

INTERLEUKIN GENETICS INC
Form PRER14A
September 07, 2016

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

SCHEDULE 14A

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

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

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

INTERLEUKIN GENETICS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.
 o 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:

Edgar Filing: INTERLEUKIN GENETICS INC - Form PRER14A

(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:

Fee paid previously with preliminary materials.

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

**INTERLEUKIN GENETICS, INC.
135 BEAVER STREET
WALTHAM, MA 02452**

**PROXY STATEMENT
SEPTEMBER 9, 2016**

Dear Stockholder:

We cordially invite you to attend our 2016 annual meeting of stockholders to be held at 10:00 a.m. on Thursday, October 20, 2016 at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., our legal counsel, located at One Financial Center, Boston, Massachusetts 02111. The attached notice of annual meeting and proxy statement describe the business we will conduct at the meeting and provide information about Interleukin Genetics, Inc. that you should consider when you vote your shares.

At the annual meeting, two persons will be elected to our Board of Directors. In addition, we will ask stockholders to ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016; to consider an advisory vote on compensation of our named executive officers, as disclosed in this proxy statement; to approve an amendment to our Restated Certificate of Incorporation, to increase the number of authorized shares of common stock from 450,000,000 to 650,000,000 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders; to approve an amendment to our Restated Certificate of Incorporation, to effect a reverse stock split by combining outstanding shares of our common stock into a lesser number of outstanding shares by a ratio of not less than 1-for-15 and not more than 1-for-60 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders, with the exact ratio to be set within this range by our board of directors in its sole discretion; and to transact such other business as may properly come before the annual meeting.

Under Securities and Exchange Commission rules that allow companies to furnish proxy materials to shareholders over the Internet, we have elected to deliver our proxy materials to the majority of our shareholders over the Internet.

This delivery process allows us to provide shareholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On September 9, 2016, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement for our 2016 Annual Meeting of Shareholders and our annual report to shareholders. The Notice also provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of the proxy materials by mail.

We hope you will be able to attend the annual meeting. Whether you plan to attend the annual meeting or not, it is important that you cast your vote. When you have finished reading the proxy statement, you are urged to vote in accordance with the instructions set forth in this proxy statement. We encourage you to vote by proxy so that your shares will be represented and voted at the meeting, whether or not you can attend.

Thank you for your continued support of Interleukin Genetics, Inc. We look forward to seeing you at the annual meeting.

Sincerely,

/s/ James M. Weaver

JAMES M. WEAVER
CHAIRMAN OF THE BOARD

TABLE OF CONTENTS

**INTERLEUKIN GENETICS, INC.
135 BEAVER STREET
WALTHAM, MA 02452**

**NOTICE OF 2016 ANNUAL MEETING OF
STOCKHOLDERS**

TIME: 10:00 a.m.
DATE: October 20, 2016
PLACE: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center, Boston, Massachusetts 02111

PURPOSES:

1. To elect William C. Mills III and Joseph M. Landstra as Class I directors for a three-year term expiring at our 2019 annual meeting.
2. To ratify the appointment of Grant Thornton LLP as our independent public accounting firm for the fiscal year ending December 31, 2016.
3. To consider an advisory vote on compensation of our named executive officers, as disclosed in this proxy statement.
4. To approve an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 450,000,000 to 650,000,000 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders.
To approve an amendment to our Restated Certificate of Incorporation to effect a reverse stock split by combining outstanding shares of our common stock into a lesser number of outstanding shares by a ratio of not less than 1-for-15 and not more than 1-for-60 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders, with the exact ratio to be set within this range by our board of directors in its sole discretion.
6. To consider any other business that is properly presented at the meeting.

WHO MAY VOTE:

You may vote if you were the record owner of Interleukin Genetics, Inc. stock at the close of business on August 30, 2016. A list of stockholders of record will be available at the meeting and during the 10 days prior to the meeting, at the office of the Secretary, Interleukin Genetics, Inc., 135 Beaver Street, Waltham, Massachusetts 02452.

All stockholders are cordially invited to attend the annual meeting. **Whether you plan to attend the annual meeting or not, we urge you to vote and submit your proxy by the Internet, telephone or mail in order to ensure the presence of a quorum.** You may change or revoke your proxy at any time before it is voted at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Kenneth S. Kornman

KENNETH S. KORNMAN
SECRETARY

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
<u>Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting</u>	<u>1</u>
<u>General Information About the Annual Meeting</u>	<u>1</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>6</u>
<u>Management and Corporate Governance</u>	<u>8</u>
<u>Executive Compensation</u>	<u>14</u>
<u>Equity Compensation Plan Information</u>	<u>19</u>
<u>Audit Committee Report</u>	<u>19</u>
<u>Compliance with Section 16(a) of the Securities Exchange Act of 1934</u>	<u>20</u>
<u>Code of Conduct and Ethics</u>	<u>20</u>
<u>Certain Relationships and Related Transactions</u>	<u>20</u>
<u>Proposal 1:</u>	
	<u>24</u>
<u>To Elect William C. Mills III and Joseph M. Landstra as Class I Directors</u>	
<u>Proposal 2:</u>	
	<u>25</u>
<u>Ratification of Appointment of Independent Public Accountant</u>	
<u>Proposal 3:</u>	
	<u>27</u>
<u>Consider an Advisory Vote on Compensation for Our Named Executive Officers</u>	
<u>Proposal 4:</u>	
	<u>28</u>
<u>To Approve an Amendment to Our Charter to Increase the Number of Authorized Shares of Common Stock</u>	
<u>Proposal 5:</u>	
	<u>30</u>
<u>To Approve an Amendment to Our Charter to Effect a Reverse Stock Split of Our Common Stock at a Ratio in the Range of 1-for-15 to 1-for-60</u>	
<u>Other Matters</u>	<u>35</u>
<u>Stockholder Proposals and Nominations for Director</u>	<u>35</u>

TABLE OF CONTENTS

**INTERLEUKIN GENETICS, INC.
135 BEAVER STREET
WALTHAM, MA 02452
(781) 398-0700**

**PROXY STATEMENT FOR THE INTERLEUKIN
GENETICS, INC.
2016 ANNUAL MEETING OF STOCKHOLDERS**

This proxy statement, along with the accompanying notice of 2016 annual meeting of stockholders, contains information about the 2016 annual meeting of stockholders of Interleukin Genetics, Inc., including any adjournments or postponements of the annual meeting. We are holding the annual meeting at 10:00 a.m. on Thursday, October 20, 2016 at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., our legal counsel, located at One Financial Center, Boston, Massachusetts 02111. In this proxy statement, we refer to Interleukin Genetics, Inc. as Interleukin, the Company, we and us.

This proxy statement relates to the solicitation of proxies by our Board of Directors for use at the annual meeting.

On or about September 9, 2016, we began sending the Important Notice Regarding the Availability of Proxy Materials (the Notice) to all stockholders entitled to vote at the annual meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY
OF
PROXY MATERIALS FOR THE SHAREHOLDER
MEETING**

This proxy statement and our 2016 annual report to stockholders are available for viewing, printing and downloading at www.proxyvote.com. To view these materials please have your 16-digit control number(s) available that appears on your Notice or proxy card. On this website, you can also elect to receive future distributions of our proxy statements and annual reports to stockholders by electronic delivery.

Additionally, you can find a copy of our Annual Report on Form 10-K, which includes our financial statements, for the fiscal year ended December 31, 2015 on the website of the Securities and Exchange Commission, or the SEC, at www.sec.gov, or in the SEC Filings section of the Investors section of our website at www.ilgenetics.com. You may also obtain a printed copy of our Annual Report on Form 10-K, including our financial statements, free of charge, from us by sending a written request to: Treasurer, Interleukin Genetics, Inc., 135 Beaver Street, Waltham, Massachusetts 02452. Exhibits will be provided upon written request and payment of an appropriate processing fee.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Why is the Company Soliciting My Proxy?

The Board of Directors of Interleukin is soliciting your proxy to vote at the 2016 annual meeting of stockholders and any adjournments of the meeting, which we refer to as the annual meeting. The proxy statement along with the accompanying Notice of Annual Meeting of Stockholders summarizes the purposes of the meeting and the information you need to know to vote at the Annual Meeting.

We have made available to you on the Internet or have sent you this proxy statement, the Notice of Annual Meeting of Stockholders, the proxy card and a copy of our 2015 annual report because you owned shares of our stock on the record date of August 30, 2016. On or about September 9, 2016, we commenced distribution of the Notice, and, if applicable, the proxy materials to stockholders.

Why Did I Receive a Notice in the Mail Regarding the Internet Availability of Proxy Materials Instead of a Full Set of Proxy Materials?

As permitted by the rules of the U.S. Securities and Exchange Commission, or the SEC, we may furnish our proxy materials to our stockholders by providing access to such documents on the Internet, rather than mailing printed copies of these materials to each stockholder. Most stockholders will not receive printed copies of the proxy materials unless they request them. We believe that this process should expedite stockholders' receipt of proxy materials, lower the costs of the annual meeting and help to conserve natural resources. If you received a Notice by mail or electronically, you will not receive a printed or email copy of

TABLE OF CONTENTS

the proxy materials, unless you request one by following the instructions included in the Notice. Instead, the Notice instructs you as to how you may access and review all of the proxy materials and submit your proxy on the Internet. If you requested a paper copy of the proxy materials, you may authorize the voting of your shares by following the instructions on the proxy card, in addition to the other methods of voting described in this proxy statement.

Who Can Vote?

Only stockholders who owned our common stock at the close of business on August 30, 2016 are entitled to vote at the annual meeting. On this record date, there were 229,331,606 shares of our common stock outstanding.

You do not need to attend the annual meeting to vote your shares. Shares represented by valid proxies, received in time for the meeting and not revoked prior to the meeting, will be voted at the meeting. A stockholder may revoke a proxy before the proxy is voted by delivering to our Secretary a signed statement of revocation or a duly executed proxy card bearing a later date. Any stockholder who has executed a proxy card but attends the meeting in person may revoke the proxy and vote at the meeting.

How Many Votes Do I Have?

Each share of our common stock that you own entitles you to one vote.

How Do I Vote?

Whether you plan to attend the annual meeting or not, we urge you to vote by proxy. Voting by proxy will not affect your right to attend the annual meeting. If your shares are registered directly in your name through our stock transfer agent, Computershare Limited, or you have stock certificates, you may vote:

By Internet or by telephone. Follow the instructions on the proxy card to vote by Internet or telephone.

By mail. Complete and mail the enclosed proxy card in the enclosed postage prepaid envelope. Your proxy will be voted in accordance with your instructions. If you sign the proxy card but do not specify how you want your shares voted, they will be voted as recommended by our Board of Directors.

In person at the meeting. If you attend the meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

If your shares are held in street name (held in the name of a bank, broker or other nominee), you must provide the bank, broker or other nominee with instructions on how to vote your shares and can do so as follows:

By Internet or by telephone. Follow the instructions you receive from your broker to vote by Internet or telephone.

By mail. You will receive instructions from your broker or other nominee explaining how to vote your shares.

In person at the meeting. Contact the broker or other nominee who holds your shares to obtain a broker's proxy card and bring it with you to the meeting. You will not be able to vote at the meeting unless you have a proxy card from your broker.

How Does the Board of Directors Recommend That I Vote on the Proposals?

The Board of Directors recommends that you vote as follows:

Edgar Filing: INTERLEUKIN GENETICS INC - Form PRER14A

FOR the election of William C. Mills III and Joseph M. Landstra as Class I directors for a three-year term expiring at our 2019 annual meeting;

FOR the ratification of the appointment of Grant Thornton LLP as our independent public accounting firm for the fiscal year ending December 31, 2016;

FOR the compensation of our named executive officers, as disclosed in this proxy statement;

2

TABLE OF CONTENTS

FOR approval of an amendment to our Restated Certificate of Incorporation (the Charter), to increase the number of authorized shares of common stock from 450,000,000 to 650,000,000 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders; and

FOR approval of an amendment to our Charter to effect a reverse stock split by combining outstanding shares of our common stock into a lesser number of outstanding shares by a ratio of not less than 1-for-15 and not more than 1-for-60 at any time prior to the earlier of (i) October 1, 2017 and (ii) the 2017 annual meeting of stockholders, with the exact ratio to be set within this range by our board of directors in its sole discretion (the reverse stock split).

If any other matter is presented at the annual meeting, the proxy card provides that your shares will be voted by the proxy holder listed on the proxy card in accordance with his or her best judgment. At the time this proxy statement was printed, we knew of no matters being presented at the annual meeting, other than those discussed in this proxy statement.

May I Change or Revoke My Proxy?

If you give us your proxy, you may change or revoke it at any time before it is exercised. You may change or revoke your proxy in any one of the following ways:

by signing a new proxy card with a later date and submitting it as instructed above;
by re-voting by Internet or by telephone as instructed above (only your latest Internet or telephone vote will be counted);

by notifying our Secretary in writing before the annual meeting that you have revoked your proxy; or
by attending the meeting in person and voting in person.

Attending the meeting in person will not in and of itself revoke a previously submitted proxy unless you specifically request it.

What if I Receive More Than One Proxy Card?

You may receive more than one proxy card or voting instruction form if you hold shares of our common stock in more than one account, which may be in registered form or held in street name. Please vote in the manner described under How Do I Vote? for each account to ensure that all of your shares are voted.

Will My Shares be Voted if I Do Not Return My Proxy Card?

If your shares are registered in your name, they will not be voted if you do not return your proxy card by mail or vote at the meeting as described above under How Do I Vote?. If your shares are held in street name and you do not provide voting instructions to the bank, broker or other holder of record that holds your shares as described above under How Do I Vote?, the bank, broker or other holder of record has the authority to vote your unvoted shares only on (1) the ratification of our independent public accounting firm (Proposal 2), (2) the approval of the amendment to our Charter to increase the number of authorized shares of common stock from 450,000,000 to 650,000,000 (Proposal 4), and (3) the approval of the amendment to our Charter to effect the reverse stock split (Proposal 5), even if it does not receive instructions from you, but does not have such discretionary authority on any other proposal. We encourage you to provide voting instructions. This ensures your shares will be voted at the meeting in the manner you desire. If your broker cannot vote your shares on a particular matter because it has not received instructions from you and does not have discretionary voting authority on that matter or because your broker chooses not to vote on a matter for which it does have discretionary voting authority, this is referred to as a broker non-vote.

TABLE OF CONTENTS

What Vote is Required to Approve the Proposals and How are Votes Counted?

Proposal 1: Elect William C. Mills III and Joseph M. Landstra as Class I Directors	<p>The two nominees for director who receive the most votes (also known as a plurality of the votes) will be elected. You may vote either FOR Mr. Mills and Mr. Landstra or WITHHOLD your vote from both nominees or any one nominee. Votes that are withheld will not be included in the vote tally. Banks and brokerage firms do not have authority to vote customers' unvoted shares held by the firms in street name for the election of directors. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have no effect on the results of this vote.</p> <p>The affirmative vote of a majority of the votes present in person or represented by proxy and entitled to vote at the annual meeting is required to ratify the appointment of Grant Thornton LLP as our independent public accounting firm. Abstentions will be treated as votes against this proposal.</p>
Proposal 2: Ratification of Appointment of Our Independent Public Accountant	<p>Banks and brokerage firms have authority to vote customers' unvoted shares held by the firms in street name on this proposal. If a broker does not exercise this authority, such broker non-votes will have no effect on the results of this vote. We are not required to obtain the approval of our stockholders to select our independent accountants. However, if our stockholders do not ratify the appointment of Grant Thornton LLP as our independent accountants for 2016, our Audit Committee of the Board of Directors will reconsider its selection.</p> <p>The affirmative vote of a majority of the votes present in person or represented by proxy and entitled to vote at the annual meeting is required to approve, on an advisory basis, the compensation of our named executive officers, as described in this proxy statement. Abstentions will be treated as votes against this proposal. Brokerage firms do not have authority to vote customers' unvoted shares held by the firms in street name on this proposal. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have no effect on the results of this vote. Although the advisory vote is non-binding, the Compensation Committee and the Board of Directors will review the voting results and take them into consideration when making future decisions regarding executive compensation.</p>
Proposal 3: An Advisory Vote on Compensation of Our Named Executive Officers	<p>The affirmative vote of a majority of our outstanding common stock is required to approve this amendment to our Charter. Banks and brokerage firms have authority to vote customers' unvoted shares held by the firms in street name on this proposal. If a broker does not exercise this authority, such broker non-votes will have the same effect as a vote against this proposal. Abstentions will have the same effect as a vote against this proposal.</p>
Proposal 4: Approval of the Amendment to Our Charter to Increase the Number of Authorized Shares of Our Common Stock	<p>The affirmative vote of a majority of our outstanding common stock is required to approve the amendment to our Charter to effect the reverse stock split. Banks and brokerage firms have authority to vote customers' unvoted shares held by the firms in street name on this proposal. If a broker does not exercise this authority, such broker non-votes will have the same effect as a vote against this proposal. Abstentions will have the same effect as a vote against this proposal.</p>
Proposal 5: Approval of the Amendment to Our Charter to Effect the Reverse Stock Split	<p>The affirmative vote of a majority of our outstanding common stock is required to approve this amendment to our Charter. Banks and brokerage firms have authority to vote customers' unvoted shares held by the firms in street name on this proposal. If a broker does not exercise this authority, such broker non-votes will have the same effect as a vote against this proposal. Abstentions will have the same effect as a vote against this proposal.</p>

against this proposal.

Is Voting Confidential?

We will keep all the proxies, ballots and voting tabulations private. We will only let our Inspector of Elections, Computershare Limited, examine these documents. We will not disclose your vote to management unless it is necessary to meet legal requirements. We will, however, forward to management any written comments you make, on the proxy card or elsewhere.

4

TABLE OF CONTENTS

Where Can I Find the Voting Results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting, and we will publish preliminary, or final results if available, in a Current Report on Form 8-K within four business days of the Annual Meeting. If final results are unavailable at the time we file the Form 8-K, then we will file an amended report on Form 8-K to disclose the final voting results within four business days after the final voting results are known.

What Are the Costs of Soliciting these Proxies?

We will pay all of the costs of soliciting these proxies. We plan to retain Broadridge Financial Services, Inc. to assist in the distribution of proxies and accompanying materials to brokerage houses and institutions for an estimated fee of \$15,000 plus expenses. In addition, our directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses.

What Constitutes a Quorum for the Meeting?

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of our stock having voting power constitutes a quorum for this meeting. Votes of stockholders of record who are present at the meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists.

Attending the Annual Meeting

The annual meeting will be held at 10:00 a.m. on Thursday, October 20, 2016 at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., our legal counsel, located at One Financial Center, Boston, Massachusetts 02111. When you arrive at the meeting, signs will direct you to the appropriate meeting room. You need not attend the annual meeting in order to vote. Instead, you may vote your shares by marking, signing, dating and returning the enclosed proxy card.

Householding of Annual Disclosure Documents

In December 2000, the Securities and Exchange Commission adopted a rule concerning the delivery of annual disclosure documents. The rule allows us or your broker to send a single set of our annual report and proxy statement to any household at which two or more of our stockholders reside, if we or your broker believe that the stockholders are members of the same family. The rule applies to our annual reports, proxy statements and information statements. We do not engage in this practice, referred to as "householding", however your broker or other nominee may. Once you receive notice from your broker that communications to your address will be "household", the practice will continue until you are otherwise notified or until you revoke your consent to the practice. Each stockholder will continue to receive a separate proxy card or voting instruction card.

If your household received a single set of disclosure documents this year, but you would prefer to receive your own copy, please contact our transfer agent, Computershare Trust Company, N.A., by calling them at 1-866-540-7095.

Edgar Filing: INTERLEUKIN GENETICS INC - Form PRER14A

If you do not wish to participate in householding and would like to receive your own set of our annual disclosure documents in future years, follow the instructions described below. Conversely, if you share an address with another one of our shareholders and together both of you would like to receive only a single set of our annual disclosure documents, follow these instructions:

If your shares of our common stock are registered in your own name, please contact our transfer agent, and inform them of your request by calling them at 1-866-540-7095 or writing them at 250 Royall Street, Canton, MA. 02021. If a broker or other nominee holds your shares, please contact the broker or other nominee directly and inform them of your request. Be sure to include your name, the name of your brokerage firm and your account number.

5

TABLE OF CONTENTS**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of August 15, 2016 for (a) the executive officers named in the Summary Compensation Table of this proxy statement, (b) each of our directors and director nominees, (c) all of our current directors and executive officers as a group, and (d) each stockholder known to us to beneficially own more than five percent of our common stock. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. We deem shares that may be acquired by an individual or group within 60 days following August 15, 2016 pursuant to the exercise of options or warrants to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Except as otherwise indicated, we believe that the stockholders named in the table have sole voting and investment power with respect to all shares shown to be beneficially owned by them based on information provided to us by these stockholders. Percentage ownership is based on a total of 229,329,744 shares of our common stock issued and outstanding on August 15, 2016.

Name and Address of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership	Percent
<i>Five Percent Stockholders</i>		
Pyxis Innovations Inc. ⁽²⁾ 7575 Fulton Street, East Ada, MI 49355	47,625,840	20.3 %
Bay City Capital LLC ⁽³⁾ 750 Battery Street Suite 400 San Francisco, CA 94111	149,347,361	49.5 %
Growth Equity Opportunities Fund III LLC ⁽⁴⁾ 1954 Greenspring Drive Suite 600 Timonium, MD 21093	106,980,342	38.1 %
<i>Directors and Executive Officers</i>		
Mark B. Carbeau ⁽⁵⁾	5,543,166	2.4 %
Kenneth S. Kornman, DDS, Ph.D. ⁽⁶⁾	4,607,897	2.0 %
Scott Snyder ⁽⁷⁾	38,307	