

ISSUER DIRECT CORP
Form DEF 14A
April 23, 2019

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

SCHEDULE 14A INFORMATION

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 Rule 14a-12

ISSUER DIRECT CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

Fee paid previously with preliminary materials.

Edgar Filing: ISSUER DIRECT CORP - Form DEF 14A

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:

2019 Notice of Annual Meeting of Stockholders and Proxy Statement

Thursday, June 13, 2019
9:00 a.m. EDT

Issuer Direct Corporation
500 Perimeter Park Drive, Suite D
Morrisville, NC 27560

Issuer Direct Corporation
500 Perimeter Park Drive, Suite D
Morrisville, NC 27560

April 23, 2019

To Our Stockholders:

We are pleased to invite you to attend our Annual Meeting of Stockholders to be held on Thursday, June 13, 2019, at 9:00 a.m. EDT at the Company's office at 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560. The Board of Directors has fixed the close of business on April 15, 2019 as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Annual Meeting. For directions to attend the meeting and vote in person, please visit our proxy website at <https://www.iproxydirect.com/ISDR>.

The attached Proxy Statement describes the matters proposed by your Board of Directors to be considered and voted upon by our stockholders at our Annual Meeting. These items are more fully described in the following pages, which are hereby made part of this Notice.

The Company's Proxy Statement and Proxy Card accompany this Notice.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 13, 2019. Our Proxy Statement is attached. Financial and other information concerning the Company is contained in our Annual Report on Form 10-K for the year ended December 31, 2018. Under rules issued by the Securities and Exchange Commission ("SEC"), we are providing access to our proxy materials both by sending you this full set of proxy materials, including a Proxy Card, and by notifying you of the availability of our proxy materials on the Internet. The Proxy Statement and our Annual Report on Form 10-K are available on <https://www.iproxydirect.com/ISDR>.

Your vote is important. Whether you own relatively few or a large number of shares of our stock, it is important that your shares be represented and voted at the Annual Meeting. Please vote your shares online or by telephone or, if you requested and received a printed set of proxy materials by mail, by returning the accompanying proxy card. Further instructions on how to vote your shares can be found in our Proxy Statement.

We appreciate your support and continued confidence.

Sincerely,

/s/ William H. Everett

William H. Everett
Chairman of the Board of Directors

Issuer Direct Corporation
500 Perimeter Park Drive, Suite D
Morrisville, NC 27560
(919) 481-4000

Notice of Annual Meeting of Stockholders
To Be Held on June 13, 2019

To Our Stockholders:

Our Annual Meeting of Stockholders will be held on Thursday, June 13, 2019, at 9:00 a.m. EDT at the Company's office at 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560 (the "Annual Meeting") for the following purposes:

1.
To elect the five (5) directors nominated by our Board of Directors as set forth in the Proxy Statement;
2.
To ratify the appointment of Cherry Bekaert LLP as our independent registered public accounting firm for the year ending December 31, 2019;
3.
To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

You have the right to receive notice of and to vote at the Annual Meeting if you were a stockholder of record at the close of business on April 15, 2019. Please complete, sign, date and return your proxy card to us in the enclosed, postage-prepaid envelope at your earliest convenience, even if you plan to attend the Annual Meeting. If you prefer, you can authorize your proxy through the Internet or by telephone as described in the Proxy Statement and on the enclosed proxy card. If you attend the meeting, you may revoke your proxy prior to its exercise and vote in person at the meeting. In the event that there are not sufficient stockholders present for a quorum or sufficient votes to approve a proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned from time to time in order to permit further solicitation of proxies by the Company.

Your vote is important. If you are unable to attend in person and wish to have your shares voted, please vote as soon as possible, whether online, by telephone, by fax or by returning a proxy card sent to you in response to your request for printed proxy materials.

By Order of the Board of Directors,

/s/ William H. Everett

William H. Everett
Chairman of the Board of Directors

Morrisville, North Carolina
April 23, 2019

YOUR VOTE IS IMPORTANT IT IS IMPORTANT THAT PROXY CARDS BE RETURNED PROMPTLY.
THEREFORE, WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON,

PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED RETURN ENVELOPE OR VOTE OVER THE INTERNET FOLLOWING THE INSTRUCTIONS ON THE PROXY AS SOON AS POSSIBLE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. STOCKHOLDERS WHO EXECUTE A PROXY CARD OR VOTE OVER THE INTERNET MAY NEVERTHELESS ATTEND THE MEETING, REVOKE THEIR PROXY AND VOTE THEIR SHARES IN PERSON.

Table of Contents

Proxy Summary	1
2019 Annual Meeting of Stockholders	1
Annual Meeting Agenda and Voting Recommendations	1
Director Nominees	2
Proxy Statement	3
Questions and Answers	3
Delivery of Documents to Security Holders Sharing an Address	5
PROPOSAL 1–ELECTION OF DIRECTORS	6
Nominees for Director	6
Certain Information Concerning Director Nominees	6
Board and Committee Membership	10
Consideration of Stockholder Nominees for Directors	10
Corporate Governance	11
Indemnification of Directors and Officers	11
Directors’ and Officers’ Liability Insurance	12
Code of Ethics	12
Director Independence	12
Board Committees	12
Audit Committee	13
Compensation Committee	14
Strategic Advisory Committee	14
Technology Oversight Committee	15
Meetings and Attendance	15
Communications with the Board of Directors	15
Non-Employee Director Compensation Agreement	16
2018 Non-Employee Director Compensation Table	16
Security Ownership of Beneficial Owners and Management	17
Executive Compensation	18
Compensation Discussion and Analysis	18
Summary Compensation Table	18
Brian R. Balbirnie Employment Agreement	18
Steven Knerr Employment Agreement	19
Philosophy of Compensation	20
Components of Compensation	21
Compensation of Named Executive Officers	22
Impact of Tax Laws	23
Risk Considerations in our Compensation Programs	23
Compensation Committee Report	24
PROPOSAL 2–RATIFICATION OF AUDITORS	25

Edgar Filing: ISSUER DIRECT CORP - Form DEF 14A

Ratification of Selection of Independent Auditors	25
Audit Committee Pre-Approval Policy	26
Report of the Audit Committee	27
Certain Relationships and Related Party Transactions and Director Independence	28
Related Party Transactions	28
Director Independence	28
Other Matters	29
Additional Information	29

Proxy Summary

2019 ANNUAL MEETING OF STOCKHOLDERS

WHEN	ITEMS OF BUSINESS
Thursday, June 13, 2019 at 9 a.m. EDT	1. Election of five (5) directors nominated by our Board of Directors
WHERE 500 Perimeter Park Drive, Suite D Morrisville, NC 27560	2. Ratification of the appointment by the Audit Committee of Cherry Bekaert LLP as the company's independent registered public accounting firm for the fiscal year ending December 31, 2019
RECORD DATE Close of business on April 15, 2019	3. Such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof

PROXY VOTING

Stockholders of record on the Record Date are entitled to vote by proxy in the following ways:

By calling 1 (866)
 752-VOTE (8683), toll free,
 in the United States or
 Canada

By voting online at
<https://www.iproxydirect.com/ISDR>

By returning a properly completed,
 signed and dated proxy card

By completing the reverse side of the proxy
 card and faxing it to
 (202) 521-3464

ANNUAL MEETING AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Recommendation	Page Reference
1 Election of five (5) directors	FOR each nominee	6
2 Ratification of the appointment of Cherry Bekaert LLP as our independent auditors	FOR	26

DIRECTOR NOMINEES

Name	Age	Director Since	Principal Occupation	Independent Director	AC	SATOC	Areas of Expertise	Other Company Boards
William H. Everett	68	2013	Chairman of the Board; Retired Executive Vice President and Chief Financial Officer of Tekelec, Inc.				Executive Leadership Public Company Management Private Equity Business Strategy	Hakisa SAS
Brian R. Balbirnie	47	2007	Founder and Chief Executive Officer of Issuer Direct Corporation				Finance Multi-national Technology Industry Expertise Executive Leadership Public Company Management, Financial Reporting and Operations Business Strategy M&A Technology Industry Expertise Entrepreneurial Experience Sarbanes Oxley	

				Executive Leadership
J. Patrick Galleher	46	2014	Managing Partner for Boxwood Partners, LLC	Investment Banking M&A Business Administration
				Executive Leadership Data & Analytics Industry Expertise M&A Private Equity Social Market Analytics RANE (Risk Assistance Network & Exchange)
Eric Frank	54	2017	President of Internet Technology & Acceleration LLC	Investment Banking Technology & Industry Expertise Entrepreneurial Experience
Michael Nowlan	60	2017	Executive Consultant to private companies; retired Chief Executive Officer of Primus Telecommunications Canada Inc. and, Marketwire, Inc.	Executive Leadership Financial Management and Operations Business Strategy M&A

Technology
and
Communications
Industry
Expertise

Accounting

Number of Meetings in 2018

6 3 4

AC – AUDIT COMMITTEE CC – COMPENSATION COMMITTEE SAC – STRATEGIC ADVISORY COMMITTEE
TOC – TECHNOLOGY OVERSIGHT COMMITTEE

Chairman Member Financial Expert

2 | ISSUER DIRECT CORP

PROXY STATEMENT

Questions and Answers

WHY AM I RECEIVING THESE PROXY MATERIALS?

You are receiving these proxy materials because you owned shares of common stock of our company, Issuer Direct Corporation (the “Company”), at the close of business on April 15, 2019, and, therefore, are eligible to vote at the Company’s Annual Meeting of Stockholders to be held on Thursday, June 13, 2019, at 9:00 a.m. EDT at the Company’s office at 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560 (the “Annual Meeting”). Our Board of Directors (the “Board”) is soliciting your proxy to vote at the Annual Meeting.

ON WHAT MATTERS WILL I BE VOTING?

Stockholders of record at the close of business on April 15, 2019 will be entitled to vote on the following proposals:

- i.
To elect the five (5) directors nominated by our Board of Directors as set forth in the Proxy Statement;
- ii.
To ratify the appointment by the Audit Committee of the Board of Directors of Cherry Bekaert LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and
- iii.
To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

The Board does not know of any matters to be presented at our Annual Meeting other than those described in this Proxy Statement. However, if any other matters properly come before the meeting or any adjournment thereof, it is the intention of the persons named in the enclosed proxy to vote the shares represented by them in accordance with their best judgment.

WHERE AND WHEN WILL THE MEETING BE HELD?

The Annual Meeting will be held at the Company’s office at 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560 on June 13, 2019 at 9:00 a.m., local time.

HOW CAN I OBTAIN DIRECTIONS TO THE MEETING?

For directions to the location of our Annual Meeting, please visit our proxy website at <https://www.iproxydirect.com/ISDR>.

WHO IS SOLICITING MY PROXY?

Our Board is soliciting your proxy to vote at our Annual Meeting. By completing and returning a proxy card, you are authorizing the proxy holder to vote your shares at our Annual Meeting as you have instructed.

HOW MANY VOTES MAY I CAST?

Each holder of common stock is entitled to one vote, in person or by proxy, for each share of our common stock held of record on the record date.

HOW MANY VOTES CAN BE CAST BY ALL STOCKHOLDERS?

Our common stock is the only class of security entitled to vote at our Annual Meeting. As of the record date, we had 3,854,568 shares of common stock outstanding, each of which is entitled to one vote.

HOW MANY SHARES MUSTS BE PRESENT TO HOLD THE MEETING?

Our bylaws provide that thirty-three and one-third (33.3%) of the total number of shares of common stock outstanding constitutes a quorum and must be present to conduct a meeting of our stockholders.

2019 PROXY STATEMENT | 3

WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A STOCKHOLDER OF RECORD AND AS A BENEFICIAL OWNER?

If your shares are registered directly in your name with our transfer agent, Direct Transfer LLC, you are considered, with respect to those shares, the “stockholder of record.” Proxy Materials have been directly sent to you by us.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the “beneficial owner” of shares held in “street name.” Proxy Materials have been forwarded to you by your broker, bank, or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank, or nominee how to vote your shares by following their instructions which are included with this proxy, if applicable.

CAN MY SHARES BE VOTED IF I DO NOT RETURN THE PROXY CARD AND DO NOT ATTEND THE MEETING IN PERSON?

If you hold shares in street name and you do not provide voting instructions to your broker, bank, or nominee, your shares will not be voted on any proposal for which your broker does not have discretionary authority to vote (a “broker non-vote”). Brokers generally have discretionary authority to vote shares held in street name on “routine” matters but not on “non-routine” matters. Proposals to ratify the appointment of the independent auditor are generally considered “routine” matters. Proposals to elect directors are “non-routine” matters.

If you do not vote the shares held in your name, your shares will not be voted. However, the Company may vote your shares if you have returned a blank or incomplete proxy card.

HOW DOES THE BOARD OF DIRECTORS RECOMMEND THAT I VOTE?

Our Board of Directors recommends that you vote FOR each of the director nominees set forth in this proxy statement, and FOR the ratification of the appointment of Cherry Bekaert LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

HOW DO I VOTE?

You may vote using any of the following methods:

In person at the Annual Meeting:

You may vote in person at the Annual Meeting, either by attending the meeting yourself or authorizing a representative to attend the meeting on your behalf. You may also execute a proper proxy designating that person. If you are a street holder of shares, you must obtain a proxy from your broker, bank, or nominee naming you as the proxy holder and present it to the inspectors of election with your ballot when you vote at the Annual Meeting.

Other ways to vote:

You may also vote by telephone or online as instructed in our proxy, or by returning a proxy card or voting instruction form sent to you in response to your request for printed proxy materials.

MAIL: Please mark, sign, date, and return this proxy card promptly using the enclosed envelope.

FAX: Complete the reverse portion of this proxy card and fax to (202) 521-3464.

INTERNET: <https://www.iproxydirect.com/ISDR>

PHONE: 1 (866) 752-VOTE (8683)

ONCE I DELIVER MY PROXY, CAN I REVOKE OR CHANGE MY VOTE?

Yes. You may revoke or change your proxy at any time before it is voted by giving a written revocation notice to our corporate secretary, by delivering a new revised proxy no later than the end of the day prior to the Annual Meeting, or by voting in person at the meeting.

4 | ISSUER DIRECT CORP

WHO PAYS FOR SOLICITING PROXIES?

We are paying for all costs of soliciting proxies. Our directors, officers, and employees may request the return of proxies by mail, telephone, internet, telefax, telegram, or personal interview. We are also requesting that banks, brokerage houses, and other nominees or fiduciaries forward the soliciting material to their principals and that they obtain authorization for the execution of proxies. We will reimburse them for their expenses.

COULD OTHER MATTERS BE CONSIDERED AND VOTED UPON AT THE MEETING?

Our Board does not expect to bring any other matter before the Annual Meeting and is not aware of any other matter that may be considered at the meeting. However, if any other matter does properly come before the meeting, the proxy holders will vote the proxies as the Board may recommend.

WHAT HAPPENS IF THE MEETING IS POSTPONED OR ADJOURNED?

Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy at any time until it is voted.

HOW CAN I CONTACT ISSUER DIRECT TO REQUEST MATERIALS OR INFORMATION REFERRED TO IN THESE QUESTIONS AND ANSWERS?

By mail addressed to: Issuer Direct Corporation, 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560, Attn: Chairman of the Board. By phone, call (919) 481-4000 or (866) 752-VOTE (8683), by fax, (202) 521-3464, or by email at proxy@iproxydirect.com.

Delivery of Documents to Security Holders Sharing an Address

We will only deliver one set of materials to multiple stockholders sharing an address, unless we have received contrary instructions from one or more of the stockholders. Also, we will promptly deliver a separate copy of these materials and future stockholder communication documents to any stockholder at a shared address to which a single copy of these materials was delivered, or deliver a single copy

of these materials and future stockholder communication documents to any stockholder or stockholders sharing an address to which multiple copies are now delivered, upon written request to us at our address noted above. Stockholders may also address future requests regarding delivery of proxy materials and/or annual reports by contacting us at the address noted above.

Proposal 1–Election of Directors

ELECTION OF THE FIVE DIRECTORS TO SERVE UNTIL THE NEXT ANNUAL MEETING OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED

NOMINEES FOR DIRECTOR

At our Annual Meeting of Stockholders, stockholders will elect five directors, each to serve a term of one year or until his or her successor is elected and qualified. Our Board of Directors is currently comprised of five directors. Our Board of Directors is not divided into classes of directors, meaning all of our directors are voted on every year at our Annual Meeting of Stockholders.

All of the director nominees currently serve as members of our Board.

Unless otherwise instructed on the proxy card, each of the persons named as proxies on the proxy card intends to vote the shares represented thereby in favor of the five nominees listed under “Certain Information Concerning Director Nominees” below.

All nominees have consented to being named in this Proxy Statement and to serve if elected. If, however, any nominee should become unable or unwilling to serve, the persons named as proxies on the proxy card will vote the shares represented by the proxy for another person duly nominated by our Board.

CERTAIN INFORMATION CONCERNING DIRECTOR NOMINEES

Certain information concerning the nominees for election as directors is set forth below. This information was furnished to us by the nominees. No family relationship exists between any of our directors or executive officers. The five directors have been nominated for election to the Board of Directors at the Annual Meeting of Stockholders to be held on June 13, 2019.

The names of the nominees and certain information about them as of April 23, 2019 are set forth below:

Nominee	Age	Position	Director Since
William H. Everett	68	Director, Chairman of the Board, Member of Audit Committee & Strategic Advisory Committee	2013
Brian R. Balbirnie	47	Director, President and Chief Executive Officer	2007
J. Patrick Galleher	46	Director, Chairman of Compensation Committee and Strategic Advisory Committee	2014
Eric Frank	54	Director, Chairman of Technology Oversight Committee, Member of Compensation Committee	2017
Michael Nowlan	60	Director, Chairman of Audit Committee	2017

William H.
Everett

Professional Background and Qualifications Mr. Everett joined the Board of Directors of Issuer Direct Corporation on October 2, 2013. Mr. Everett has had more than thirty years of management experience and currently serves as a director of Hakisa SAS in Strasbourg France. In addition, Mr. Everett served on the Board of NeoNova Network Services until it was acquired in July 2013. In April 2010, Mr. Everett retired as Executive Vice President and CFO of Tekelec, a publicly traded telecom equipment supplier. Since that time, he has served as a corporate director and provided consulting services to Chairman of public company and private equity clients. From 2011 through 2015, he served as an Executive in the Board Residence and a member of the Board of Advisors at the Poole College of Management at NC State University. He has significant experience as both a Chief Financial Officer and a general manager Member of working with a variety of multi-national technology companies over his career, including Epsilon Data the Audit Management, Chemfab Inc., Eastman Software and Steleus SAS. He was the Co-founder and President Committee of Maps a la Carte, an internet mapping and spatial data company, which was acquired by Demand the Strategic Media Inc. Mr. Everett received his BA in Political Science from Middlebury College and his MBA Advisory from the University of New Hampshire. He also practiced as Certified Public Accountant with Price Committee Waterhouse for seven years before joining Epsilon Data Management.

Brian R.
Balbirnie

Professional Background and Qualifications Mr. Balbirnie is a member of the Board and our President and Chief Executive Officer. Mr. Balbirnie established Issuer Direct in 2006 with a vision of creating a technology driven back-office compliance platform that would reduce costs as well as increase the efficiencies of the most complex tasks, today the company calls it Platform id. Mr. Balbirnie is responsible for the strategic leadership of the company and oversees day-to-day operations. Under Mr. Balbirnie's direction, the Company has grown and in 2018 worked with approximately 4,000 customers. Mr. Balbirnie is an entrepreneur with more than 20 years of experience in emerging industries. Prior to Issuer Direct, Mr. Balbirnie was the founder and managing partner of Catapult Company, a compliance and consulting practice focused on the Sarbanes Oxley Act. During 2002 and 2003, Mr. Balbirnie also served as the Vice President and Chief Financial Officer of Mobile Reach International, Inc., a publicly traded company, and as the President and Chief Technology Officer of IVUE Corporation, a private company. Prior to and with Catapult, Mr. Balbirnie also advised several companies on their public market strategies, merger & acquisitions as well as their financial reporting requirements.

J. Patrick
Galleher

Age 46
Director Since
2014

Chairman of the
Compensation
Committee
Chairman of the
Strategic
Advisory
Committee

Professional Background and Qualifications Mr. Galleher joined the Board of Directors of Issuer Direct Corporation on March 11, 2014. Mr. Galleher is a Managing Partner for Boxwood Partners, a merchant bank in Richmond, Virginia, where he leads transactions for Boxwood’s M&A advisory services and private equity group. In this capacity, he has led sell-side, buyout and capital raising transactions. Prior to joining Boxwood, Mr. Galleher was CEO of WILink plc (WLK: LSE), a global financial communications business with operations in the U.S., Canada, U.K., Continental Europe, and Sweden. In 2006, as CEO, he successfully led the company through a public-to-private transaction and sale to SVIP, a NYC-based private equity group. Mr. Galleher holds a B.S. in Business Administration from the University of Richmond and a degree from the London Business School as well as attending the Centre for Creative Leadership in Belgium. He is a board member and founder of the Virginia Chapter of Young President’s Organization (YPO) and the Midlothian Athletic Club. He formerly served as chairman of the board for sweetFrog and Shockoe Commerce Group, both of which are private companies.

Eric Frank

Age 54
Director Since
2017

Chairman of the
Technology
Oversight
Committee
Member of the
Compensation
Committee

Professional Background and Qualifications Mr. Frank joined the Board of Directors of Issuer Direct Corporation on September 28, 2017. Since April 2018, Mr. Frank has served as the Chief Executive Officer of Lightbox, LP which focuses broadly on building a platform related to real estate information and related matters. Since September 2012, Mr. Frank has served as the President of Internet Technology & Acceleration LLC as an executive advisor to private companies and private equity sponsors, specifically in the B2B information space. From September 2014 until March 2017, Mr. Frank served as Managing Director of DMGI/DMGT PLC, overseeing their portfolio of US CRE information companies. Mr. Frank was at Thomson Reuters, a leading news and information company, from 2006 through 2012, most recently as President, managing a \$2.3 billion investment advisory division that was a combination of the Thomson Financial and Reuters which he led and helped shape into four operating units, (Investment Management & Sell-Side Research, Investment Banking, Wealth Management, and Corporate Services). Mr. Frank began his career at Morgan Guaranty, helping create the award winning ADR.com portal, which was later sold to Thomson Financial. He also currently serves on the board of directors of Megalith Financial Acquisition Corp., which trades on the NYSE, as well as Social Market Analytics and RANE (Risk Assistance Network & Exchange), both of which are private companies. Mr. Frank earned a Bachelor of General Studies from the University of Michigan.

Michael
Nowlan

Professional Background and Qualifications Mr. Nowlan joined the Board of Directors of Issuer Direct Corporation on September 28, 2017. Mr. Nowlan currently provides executive consulting services to private companies. Mr. Nowlan was Chief Executive Officer of Primus Telecommunications Canada Inc. (and its related US operating companies Primus Telecommunications Inc. and Lingo Inc.) from late 2013 to 2016. Primus was a private company whose principal business was re-selling of residential and commercial telecommunications services within Canada and the United States Mr. Nowlan supervised the sale of the Primus assets after it filed for CCAA creditor protection in Canada and related recognition under Chapter 15 of the US Bankruptcy Code in January 2016 as a result of liquidity challenges due to competitive margin pressures and over-leverage. Mr. Nowlan led Marketwired, a leading newswire service, from 2001 to 2013 as President and Chief Executive Officer. Under his leadership, Marketwired executed several successful strategic acquisitions. He transitioned the business to a SaaS business model and set the strategy for the company to embrace the emerging technology trends in the communication industry. Prior to joining Marketwired in 1999 as its Chief Financial Officer, Mr. Nowlan had wide financial management experience including starting his career in 1982 at PricewaterhouseCoopers where he remained until 1988. Mr. Nowlan is a member of the Institute of Corporate Directors with the ICD.D Certification and a CPA-CA since 1984. Mr. Nowlan has a Bachelor of Commerce degree from Queen's University.

Age 60
Director
Since 2017

Chairman
of the Audit
Committee

BOARD AND COMMITTEE MEMBERSHIP

The table below provides committee membership of each Board member as of April 23, 2019.

Board Member	Audit Committee	Compensation Committee	Strategic Advisory Committee	Technology Oversight Committee
Independent Directors				
William H. Everett *	X		X	
J. Patrick Galleher *		C	C	
Eric Frank *		X		C
Michael Nowlan *	C			
Internal Director				
Brian R Balbirnie				

C= Committee Chairman X = Committee Member * = Independent

CONSIDERATION OF STOCKHOLDER NOMINEES FOR DIRECTOR

Pursuant to our bylaws, stockholders who wish to nominate persons for election to the Board of Directors at the 2020 Annual Meeting must be a stockholder of record, both when they give us notice and at the 2020 Annual Meeting, must be entitled to vote at the 2020 Annual Meeting, and must comply with the notice provisions in our bylaws. A stockholder's notice must be delivered to our Corporate Secretary not less than 75 nor more than 105 days before the anniversary date of the immediately preceding Annual Meeting. For our 2020 Annual Meeting, the notice must be delivered between February 29, 2020 and March 30, 2020. However, if our 2020 Annual Meeting is not within 30 days of June 13, 2020, the notice must be delivered no later than the close of business on the 10th day following the earlier of the day on which the first public announcement of the date of the 2020 Annual Meeting or 120 days prior to such meeting. The public announcement of an adjournment or postponement of the 2020 Annual Meeting will not trigger a new time period (or extend any time period) for the giving of a stockholder notice as described in this proxy statement. The stockholder's notice must be updated and supplemented as set forth in our bylaws.

The Board of Directors recommends a vote "FOR" the election of five (5) directors, until the next Annual Meeting or until their successors are duly elected and qualified.

Corporate Governance

Our Directors will serve until our next Annual Meeting of stockholders or until their resignation or removal.

Our directors are elected at the Annual Meeting of stockholders, with vacancies filled by the Board of Directors, and serve until their successors are elected and qualified, or their earlier resignation or removal. Officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors or until their earlier resignation or removal. Under the General Corporation Law of the State of Delaware, any action which is required to be taken or may be taken at any annual or special meeting of stockholders may also be taken without a meeting, without prior notice and without a vote, if consent in writing setting forth the action so taken, shall be signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office, its principle place of business, or an officer or agent of the corporation having custody of the book in which the proceedings of meetings are recorded.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware provides, in general, that a corporation incorporated under the laws of the State of Delaware, as we are, 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 (other than a derivative action by or in the right of the corporation) by reason of the fact that such 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 enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person 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 such person's conduct was unlawful. In the case of a derivative action, a Delaware corporation may indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or any other court in which such action was brought determines such person is fairly and reasonably entitled to indemnity for such expenses.

Our certificate of incorporation and bylaws provide that we will indemnify our directors, officers, employees and agents to the extent and in the manner permitted by the provisions of the General Corporation Law of the State of Delaware, as amended from time to time, subject to any permissible expansion or limitation of such indemnification, as may be set forth in any stockholders' or directors' resolution or by contract. Any repeal or modification of these provisions approved by our stockholders will be prospective only and will not adversely affect any limitation on the liability of any of our directors or officers existing as of the time of such repeal or modification.

We are also permitted to apply for insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the General Corporation Law of the State of Delaware would permit indemnification.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We have directors' and officers' liability insurance insuring our directors and officers against liability for acts or omissions in their capacities as directors or officers.

CODE OF ETHICS

We have adopted a code of ethics that applies to our officers, directors and employees, including our principal executive officer and principal accounting officer, which is posted on our website at www.issuerdirect.com.

DIRECTOR INDEPENDENCE

The Board has determined that Messrs. Everett, Frank, Galleher and Nowlan satisfy the requirement for independence set out in Section 303A.02 of the NYSE American rules and Section 10A(m) of the Exchange Act (collectively, the "Independence Rules"), and that each of these directors has no material relationship with us (other than being a director and/or a stockholder). In making its independence determinations, the Board of Directors sought to identify and analyze all of the facts and circumstances relating to any relationship between a director, his immediate family or affiliates and our company and our affiliates and did not rely on categorical standards other than those contained in the NYSE American rule referenced above.

BOARD COMMITTEES

Our Board of Directors has established an Audit Committee, a Compensation Committee, a Strategic Advisory Committee and a Technology Oversight Committee, each of which has the composition and responsibilities described below.

Audit
Committee

Our Audit Committee was implemented on October 23, 2013 and is currently comprised of Messrs. Everett and Nowlan, each of whom our Board has determined to be financially literate and qualify as an independent director under the Independence Rules.

Members: On March 2, 2018, Mr. Nowlan replaced Mr. Everett as the chairman of our Audit Committee. Mr. Everett remained as a member of the Audit Committee. Both Messrs. Nowlan and Everett qualify as a financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K.

Michael
Nowlan

(Chairman)

William H.
Everett

Responsibilities

Meetings in
2018: 6

The Audit Committee's duties are to recommend to our Board of Directors the engagement of independent auditors to audit our financial statements and to review our accounting and auditing principles. The Audit Committee will review the scope, timing and fees for the annual audit and the results of audit examinations performed by the independent public accountants, including their recommendations to improve the system of accounting and internal controls. During the year ended December 31, 2018, our Audit Committee met six times.

Compensation
Committee

Our Compensation Committee was implemented on October 23, 2013 and is currently comprised of Messrs. Frank and Galleher, each of whom our Board has determined to qualify as an independent director under the Independence Rules. Mr. Galleher is the chairman of our Compensation Committee.

Members:

J. Patrick
Galleher
(Chairman)

Responsibilities

Eric Frank

The Compensation Committee reviews and approves our salary and benefits policies, including compensation of executive officers and directors. The Compensation Committee also administers our stock compensation plans and recommends and approves grants of stock compensation under such plans. During the year ended December 31, 2018, our Compensation Committee held three meetings.

Meetings in 2018:
3

Strategic
Advisory
Committee

Members:

Our Strategic Advisory Committee was implemented on January 25, 2016 and is currently comprised of Messrs. Everett and Galleher. Mr. Galleher is the chairman of our Strategic Advisory Committee.

J. Patrick
Galleher
(Chairman)

Responsibilities

William H.
Everett

The Strategic Advisory Committee assists our Board of Directors and management in evaluating areas such as joint ventures, partnerships, strategic acquisitions and mergers and acquisitions.

Meetings in 2018: During the year ended December 31, 2018, our Strategic Advisory Committee held four meetings.
4

Technology
Oversight
Committee

Our Technology Oversight Committee was implemented on August 11, 2017 and is currently comprised of Mr. Frank, as its Chairman.

Responsibilities

Member: The Technology Oversight Committee's main objectives are (i) to ensure that our R&D function is building secure, quality and scalable application software within the time frame, specifications and budget contained in our plan of record and (ii) to ensure we are taking the necessary and prudent steps to safeguard our customers' private and confidential information, including financial data, from cybersecurity attacks.

Eric Frank
(Chairman)

During 2018, Mr. Frank was integrally involved in engaging a national security consulting firm to identify, address and create policies and plans which enable us to mitigate our cybersecurity and information vulnerabilities on both a short-term and long-term basis.

MEETINGS AND ATTENDANCE

During the year ended December 31, 2018, the Board of Directors held eleven meetings and the respective committees held thirteen total meetings, and each director attended all of (i) Board meetings held during the period for which he was a director and (ii) committee meetings held during the period for which he was a committee member. We do not have a policy requiring director attendance at stockholder meetings, but members of our Board of Directors are encouraged to attend.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

A stockholder who wishes to communicate with our Board of Directors, any committee of our Board of Directors, the non-management directors or any particular director, may do so by writing to such director or directors in care of the Secretary, c/o Issuer Direct Corporation, 500 Perimeter Park Drive, Suite D, Morrisville, NC 27560. Our secretary will forward such communication to the full Board of Directors, to the appropriate committee or to any individual director or directors to whom the communication is addressed, unless the communication is unrelated to the duties and responsibilities of our Board of Directors (such as spam, junk mail and mass mailings, ordinary course disputes over fees or services, personal employee complaints, business inquiries, new product or service suggestions, resumes and other forms of job inquiries, surveys, business solicitations or advertisements) or is unduly hostile, threatening, illegal, or harassing, in which case our secretary has the authority to discard the communication or take appropriate legal action regarding the communication.

NON-EMPLOYEE DIRECTOR COMPENSATION ARRANGEMENT

Effective as of February 28, 2019, our Board, upon the recommendation of our Compensation Committee, determined to compensate our non-employee directors as set forth below.

Initial Equity Grant. Each non-employee director appointed to our Board and not by a vote of the stockholders at an annual meeting is automatically granted an initial grant of 6,000 restricted stock units (the “RSUs”) on the date of his or her appointment to our Board (with such amount pro-rated based on the number of days between the date of such director’s appointment and the date of our first annual meeting of stockholders following the date of grant (or to the extent that we have not determined the date of the next annual meeting of stockholders on or before the date of grant, June 15 following the date of grant)). The RSU’s will fully vest on the date of our first annual meeting of stockholders following the date of grant or immediately prior to the consummation of a change of control event. If an individual is appointed as a non-employee director at an annual meeting of stockholders, he or she will be granted an annual equity grant, as described below, in lieu of the initial equity grant. None of the nominees for the Board contained in this Proxy Statement would be entitled to this initial equity grant.

Annual Equity Grant. On the date of each annual meeting of stockholders, each non-employee director who is serving on our Board on the date of such annual meeting or who is elected by the stockholders at such annual meeting will be automatically granted 6,000 restricted stock units (the “RSUs”). The RSUs will fully vest on the earlier of (i) the date of the following year’s annual meeting of stockholders (but only for a non-employee director who ceases to be a member of our Board at such annual meeting as a result of not standing for re-election or not being re-elected), (ii) the date that is one year following the date of grant, or (iii) immediately prior to the consummation of a change of control event. Each of the nominees for the Board contained in this Proxy Statement would be entitled to this equity grant if elected by the stockholders.

Monthly Cash Payment. During 2019, each non-employee director will receive a monthly cash retainer of \$3,000 for service on our Board and our Chairman of our Board will receive an additional monthly cash retainer of \$1,500.

2018 NON-EMPLOYEE DIRECTOR COMPENSATION TABLE

The following table shows amounts earned by each non-employee director in fiscal 2018:

Director	Fees Earned or Stock Paid in Cash	Stock Awards	Warrant Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation	Total
William H. Everett	\$54,000(1)	\$95,440(2)	\$-	\$-	\$-	\$-	\$149,440
Eric Frank	\$36,000	\$95,440(2)	\$-	\$-	\$-	\$-	\$131,440
J. Patrick Galleher	\$36,000	\$95,440(2)	\$-	\$-	\$-	\$-	\$131,440
Michael Nowlan	\$36,000	\$95,440(2)	\$-	\$-	\$-	\$-	\$131,440

(1)

In addition to the \$3,000 per month paid to all members of the Board, this amount includes an additional \$1,500 per month for Mr. Everett's service as the Chairman of our Board.

(2)

The amounts shown in this column represent the grant date fair value of the awards determined in accordance with ASC 718. Option awards are valued using a Black-Scholes valuation model. On June 1, 2018, each non-employee director was granted an option to purchase 8,000 shares of our common stock with an exercise price of \$17.40 and a vesting date of June 1, 2019. RSUs are valued based on the closing price of Issuer Direct's ordinary shares on the date of grant, which was \$17.40. On June 1, 2018, each non-employee director was granted 2,000 restricted stock units with a vesting date of June 1, 2019.

16 | ISSUER DIRECT CORP

Security Ownership of Beneficial Owners and Management

The following table sets forth certain information as of April 23, 2019, regarding the beneficial ownership of our common stock by (i) each person or entity who, to our knowledge, beneficially owns more than 5% of our common stock; (ii) each executive officer and named officer; (iii) each director; and (iv) all of our officers and directors as a group. Unless otherwise indicated in the footnotes to the following table, each of the stockholders named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned. Except as otherwise indicated, the address of each of the stockholders listed below is: c/o Issuer Direct Corporation, 500 Perimeter Park Drive, Suite D, Morrisville, North Carolina 27560.

Name of Beneficial Owner	Number of Shares Owned(1)	Percentage Owned(1)
Brian R. Balbirnie(2)(3)	624,663(5)	16.20%
Steven Knerr(2)	43,750(6)	1.13%
William H. Everett(3)	51,728(7)	1.34%
J. Patrick Galleher(3)	46,000(7)	1.19%
Eric Frank(3)	20,000(7)	0.52%
Michael Nowlan(3)	20,000(7)	0.52%
James Michael(4)	228,300	5.92%
All officers, directors, and management as a group (6 persons)	1,034,441	26.12%
Other beneficial holders:		
Polar Asset Management Partners	326,456	8.47%
Yorkmont Capital Partners, LP	284,765(8)	7.39%

(1) Applicable percentage of ownership is based on a total of 3,960,818 shares of common stock, which consist of 3,854,568 shares of common stock outstanding on April 23, 2019, plus shares that are beneficially owned as of that date. Beneficial ownership is determined in accordance with rules of the Securities and Exchange Commission and means voting or investment power with respect to securities. Shares of our common stock issuable upon restricted stock units and the exercise of stock options exercisable currently or within 60 days of April 20, 2019 are deemed outstanding and to be beneficially owned by the person holding such option for purposes of computing such person's percentage ownership, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

(2) Officer.

(3) Director.

(4) Management.

(5) Includes options issued to spouse to purchase 500 shares of common stock that are currently exercisable or exercisable within 60 days of April 23, 2019.

(6) Includes 5,000 restricted stock units which vest on February 28, 2020 and options to purchase 28,750 shares of common stock that are currently exercisable or exercisable within 60 days of April 23, 2019.

(7) Includes 2,000 restricted stock units which vest on June 1, 2019 and options to purchase 16,000 shares of common stock that are currently exercisable or exercisable within 60 days of April 23, 2019.

Includes 50,000 shares of common stock held by Graeme P. Rein. According to Amendment No. 5 to the Schedule (8) 13G filed by Yorkmont Capital Partners, LP on January 11, 2019, Mr. Rein has sole voting and disposition power with respect to all of the shares of common stock held by Yorkmont Capital Partners, LP.