

STREAMLINE HEALTH SOLUTIONS INC.

Form S-8

November 15, 2012

As filed with the Securities and Exchange Commission on November 15, 2012

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM S-8  
Registration Statement**

*Under*

*the Securities Act of 1933*

**STREAMLINE HEALTH SOLUTIONS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**31-1455414**  
(I.R.S. Employer  
Identification No.)

10200 Alliance Road, Suite 200

Cincinnati, Ohio 45242-4716

(Address of principal executive offices) (Zip Code)

**STREAMLINE HEALTH SOLUTIONS, INC. 2005 INCENTIVE COMPENSATION PLAN**

(Full title of the plan)

**Stephen H. Murdock**  
**Streamline Health Solutions, Inc.**

**1230 Peachtree Street NE, Suite 1000**

**Atlanta, Georgia 30309**

**(404) 446-0050**

**(513) 794-7272 fax**

*Copy To:*  
**Leslie Drockton, Esq.**

**Benesch, Friedlander, Coplan, & Aronoff LLP**

**200 Public Square, Suite 2300**

**Cleveland, Ohio 44145**

**(216) 363-4500**

**(216) 363-4588 fax**

(Name and address and telephone number of agent for service)

**(404) 446-0050**

(Telephone number, including area code, of agent for service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>

**CALCULATION OF REGISTRATION FEE**

<b>Title of Securities to be Registered</b>	<b>Amount to be registered(1)</b>	<b>Proposed maximum offering price per share(2)</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee</b>
Common Stock, \$.01 par value	500,000 Shares	\$5.00	\$2,500,000.00	\$341

- (1) Plus such additional number of shares as may be available for purchase pursuant to the Plan in the event of a stock dividend, stock split, recapitalization or similar change on the Common Stock.
- (2) Calculated in accordance with Rule 457(c) of Regulation C based upon the average of the high and low prices of Streamline Health Solutions, Inc. common stock reported on The NASDAQ Capital Market on November 13, 2012.

**Registration of Additional Securities**

Streamline Health Solutions, Inc. (the Registrant ) is filing this Registration Statement on Form S-8 in order to register an additional 500,000 shares of its common stock, \$.01 par value, relating to the Registrant's 2005 Incentive Compensation Plan, as amended (the Plan ). The Registrant previously registered 1,000,000 shares of its common stock eligible for issuance under the original Plan on its Form S-8 Registration Statement No. 333-125393 filed with the Securities and Exchange Commission (the Commission ) on June 1, 2005 and an additional 1,000,000 shares of its common stock eligible for issuance under the original Plan on its Form S-8 Registration Statement No. 333-174775, filed with the Securities and Exchange Commission (the Commission ) on June 8, 2011 (the Prior Registration Statements ). The Registrant incorporates herein by reference the contents of such Prior Registration Statements.

**Part I Employee Information Required in the Section 10(a) Prospectus.**

The documents containing the information specified in this Part I will be sent or given to eligible Plan participants as specified by Rule 428(b)(1). Such documents need not be filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424. These documents and the documents incorporated by reference in this Registration Statement, including the Prior Registration Statements and documents specified in Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act of 1933, as amended (the Securities Act ).

**Part II Information Required in the Registration Statement.**

Item 3. Incorporation of Documents by Reference.

The Registrant incorporates by reference the documents listed below, which the Registrant has already filed with the Commission, and any documents the Registrant files with the Commission in the future under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (other than information in such future filings deemed not to have been filed), after the date of the filing of this Registration Statement until the Registrant issues all the securities registered hereunder. The SEC file number for the documents incorporated by reference in this Registration Statement is 0-28132. The Registrant has previously filed the following documents with the SEC and is incorporating them by reference into this Registration Statement:

Annual Report on Form 10-K for the year ended January 31, 2012;

Quarterly Report on Form 10-Q for the quarters ended April 30, 2012 and July 31, 2012;

Current Reports on Form 8-K filed on February 21, 2012, May 25, 2012, June 21, 2012, August 21, 2012, October 17, 2012, October 31, 2012, and November 1, 2012;

Proxy Statements on Schedule 14A filed on April 24, 2012 and September 27, 2012; and

The description of the Registrant's capital stock contained in Amendment No. 1 to the Registrant's registration statement on Form 8-A registering its common stock under Section 12 of the Exchange Act, filed on April 16, 1996.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145(a) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the Delaware General Corporation Law.

Article Ninth of the Registrant's Certificate of Incorporation, as amended to date (the Charter), contains provisions permitted by Section 102 of the Delaware General Corporation Law, which eliminate personal liability of members of the Registrant's board of directors for violations of their fiduciary duty of care. Neither the Delaware General Corporation Law nor the Registrant's Charter, however, limits the liability of a director for breaching his duty of loyalty, failing to act in good faith, engaging in intentional misconduct or knowingly violating a law, paying a dividend or approving a stock repurchase under circumstances where such payment or repurchase is not permitted under the Statute, or obtaining an improper personal benefit.

Article Eighth of the Registrant's Charter and Article VII of the Registrant's Bylaws, as amended to date (the Bylaws), provides that the Registrant will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant) by reason of the fact that he or she is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Registrant and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Article Eighth of the Registrant's Charter and Article VII of the Registrant's Bylaws further provides that the Registrant shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that he or she is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Registrant and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Registrant unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Article Eighth of the Registrant's Charter and Article VII of the Registrant's Bylaws further provides for indemnification against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense of any claim, issue or matter to the extent that a director or officer of the Registrant or a person serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, has been successful on the merits or otherwise in defense of any such action, suit or proceeding.

In addition, Article Eighth of the Registrant's Charter and Article VII of the Registrant's Bylaws provides that the right to indemnification and advancement of expenses shall not be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. Furthermore, Article Eighth of the Registrant's Charter and Article VII of the Registrant's Bylaws authorizes us to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Registrant, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not we would have the power to indemnify such person against such liability under the provisions of Section 145 of the Delaware General Corporation Law.

The Registrant has entered into indemnification agreements with each of its directors and officers. These agreements provide that the Registrant will indemnify each of its directors and officers and such entities to the fullest extent permitted by law.

The Registrant also currently maintains an insurance policy that provides coverage pursuant to which the Registrant is to be reimbursed for amounts that it is required or permitted by law to pay to indemnify its directors and officers.

Item 7. Exemption from Registration Claimed.  
Not applicable.

Item 8. Exhibits

Exhibits	Description of Exhibit
4.1	Streamline Health Solutions, Inc. 2005 Incentive Compensation Plan (the Plan)*
4.2	Amendment No. 1 to the Plan*
4.3	Amendment No. 2 to the Plan**
5.1	Opinion of Benesch, Friedlander, Coplan & Aronoff LLP**
23.1	Consent of Benesch, Friedlander, Coplan & Aronoff LLP (included in opinion)**
23.2	Consent of Independent Registered Public Accounting Firm BDO USA, LLP**
23.3	Consent of Independent Registered Public Accounting Firm Habif, Arogeti & Wynne, LLP**
24.1	Power of Attorney (included on signature page of this Registration Statement)**

\* Incorporated by reference. See Exhibit Index.

\*\* Filed herewith.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

- (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
  - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually, or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which is registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the change in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; *provided, however,* that paragraph (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be determined to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be an initial bona fide offering thereof.

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- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act, each of the Registrant's annual reports pursuant to Section 13(a) or Section 15(d) of the Securities



Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such information is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suite or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will govern the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on this 15<sup>th</sup> day of November 2012.

**STREAMLINE HEALTH SOLUTIONS, INC.**

By: /s/ Stephen H. Murdock

Stephen H. Murdock

Senior Vice President and Chief Financial Officer

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert E. Watson and Stephen H. Murdock, and each of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and execute on behalf of the undersigned any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with any such amendments, as fully to all intents and purposes as he might or could do in person, and does hereby ratify and confirm all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

November 15, 2012	/s/ Robert E. Watson Robert E. Watson, Chief Executive Officer and  Director (Principal Executive Officer)
November 15, 2012	/s/ Stephen H. Murdock Stephen H. Murdock, Chief Financial Officer  (Principal Financial and Accounting Officer)
November 15, 2012	/s/ Jonathan R. Phillips Jonathan R. Phillips, Director
November 15, 2012	/s/ Richard C. Levy, M.D. Richard C. Levy, M.D., Director
November 15, 2012	/s/ Jay D. Miller Jay D. Miller, Director
November 15, 2012	/s/ Andrew L. Turner Andrew L. Turner, Director

November 15, 2012

/s/ Edward J. VonderBrink  
Edward J. VonderBrink, Director

November 15, 2012

/s/ Allen S. Moseley  
Allen S. Moseley, Director

November 15, 2012

/s/ Michael G. Valentine  
Michael G. Valentine, Director

November 15, 2012

/s/ Michael K. Kaplan  
Michael K. Kaplan, Director

**INDEX TO EXHIBITS**

Exhibit	Description of Exhibit
4.1	Streamline Health Solutions, Inc. 2005 Incentive Compensation Plan (the Plan ), incorporated by reference to Exhibit 4.1 of the Registrant s Registration Statement on Form S-8, File Number 333-125393, as filed with the Commission on June 1, 2005.
4.2	Amendment No. 1 to the Plan, incorporated by reference to Annex 1 to the Registrant s Proxy Statement on Schedule 14A, as filed with the Commission on April 13, 2011.
4.3	Amendment No. 2 to the Plan. **
5.1	Opinion of Benesch, Friedlander, Coplan & Aronoff LLP as to the validity of the securities.**
23.1	Consent of Benesch, Friedlander, Coplan & Aronoff LLP (included in Exhibit 5.1).**
23.2	Consent of Independent Registered Public Accounting Firm BDO USA, LLP.**
23.3	Consent of Independent Registered Public Accounting Firm Habif, Arogeti & Wynne, LLP**
24.1	Power of Attorney (included on signature page of this Registration Statement).**

\*\* Filed herewith.

**Value of Stock  
and Option  
Awards (\$)**

**Peter M. van Stolk**

03/06/2006 56,225 \$6.47 \$144,498 07/30/2006 23,775 9.29 87,968

**Hassan N. Natha**

05/01/2006 40,000 9.33 148,800 07/30/2006 25,000 9.29 92,500

**Lars P. Nilsen**

03/06/2006 30,000 6.47 77,100

**Melody Morgan**

03/06/2006 23,900 6.47 61,423

**James M. Mullen**

**Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

The following describes the material factors necessary to understand the compensation disclosed in the tables on Summary Compensation and Grants of Plan-Based Awards.

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Option Awards. Stock Options were granted on March 6, 2006 by the Board. The number of options was determined by our option granting policy. In addition, during 2006 following Mr. Natha s appointment as our Chief Financial Officer, we

granted two stock option awards to Mr. Natha. In all cases, the exercise price of all stock options is the closing price of our common stock on the date of grant. All stock options granted in 2006 vest over the period determined by the Board (see above) and become exercisable on upon vesting (although vesting may be accelerated in the event of a change of control) and have a term of 5 years.

**Outstanding Equity Awards at Fiscal Year-End 2006**

The following table presents information about unexercised stock options, stock that has not yet vested and equity incentive plan awards for each of the Named Executive Officers as of December 31, 2006.

Name	Option Awards		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options		Stock Awards		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Rights That Have Not Vested (#)	Rights That Have Not Vested (\$)	
<b>Peter M. van Stolk</b>	100,000			\$ 0.50	04/11/2007					
	150,000			0.46	06/27/2007					
	80,000			0.30	04/16/2008					
	80,000			2.15	01/06/2009					
	100,000			4.00	01/19/2010					
	28,112 <sup>(1)</sup>	28,113 <sup>(1)</sup>		6.47	03/06/2011					
		23,775 <sup>(2)</sup>		9.29	07/31/2011					
<b>Hassan N. Natha</b>	20,000 <sup>(1)</sup>	20,000 <sup>(1)</sup>		9.33	05/01/2011					
		25,000 <sup>(2)</sup>		9.29	07/31/2011					
<b>Lars P. Nilsen</b>	15,000 <sup>(1)</sup>	15,000 <sup>(1)</sup>		6.47	03/06/2011					
<b>Melody Morgan</b>	5,156 <sup>(1)</sup>	1,719 <sup>(1)</sup>		5.01	08/09/2010					
	11,950 <sup>(1)</sup>	11,950 <sup>(1)</sup>		6.47	03/06/2011					
<b>James M. Mullen</b>										

(1) These options vest over a period of 18 months, with 25% vested on the grant date and an additional 25% vested on each 6-month anniversary of the grant date.

(2) These options vest over a period of 42 months, with 14.29% vesting on each 6-month anniversary of the grant date.

**Option Exercises and Stock Vested**

The following table presents information about each exercise of stock options, during fiscal 2006 for each of the Named Executive Officers on an aggregated basis. During 2006, we had no SARs, restricted stock awards, restricted stock units or similar instruments.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Peter M. van Stolk	60,000	\$ 425,400		
Hassan N. Natha				
Lars P. Nilsen				
Melody Morgan				
James M. Mullen				
Pension Benefits				

We do not currently have any plans that provides for payments or other benefits at, following, or in connection with retirement.

**Nonqualified Deferred Compensation**

We do not currently have any defined contribution plan or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

**Potential Payments Upon Termination or Change of Control**

Other than employment agreements with Mr. van Stolk and Mr. Natha (as described above), we do not have any plans or agreements that are specific and unique to executive officers regarding termination of employment or a change of control of the company. However, we do have provisions contained in our 2002 Stock Option Plan that provide for compensation to all participants in those plans in the event of a change of control or certain termination events, as described below.

**Equity Awards**

Our 2002 Stock Option Plan provides for accelerated vesting of all unvested stock options upon a change of control (as defined in the plan), irrespective of the scheduled vesting date for these awards.

**Estimated Potential Payments**

The tables below set forth the estimated current value of payments and benefits to each of the Named Executive Officers upon a change of control, a qualifying termination within two years following a change of control and the death or disability of the Named Executive Officer. The amounts shown assume that the triggering events occurred on December 31, 2006.

Per SEC rules, the intrinsic value of accelerated unvested stock options shown in the tables below was calculated using the closing price of our common stock on December 29, 2006 (\$12.30). The intrinsic value is the aggregate spread between \$12.30 and the exercise prices of the accelerated options.

Peter M. van Stolk

<b>Estimated Potential Payment or Benefit</b>	<b>Change of Control(\$)</b>	<b>Triggering Event Change of Control and Termination(\$)</b>	<b>Death or Disability(\$)</b>
Lump sum cash severance payment	\$ 200,000	\$ 200,000	\$ 173,150
Intrinsic value of accelerated unvested stock options	5,780,000	5,780,000	0
Continuing health and welfare benefits for one years(1)	3,900	3,900	0
Total	\$ 5,983,900	\$ 5,983,900	\$ 173,150

Hassan N. Natha

<b>Estimated Potential Payment or Benefit</b>	<b>Change of Control(\$)</b>	<b>Triggering Event Change of Control and Termination(\$)</b>	<b>Death or Disability(\$)</b>
Lump sum cash severance payment	0	0	0
Intrinsic value of accelerated unvested stock options	174,000	174,000	0
Continuing health and welfare benefits for one years(1)	0	0	0
Total	\$ 174,000	\$ 174,000	

Lars P. Nilsen

<b>Estimated Potential Payment or Benefit</b>	<b>Change of Control(\$)</b>	<b>Triggering Event Change of Control and Termination(\$)</b>	<b>Death or Disability(\$)</b>
Lump sum cash severance payment	0	0	0
Intrinsic value of accelerated unvested stock options	166,000	166,000	0
Continuing health and welfare benefits for one years(1)	0	0	0
Total	\$ 166,000	\$ 166,000	

#### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee.

### **DIRECTOR COMPENSATION**

#### **Compensation of Directors**

We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board. Effective July 1, 2006, the Board approved a revised compensation plan for directors, based in part on surveys of director compensation plans from other comparable public companies. In setting director compensation, the Board considers the significant amount of time that directors expend in fulfilling their duties as well as the skill-level required of members of the Board, and our cash-flows. The compensation plan is based on actual attendance at meetings and also requires an annual performance review of each director. The Chairman of the Nomination Committee performs an annual performance review of each director.

In addition to cash and stock-based compensation, non-employee directors are reimbursed for their out of pocket expenses, in accordance with our reimbursement policies, incurred in attending meetings of the Board of Directors and committee meetings and conferences with our senior



management. We also maintain liability insurance on all of our directors and executive officers.

***Cash Compensation***

Under the revised compensation plan effective July 1, 2006, each non-employee director is entitled to receive an annual cash retainer of \$12,000. Non-employee directors are paid an attendance fee of \$1,000 for each Board meeting (\$500

for telephonic meetings) and \$1,000 for each committee meeting (\$500 for telephonic meetings). Directors serving on the Audit Committee receive \$1,000 for all audit committee meetings, whether attended in person or via telephone. Each non-employee director who serves as a committee chair receives an annual fee, in addition to the annual cash retainer, in the amount of \$3,500 for the chair of the Audit Committee and \$2,000 for the chair of each of the Compensation Committee and Nomination Committee. Under the director compensation plan prior to July 2006, non-employee directors received a fee of \$500 for each Board meeting attended, and a fee of \$250 for each Board conference call and each Board committee meeting attended. Directors who are our employees receive no compensation for their service as directors.

### Stock Options

Each non-employee director receives an annual stock option grant for 20,000 shares of common stock, with an exercise price equal to the fair market value of the common stock on the date of grant and a term of five years. Effective July 2006, the Board adopted a new vesting schedule for option awards, with vesting over a period of 42 months, with 14.29% vesting on each 6-month anniversary of the grant date. Stock options awarded prior to July 2006 vested over a period of 18 months from the date of grant, at the rate of 25% on the date of grant and an additional 25% on each six month anniversary of the date of grant.

### Director Compensation Table

The following table presents information about compensation paid to non-employees directors during 2006.

Name <sup>(1)</sup>	Fees Earned or		Option Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
	Paid in Cash (\$)	Stock Awards (\$)					
Ron Anderson <sup>(3)</sup>	\$ 2,250		4,141				\$ 6,391
Scott Bedbury	10,000		37,167				47,167
Richard S. Eiswirth Jr.	4,000		6,673				10,673
Michael M. Fleming	9,500		37,167			\$ 2,225 <sup>(4)</sup>	48,892
John J. Gallagher, Jr.	9,000		37,167				46,167
Stephen C. Jones	8,750		30,266				39,016
Matthew Kellogg <sup>(3)</sup>	7,500		28,913				36,413
Alfred W. Rossow, Jr.	10,750		37,167				47,917

- (1) Peter M. van Stolk, our Chief Executive Officer and Chairman of the Board, is not included in this table as he is an employee of the Company and receives no compensation for his service as a director. Mr. van Stolk's compensation as an executive officer of the Company is shown in the Summary Compensation Table on page 11.
- (2) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes for the 2006 fiscal year in accordance with FAS 123(R), and includes amounts from awards granted in and prior to 2006. As of December 31, 2006, each director had the following number of options outstanding: Ron Anderson: 0; Scott Bedbury: 80,000; Richard S. Eiswirth: 20,000; Michael M. Fleming: 80,000; John J. Gallagher, Jr.: 40,000; Stephen C. Jones: 20,000; Matthew Kellogg: 0; and Alfred W. Rossow, Jr.: 60,000.
- (3) Messrs. Anderson and Kellogg are former directors of the Board. Mr. Anderson served until May 18, 2006, the date of the 2006 Annual Meeting of Shareholders. Mr. Kellogg resigned on August 30, 2006.
- (4) Represent fees paid for services rendered by Mr. Fleming's law firm, Lane Powell PC.



**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Documents filed as part of this report are as follows:

1. Financial Statements None.
2. Financial Statement Schedules None.
3. Exhibits:
  - 23.1 Consent of KPMG LLP
  - 31.1 Certification by Stephen C. Jones, Interim Chief Executive Officer, pursuant to Rule 13a-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
  - 31.2 Certification by Hassan N. Natha, Chief Financial Officer, pursuant to Rule 13a-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
  - 32.1 Certification by Stephen C. Jones, Interim Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
  - 32.2 Certification by Hassan N. Natha, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized, on January 24, 2008.

JONES SODA CO.

By: */s/ Stephen C. Jones*  
**Stephen C. Jones**  
**Interim Chief Executive Officer**

In accordance with the Exchange Act, this report on Form 10-K/A has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacities	Date
<i>/s/ STEPHEN C. JONES</i>	Interim Chief Executive Officer	January 24, 2008
<b>Stephen C. Jones</b>	(Principal Executive Officer)	
<i>/s/ HASSAN N. NATHA</i>	Chief Financial Officer	January 29, 2008
<b>Hassan N. Natha</b>	(Principal Financial and Accounting Officer)	
<i>/s/ SCOTT BEDBURY</i>	Director	January 29, 2008
<b>Scott Bedbury</b>		
<i>/s/ RICHARD S. EISWIRTH JR.</i>	Director	January 24, 2008
<b>Rick Eiswirth Jr.</b>		
<i>/s/ MICHAEL M. FLEMING</i>	Director	January 28, 2008
<b>Michael M. Fleming</b>		
<i>/s/ JOHN J. GALLAGHER, JR.</i>	Director	January 24, 2008
<b>John J. Gallagher, Jr.</b>		
<i>/s/ ALFRED W. ROSSOW, JR.</i>	Director	January 28, 2008
<b>Alfred W. Rossow, Jr.</b>		
<i>/s/ PETER M. VAN STOLK</i>	Director	January 23, 2008
<b>Peter M. van Stolk</b>		