

SYNCHRONOSS TECHNOLOGIES INC
Form DEF 14A
April 22, 2014

Table of Contents

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

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 under §240.14a-12

SYNCHRONOSS TECHNOLOGIES, 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.
 - (1) Title of each class of securities to which transaction applies:
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 - (4) Proposed maximum aggregate value of transaction:
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(1) Amount Previously Paid:

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Table of Contents

Dear Stockholder:

I am pleased to invite you to our 2014 Annual Meeting of Stockholders, which will be held on May 28, 2014, at 10:00 a.m. (local time), at the offices of Synchronoss Technologies, Inc., 200 Crossing Boulevard, Bridgewater, New Jersey.

At the meeting, we will be electing one member of our Board of Directors, ratifying the appointment of Ernst & Young LLP as our independent registered public accountants for the 2014 fiscal year, holding an advisory vote on executive compensation, and acting upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

Enclosed are the following materials: (i) our Notice of Annual Meeting of Stockholders and Proxy Statement for 2014; (ii) our Annual Report on Form 10-K for 2013; and (iii) a proxy card with a return envelope to record your vote. We encourage you to read these materials carefully.

It is important that your shares be represented and voted at the Annual Meeting. As discussed in the Proxy Statement, voting by proxy does not deprive you of your right to attend the Annual Meeting.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY OR VOTING INSTRUCTION CARD IN THE PRE-ADDRESSED ENVELOPE PROVIDED, OR VOTE VIA THE INTERNET OR TELEPHONE ACCORDING TO THE INSTRUCTIONS IN THE PROXY STATEMENT, AS SOON AS POSSIBLE TO ASSURE THAT YOUR SHARES WILL BE REPRESENTED AND VOTED AT THE ANNUAL MEETING. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE YOUR SHARES IN PERSON EVEN THOUGH YOU HAVE PREVIOUSLY VOTED BY PROXY IF YOU FOLLOW THE INSTRUCTIONS IN THE PROXY STATEMENT.

If you have any questions concerning the annual meeting or the proposals, please contact our Investor Relations department at (800) 575-7606. For questions regarding your stock ownership or voting, you may contact our transfer agent, American Stock Transfer & Trust Co., by e-mail through their website at www.amstock.com or by phone at (800) 937-5449 (within the U.S. and Canada) or (718) 921-8124 (outside the U.S. and Canada).

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Synchronoss Technologies.

Sincerely,

Stephen G. Waldis
Chairman and Chief Executive Officer
April 21, 2014

The use of cameras at the Annual Meeting is prohibited and they will not be allowed into the meeting or any other related areas, except by credentialed media. We realize that many cellular phones have built-in digital cameras, and while these phones may be brought into the venue, the camera function may not be used at any time.

Table of Contents

Synchronoss Technologies, Inc.
200 Crossing Boulevard
Bridgewater, New Jersey 08807

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
OF SYNCHRONOSS TECHNOLOGIES, INC.**

Date: May 28, 2014
Time: 10:00 a.m.
Place: Synchronoss Corporate Headquarters
200 Crossing Boulevard, Bridgewater, NJ 08807

AGENDA:

Election of one member of the Company's Board of Directors to serve until the 2017 annual meeting of stockholders of the Company;

Ratification of appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2014;

Advisory vote on executive compensation; and

Transaction of other business that may properly come before the meeting.

Record date: You can vote if you were a stockholder of record on April 11, 2014.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. The stock transfer books will not be closed between the record date and the date of the Annual Meeting. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at Synchronoss' corporate headquarters at the address listed above for the ten-day period prior to the Annual Meeting.

By order of the Board of Directors,

Ronald J. Prague
Executive Vice President, General Counsel and Corporate Secretary
April 21, 2014

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on May 28, 2014: The proxy statement and annual report to stockholders and the means to vote by Internet are available at www.synchronoss.com.

TABLE OF CONTENTS

&zwsp;	Proxy Summary	1	Compensation Committee Report	38	&zwsp;
	2014 Proxy Statement Highlights	2	Summary Compensation Table	39	
&zwsp;	Questions and Answers About this Proxy Material and Voting	5	Grants of Plan Based Awards Table	41	&zwsp;
	Corporate Governance	9	Description of Awards Granted in 2013	42	
&zwsp;	Stockholder Communications with our Board of Directors	11	Outstanding Equity Awards at Fiscal Year-End Table	44	&zwsp;
	Board of Directors and Committee Duties	11	Option Exercises and Stock Vested	47	
&zwsp;	Director Compensation	16	Employment Agreements	47	&zwsp;
	Director Stock Ownership Guidelines	17	Estimated Payments and Benefits	49	
&zwsp;	Limitation of Liability and Indemnification	18	Report of the Audit Committee	50	&zwsp;
	Risk Management Considerations	19	Equity Security Ownership of Certain Beneficial Owners and Management	51	
&zwsp;	Compensation of Executive Officers	20	Certain Related Party Transactions	53	&zwsp;
	Compensation Discussion and Analysis	20	Section 16(a) Beneficial Ownership Reporting Compliance	54	
&zwsp;	2013 Business Highlights	21	Other Matters	54	&zwsp;
	2013 Compensation Program Highlights	22	Election of Director	55	
&zwsp;	Revisions for 2014 Executive Compensation Program	23	Ratification of the Selection of Independent Registered Public Accounting Firm	58	&zwsp;
	Elements of Compensation	25	Advisory Vote on Executive Compensation	60	
&zwsp;	Pay Mix	28	Stockholder Proposals for the Next Annual Meeting	62	&zwsp;
	Target and Realized Pay	29	No Incorporation by Reference	62	
&zwsp;	2013 Compensation Decisions	30	Contact for Questions and Assistance with Voting	62	&zwsp;
	Financial Restatements and Related Policies	37	Appendix A: Reconciliation of Non-GAAP Financial Information	63	
&zwsp;	Executive Officer Stock Ownership Guidelines	38			&zwsp;

Table of Contents

Proxy Summary

Proposals to be Voted On:

The following proposals will be voted on at the Annual Meeting of Stockholders.

	For More Information	Board Recommendation
<p>Proposal 1: Election of one director</p> <p>Thomas J. Hopkins</p>	<p>Pages 55 to 57</p>	<p>For Nominee</p>
<p>Proposal 2: Ratification of appointment of Ernst & Young LLP as independent registered public accountants</p>	<p>Pages 58 to 59</p>	<p>For</p>
<p>Proposal 3: Advisory vote on executive compensation</p>	<p>Pages 60 to 61</p>	<p>For</p>

You may cast your vote in any of the following ways:

Internet

Visit www.voteproxy.com to complete an electronic proxy card by following the instructions on the website. You will be asked to provide the eleven-digit number beneath the account number on the enclosed proxy card.

Phone

Call the toll-free telephone number noted on your proxy card. Telephone voting is available 24 hours a day. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Mail

Complete, sign and date the enclosed proxy card and return it promptly in the envelope provided.

In Person

Attend the Annual Meeting at our Headquarters located at 200 Crossing Blvd., 8th Floor, Bridgewater, NJ 08807.

Attendance at the Annual Meeting

If you plan to attend the Annual Meeting, you must be a stockholder on the record date. On the day of the meeting, each stockholder will be required to present valid picture identification such as a driver's license. Seating will begin at 9:00 a.m. and the meeting will begin at 10:00 a.m. Use of cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

Table of Contents

2014 PROXY STATEMENT HIGHLIGHTS

This summary highlights information contained elsewhere in our proxy statement. This summary does not contain all of the information that you should consider. You should read the entire proxy statement carefully before voting.

Voting matters and vote recommendation

See - "Proposals" starting on page 54 for more information.

Management proposals

Election of director	&zwsp;	For the director nominee	
Ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2014	&zwsp;	For	&zwsp;
Advisory vote on executive compensation		For	

Board Nominee

The following table provides summary information about Thomas J. Hopkins, the sole nominee for election.

&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;	&zwsp;						
Thomas J. Hopkins	&zwsp;	57	&zwsp;	2004	&zwsp;	Managing Director, Colchester Capital, LLC	&zwsp;	Yes	&zwsp;	M	&zwsp;	M	&zwsp;	&zwsp;	C

- AC Audit Committee
- CC Compensation Committee
- NGC Nominating/Corporate Governance Committee
- BD Business Development Committee
- C Chair
- M Member

Advisory Vote on Executive Compensation

Business Highlights

In 2013, we delivered strong financial results and continued to move our business forward including:*

\$352.5 million in non-GAAP revenue, compared to \$275.2 million in 2012, an increase of 28%

\$212.0 million in non-GAAP gross profit, representing a gross margin of 60%

\$81.5 million in non-GAAP income from operations, representing an operating margin of 23%

\$1.33 non-GAAP diluted earnings per share, an increase of 21% from \$1.10 in 2012

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Stock price increased 47% from \$21.09 to \$31.07 per share

Executed long term agreements with our two largest customers AT&T and Verizon Wireless

* These financial measures are non-GAAP measures and should not be reviewed in isolation or as substitutes for our financial results as reported in accordance with GAAP. Please see Appendix A for an explanation of and reconciliation of these non-GAAP financial measures to the applicable GAAP financial measures.

Table of Contents

Executive Compensation Advisory Vote

Our Board of Directors recommends that stockholders vote to approve, on an advisory basis, the compensation paid to the Company's Named Executive Officers ("NEOs"), as described in this proxy statement. Last year, we received 77.5% of the vote, an almost 10% increase from the prior year. During 2013, our Compensation Committee reviewed our executive compensation programs based on views obtained through our stockholder outreach program and other market data and made the following changes to our programs, however, because 2013 executive compensation decisions were made prior to our 2013 Annual Meeting, some of these changes first became effective with respect to 2014:

Retained Deloitte Consulting LLP as its compensation consultant, replacing Radford

With the assistance of Deloitte, performed a "clean slate" review of our executive officers' compensation programs and policies

Designed a formal stockholder outreach program to solicit feedback on our executive officers' pay programs from major stockholders

Designed and approved a new, updated compensation philosophy for all our employees

Weighting of each component of the annual cash bonus and long-term incentives will be fixed regardless of the non-GAAP revenue or operating income achieved

Added Cloud Revenue as a performance metric for our long-term incentive compensation plan

Enhanced our stock ownership guidelines by increasing the ownership requirements for executive officers to provide greater alignment of interests with stockholders

We encourage stockholders to take into account these significant changes to our executive compensation program over the past year in considering the advisory vote.

Fiscal 2013 Compensation

The following material decisions were approved by our Compensation Committee regarding the 2013 compensation of our NEOs:

Adjustments to Base Salary: In reviewing the base salaries of our NEOs in 2013, our Compensation Committee provided cost of living salary increases of approximately 3% to each of our NEOs (representing the median base salary increase) to each of our NEOs.

Performance-based Cash Bonus: Although our 2013 non-GAAP revenue and operating income were greater than 2012, our non-GAAP revenue and non-GAAP operating income as a percentage of non-GAAP revenue were less than the targeted amounts. As a result, our NEOs received approximately 25% of their target cash incentive bonus with respect to the corporate goal portion. Messrs. Waldis, Irving and Garcia received 70% of their target individual component portion. Mr. Lazzaro received 48% of the target cash incentive bonus tied to the performance of certain North American customer accounts. Mr. Mendes received 133% of the target cash incentive bonus tied to the performance of the broadband business and three additional \$25,000 bonuses for each of the quarters in which the broadband business met certain other financial objectives.

Time-Based Equity: Our NEOs who we employed in February 2013 were granted (i) an aggregate of 60,320 time-based restricted shares of our Common Stock, (ii) stock options to purchase an aggregate of 150,800 shares of our Common Stock and (iii) a one-time

special grant of an aggregate

Table of Contents

of 55,789 time-based restricted shares of our Common Stock to compensate them for the loss of intrinsic value appreciation in our stock price due to the change in the equity awards grant date.

Performance-based Equity: Since we did not meet certain targeted financial measures as discussed above, our NEOs who we employed in February 2013 were issued an aggregate of 29,727 restricted shares of our Common Stock, or 55,173 shares less than the target performance shares that they were eligible to receive under the 2013 performance-based restricted stock awards.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Q: **Why am I receiving these materials?**

A: We sent you this Proxy Statement and the enclosed proxy card because the Board of Directors of Synchronoss Technologies, Inc., a Delaware corporation (sometimes referred to as "we", the "Company" or "Synchronoss"), is soliciting your proxy to vote at its 2014 Annual Meeting of Stockholders (the "Annual Meeting"). You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy on the Internet or via telephone. We intend to mail this Proxy Statement and accompanying proxy card on or about April 21, 2014 to all stockholders of record entitled to vote at the Annual Meeting.

Q: **Who can vote at the Annual Meeting?**

A: Only stockholders of record at the close of business on April 11, 2014 will be entitled to vote at the Annual Meeting. On this record date, there were 41,176,551 shares of common stock of the Company ("Common Stock") outstanding. All of these outstanding shares are entitled to vote at the Annual Meeting (one vote per share of Common Stock) in connection with the matters set forth in this Proxy Statement. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at Synchronoss' principal executive offices at 200 Crossing Boulevard, Bridgewater, New Jersey for the ten-day period prior to the Annual Meeting.

Q: **How do I vote at the Annual Meeting?**

A: *Stockholder of Record.
Shares Registered in Your Name*

If on April 11, 2014 your shares were registered in your name with the Company's transfer agent, American Stock Transfer & Trust Company, then you are a stockholder of record and may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy on the Internet or via telephone as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 11, 2014 your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you may direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting, provided you have proof of your share ownership (such as a brokerage statement showing that you owned shares as of April 11, 2014) and a form of photo identification. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.