upon written request and payment of an appropriate processing fee.**

INFORMATION ABOUT THE ANNUAL MEETING

WHEN IS THE ANNUAL MEETING?

March 16, 2007, 10:00 a.m. Eastern Standard Time

WHERE WILL THE ANNUAL MEETING BE HELD?

The meeting will be held at the Holiday Inn 230 W. State Road 436, Altamonte, Springs, Florida 32714.

WHAT ITEMS WILL BE VOTED UPON AT THE ANNUAL MEETING?

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At the annual meeting and any adjournment or adjournments of the annual meeting, our shareholders will be asked to consider and vote upon the following matters:

1. To approve the election of Anthony Cataldo, Gary Post, Stuart Kosh and Nicholas A. Iannuzzi, Jr. to the board of directors of the Company to serve for 2007 and until their successors are elected and qualified;
2. To approve the VoIP, Inc. 2006 Equity Incentive Plan;
3. To approve the Amended and Restated Articles of Incorporation of the Company to authorize 25,000,000 shares of preferred stock (which approval does not extend to the approval of any issuances of shares of preferred stock);
4. To approve the Amended and Restated Articles of Incorporation of the Company to increase the number of authorized shares of common stock that the Company is authorized to issue to 400,000,000 shares of common stock (which approval does not extend to the approval of any issuance of any shares of common stock); and

5. To consider and act on a proposal to approve the selection of Berkovits, Lago & Company, LLP as the Company's independent auditors for 2006; and

6. To transact such other business as may properly come before the annual meeting and any adjournment or adjournments of the meeting.

The proxies will not be used to vote to adjourn the meeting in order to continue to solicit votes to approve the matters to be voted on.

WHO CAN VOTE?

Only holders of record of our common stock at the close of business on January 16, 2007 will be entitled to notice of and to vote at the annual meeting and any adjournments of the annual meeting. You are entitled to one vote for each share of common stock held on that date. On January 16, 2007, there were 99,943,034 shares of our common stock outstanding and entitled to vote.

YOUR BOARD OF DIRECTORS HAS APPROVED EACH OF THE PROPOSALS SET FORTH HEREIN.

HOW DO I VOTE BY PROXY?

You may vote your shares by mail by marking, signing and dating the enclosed proxy card as promptly as possible and returning it in the enclosed postage-paid envelope. Proxies should not be sent by the stockholder to the Company, but to Securities Transfer Corporation, P.O. Box 701629, Dallas, Texas 75370. A pre-addressed, postage-paid envelope is provided for this purpose.

For each item of business, you may vote "FOR" or "AGAINST" or you may "ABSTAIN" from voting.

If you return your signed proxy card but do not specify how you want to vote your shares, we will vote them:

- "FOR" the election of the four directors to serve for 2007 and until their successors are elected and qualified;
- "FOR" the approval of the Company's 2006 Equity Incentive Plan;
- "FOR" the approval of the Amended and Restated Articles of Incorporation of the Company to authorize 25,000,000 shares of preferred stock (which approval does not extend to the approval of any issuances of shares of preferred stock);
- "FOR" the approval of the Amended and Restated Articles of Incorporation of the Company to increase the number of shares of common stock that the Company is authorized to issue to 400,000,000 shares of common stock (which approval does not extend to the approval of any issuances of shares of common or preferred stock); and
- "FOR" the approval of the selection of Berkovits, Lago & Company, LLP as the Company's independent auditors for 2006.

If any matters other than those set forth above are properly brought before the annual meeting, the individuals named in your proxy card may vote your shares in accordance with their best judgment.

HOW DO I CHANGE OR REVOKE MY PROXY?

You can change or revoke your proxy at any time before it is voted at the special meeting by:

1. Submitting another proxy by mail with a more recent date than that of the proxy first given;
2. Sending written notice of revocation to VoIP, Inc. 151 So. Wymore Road, Suite 3000, Alamonte Spring, Florida 32714: Attention Robert Staats; or
3. Attending the annual meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

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WHAT CONSTITUTES A "QUORUM" FOR THE SPECIAL MEETING?

The holders of a majority of the issued and outstanding shares of the Company's common stock entitled to vote at the annual meeting present or represented by proxy, constitutes a quorum. A quorum is necessary to conduct business at the annual meeting. You will be considered part of the quorum if you have voted by proxy. Abstentions, broker non-votes and votes withheld from director nominees count as "shares present" at the annual meeting for purposes of determining a quorum. However, abstentions, withholding of a vote and broker non-votes do not count in the voting results. A broker non-vote occurs when a broker or other nominee who holds shares for another does not vote on a particular item because the broker or nominee does not have discretionary authority for that item and has not received instructions from the owner of the shares.

HOW MANY VOTES ARE REQUIRED?

On January 16, 2007, the record date for determination of shareholders entitled to vote at the annual meeting, there were outstanding and entitled to vote 99,943,034 shares of our common stock. The holders of a majority of our common stock issued and outstanding and entitled to vote at the annual meeting will constitute a quorum for the transaction of business at the annual meeting. Common stock represented in person or by proxy, including abstentions and broker non-votes with respect to one or more of the matters presented for shareholder approval, will be counted for purposes of determining whether a quorum exists at the annual meeting. When we refer to "broker non-votes," we mean common stock held in "street name" by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote the common stock as to a particular matter.

- The election of Anthony Cataldo, Gary Post, Stuart Kosh, and Nicholas A. Iannuzzi, Jr to the board of directors for 2007 will require an affirmative vote of the majority of the votes cast in person or by proxy, provided that a quorum is present at the annual meeting. Therefore, an abstention or withholding of a vote will not be counted for the purpose of determining whether the requisite vote has been obtained and will have no effect on the outcome of the vote.
- The adoption of the 2006 Equity Incentive Plan will require an affirmative vote of the majority of the votes cast in person or by proxy, provided that a quorum is present at the annual meeting. Therefore, an abstention or withholding of a vote will not be counted for the purpose of determining whether the requisite vote has been obtained and will have no effect on the outcome of the vote.
- The proposal to approve the selection of Berkovits, Lago & Company, LLP as the Company's independent auditors for 2006 will require the majority of the votes cast in person or by proxy, provided that a quorum is present at the annual meeting. Therefore, an abstention or withholding of a vote will not be counted for the purpose of determining whether the requisite vote has been obtained and will have no effect on the outcome of the vote.
- The proposal to approve the Amended and Restated Articles of Incorporation to authorize 25,000,000 shares of preferred stock (which approval does not extend to the approval of any issuances of shares of preferred stock) and the proposal to approve the Amended and Restated Articles of Incorporation to increase the number of authorized shares of the Company's common stock to 400,000,000 shares (which approval does not extend to the approval of any issuance of shares of common stock) require the affirmative vote of at least a majority of the Company's outstanding shares of Common Stock. Therefore, any abstentions, "broker non-votes" (shares held by brokers or nominees as to which they have no discretionary authority to vote on a particular matter and have received no instructions from the beneficial owners or persons entitled to vote thereon), or other limited proxies will have the effect of a vote against the proposals to approve the Amended and Restated Articles of Incorporation.

Broker non-votes with respect to a particular matter will not be counted as votes in favor of that matter and will not be counted as votes cast on that matter. Accordingly, broker non-votes will have no effect on the matters specified in the notice of meeting.

DISSENTER'S RIGHT OF APPRAISAL.

No action will be taken in connection with the proposal described in this Proxy Statement for which Texas law, our Articles of Incorporation or Bylaws provide a right of a shareholder to dissent and obtain appraisal of or payment for such shareholder's shares.

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HOUSEHOLDING OF PROXY MATERIALS.

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” Proxy Statements and annual reports. This means that only one copy of this Proxy Statement or our annual report may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you call or write us at the following address or phone number: VoIP, Inc., 151 So. Wymore Rd., Suite 3000, Altamonte Springs, FL 32714, phone: (407) 389-3232, Attention: Robert Staats. If you want to receive separate copies of our annual report and Proxy Statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

SHAREHOLDER PROPOSALS FOR THE ANNUAL MEETING IN 2008.

Written notice of proposals of shareholders submitted outside the processes of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), for consideration at our annual meeting of shareholders in 2008 must be received by us within a reasonable time before the Company begins to print and mail the Proxy Statement in order to be considered timely for purposes of Rule 14a-8 under the Exchange Act. The persons designated in our proxy card will be granted discretionary authority with respect to any shareholder proposal with respect to which we do not receive timely notice. Shareholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act for inclusion in our proxy materials for our annual meeting of shareholders in 2008 must be received by our corporate secretary at our principal offices by December 31, 2007.

OTHER MATTERS.

Our board of directors knows of no other business which will be presented for consideration at the annual meeting other than those matters described above. However, if any other business should come before the annual meeting, it is the intention of the person named in the enclosed proxy card to vote, or otherwise act, in accordance with his best judgment on such matters.

WHO PAYS FOR THE SOLICITATION OF PROXIES?

We will bear the costs of soliciting proxies. In addition to solicitations by mail, our directors, officers and employees may, without additional remuneration, solicit proxies by telephone, facsimile and personal interviews. We will reimburse these persons for their reasonable expenses in connection with any of these solicitations. In addition, we will request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy materials to those persons for whom they hold shares and request instructions for voting the proxies, and we will reimburse brokerage houses and other persons for their reasonable expenses in connection with this distribution.

**PROPOSAL NO. ONE:
APPROVAL OF THE ELECTION OF DIRECTORS**

(ITEM ONE ON THE PROXY CARD)

Our board of directors presently consists of three directors. After the annual meeting, we expect that our board of directors will consist of four directors elected annually for a one year term. The persons named in the enclosed proxy will vote to elect as directors Mr. Anthony Cataldo, Mr. Gary Post, Mr. Stuart Kosh and Mr. Nicholas A. Iannuzzi, Jr., unless the proxy is marked otherwise. The directors will be elected at the upcoming annual meeting and will serve until the annual meeting of shareholders to be held in fiscal year 2008 and until their respective successors have been elected and qualified.

Each of the nominees has indicated his willingness to serve if elected. However, if any nominee should be unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee. Our board of directors has no reason to believe that any nominee will be unable to serve if elected.

Current Members of the Board

The Board of Directors

Each member of our board of directors, including the nominees for election as director, have provided the following information: age; all positions or offices, including committee memberships held; length of service as a director of the Company; principal occupation and business experience for at least the past five years; and the names of other public reporting companies of which the director serves as a director.

The members of our board of directors are identified below.

Name	Age	Position with Company	Director Since
Anthony Cataldo	55	Chairman and Chief Executive Officer	September 2006