

ENERGY FOCUS, INC/DE
Form PRE 14A
June 03, 2015
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**

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 Pursuant to §240.14a-12

ENERGY FOCUS, INC.

(Name of Registrant as Specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the
Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

ENERGY FOCUS, INC.

32000 AURORA ROAD, SUITE B

SOLON, OHIO 44139

June [], 2015

Dear Stockholder:

This year's Annual Meeting of Stockholders will be held on Wednesday, July 22, 2015 at 1:00 P.M., local time, at the principal executive offices of Energy Focus, Inc., 32000 Aurora Road, Suite B, Solon, Ohio 44139. You are cordially invited to attend.

The Notice of Annual Meeting of Stockholders and a Proxy Statement, which describe the formal business to be conducted at the meeting, have been made a part of this invitation.

Your vote is important. Whether or not you plan to attend the annual meeting, I hope that you will vote as soon as possible. Please review the instructions on each of your voting options described in the Proxy Statement.

Please also note that if you hold your shares in "street name" through a bank or broker, that custodian cannot vote your shares without your specific instructions.

The Proxy Statement and related proxy form are first being made available on or about June [], 2015.

Thank you for your ongoing support of, and continued interest in, Energy Focus.

Very truly yours,

/s/ James Tu
James Tu
Executive Chairman

ENERGY FOCUS, INC.

32000 AURORA ROAD, SUITE B

SOLON, OHIO 44139

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JULY 22, 2015

TO STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of Energy Focus, Inc. (the “Company”) will be held on Wednesday, July 22, 2015 at 1:00 P.M., local time, at the principal executive offices of Energy Focus, Inc., 32000 Aurora Road, Suite 13, Solon, Ohio 44139, for the following purposes:

To elect eight directors to serve until the next annual meeting or until their successors are elected and appointed, the

1. nominees for which are as follows: Ronald D. Black, Simon Cheng, William Cohen, Glenda Dorchak, Marc J. Eisenberg, Jiangang Luo, Michael R. Ramelot and James Tu;

2. To consider and vote upon a non-binding advisory proposal to approve the compensation of our executive officers;

To consider and vote upon a proposal to amend the Certificate of Incorporation, as amended, of the Company to

3. increase the number of authorized shares of common stock, \$.0001 par value per share, of the Company (the “Common Stock”);

4. To consider and vote upon a proposal to amend the Company’s 2014 Stock Incentive Plan (the “2014 Plan”) to increase the number of authorized shares of Common Stock available for issuance under the 2014 Plan; and

5. To consider and act upon any other matters that may properly come before the Annual Meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only stockholders of record at the close of business on June 1, 2015 are entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements thereof

Most stockholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the attached proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON WEDNESDAY, JULY 22, 2015:

This proxy statement and our annual report on Form 10-K, as amended, are available at:
<http://www.proxyvote.com>.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Marcia J. Miller
Marcia J. Miller
Interim Chief Financial Officer and Secretary

Solon, Ohio

June [], 2015

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PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

ENERGY FOCUS, INC.

**32000 AURORA ROAD, SUITE B
SOLON, OHIO 44139**

Information Concerning Solicitation and Voting of Proxies

General

The enclosed proxy is solicited on behalf of the Board of Directors of Energy Focus, Inc., a Delaware corporation (“Energy Focus” or the “Company”), for use at the Annual Meeting of Stockholders (the “Annual Meeting”) to be held on Wednesday, July 22, 2015 at 1:00 P.M., local time, or at any adjournments or postponements thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the principal executive offices of Energy Focus, Inc., 32000 Aurora Road, Suite B, Solon, Ohio 44139.

The cost of soliciting these proxies will be borne by the Company. Regular employees and directors of the Company may solicit proxies in person, by telephone, by mail, or by email. No additional compensation will be given to employees or directors for such solicitation. The Company will request brokers and nominees who hold shares of common stock, par value \$.0001 per share, of Energy Focus (“Common Stock”) in their names to furnish proxy material to the beneficial owners of such shares and will reimburse such brokers and nominees for their reasonable expenses incurred in forwarding solicitation material to such beneficial owners.

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use either by delivering a written notice of revocation or a duly executed proxy bearing a later date to Energy Focus, Inc., Attention: Secretary, 32000 Aurora Road, Suite B, Solon, Ohio 44139 or by attending the Annual Meeting and voting in person. If a proxy is properly signed and not revoked, the shares it represents will be voted in accordance with the

instructions of the stockholder. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke your proxy or vote at the Annual Meeting, you must follow the instructions provided to you by the record holder and/or obtain from the record holder a proxy issued in your name. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Record Date and Share Ownership

Only stockholders of record at the close of business on June 1, 2015 (the “Record Date”), will be entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements thereof. The Company had 10,022,913 shares of Common Stock issued and outstanding as of the Record Date.

Voting

Each share of Common Stock held as of the Record Date entitles its holder to one vote on each matter to be acted upon at the Annual Meeting, including the election of directors. The presence at the Annual Meeting, either in person or by proxy, of the holders of a majority of the aggregate number of shares of Common Stock outstanding on the Record Date will represent a quorum permitting the conduct of business at the meeting. If you are a beneficial owner of shares that are held in “street name” (meaning a broker, trustee, bank or other nominee holds shares on your behalf), you must instruct your broker as to how to vote your shares on the proposals presented in this proxy statement. Failure to do so may result in a “broker non-vote” because a broker does not have discretion to vote on your behalf with respect to any of the proposals to be presented at the Annual Meeting. Any proxies received by the Company marked as abstentions or broker non-votes will be included in the calculation of whether a quorum is present at the Annual Meeting. The effect of abstentions and broker non-votes on the outcome of each proposal is described below.

The eight nominees receiving the greatest number of votes “for” election will be elected as directors. If you do not vote for a particular director nominee, or if you indicate “withhold authority” for a particular nominee on your proxy form, your vote will not have an effect on the outcome of the election of directors. Broker non-votes also will not have an effect on the outcome of the election of directors.

The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting is required to approve the non-binding advisory proposal regarding the compensation of our executive officers. Abstentions will have the same effect as a vote against the proposal, and broker non-votes will have no effect on the outcome of this proposal. The affirmative vote of a majority of all of the shares of Common Stock issued and outstanding and entitled to vote at the Annual Meeting is required for approval to amend the Company’s Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock. Abstentions and broker non-votes will have the same effect as a vote against the proposal. The affirmative vote of a majority of votes cast is required for the approval to amend the Company’s 2014 Stock Incentive Plan. Abstentions and broker non-votes will not be considered votes cast on the proposal and will not have an effect on the outcome of this proposal.

The shares represented by the proxies received, properly marked, dated, signed and not revoked will be voted at the Annual Meeting. Where such proxies specify a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specifications made. Any proxy in the enclosed form which is returned but is not marked will be voted **FOR** the election of the eight nominees for director listed in this Proxy Statement (Proposal 1), **FOR** the non-binding advisory approval of the compensation of our named executive officers (Proposal 2), **FOR** the approval of the amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock (Proposal 3), and **FOR** the approval of the amendment to the Company’s 2014 Stock Incentive Plan (Proposal 4).

Proposal No. 1: Election of Directors

Nominees

Unless otherwise instructed, the proxy holders will vote the proxies received by them for the eight nominees named below, regardless of whether any other names are placed in nomination by anyone other than one of the proxy holders. If the candidacy of any one or more of such nominees should, for any reason, be withdrawn, the proxy holders will vote in favor of the remainder of those nominated and for such substituted nominees, if any, as shall be designated by the Board of Directors. Please note that if the candidacy of one or more nominees should be withdrawn, the Board may reduce the number of directors to be elected at this time. The Board of Directors has no reason to believe that any of the persons named will be unable or unwilling to serve as a nominee or as a director if elected.

If a quorum is present in person or by proxy at the Annual Meeting, the eight nominees receiving the highest number of votes will be elected as directors at the Annual Meeting to serve until the next annual meeting or until their respective successors are duly elected or appointed.

The Company's Bylaws provide that the number of directors of the Company shall be no less than five and no more than nine, with the exact number within such range to be fixed by the Board of Directors. The Board of Directors has fixed the number of directors at eight and has recommended and nominated the eight nominees listed below. Of the eight nominees, four are continuing directors (Simon Cheng, William Cohen, Michael R. Ramelot and James Tu) and four are new director nominees (Roland D. Black, Glenda Dorchak, Marc J. Eisenberg and Jiangang Luo). Mr. Luo previously served on the Company's Board of Directors from September 2013 until July 2014. Current directors John M. Davenport, Xin He and Thomas W. Swidarski are not standing for re-election.

Biographical information concerning each nominee is set forth below:

Name	Director Age Since	Background
Ronald D. Black, Ph.D.	51 n/a	<p>Dr. Black has served as the Chief Executive Officer and President of Rambus Inc. since June 2012 and as a Director of Rambus Inc. since July 2012. Rambus Inc. is a technology solutions company that captures, secures and moves data. Its customizable IP cores, architecture licenses, tools, services, and training improve the competitive advantage of its customers' products while accelerating their time to market. Dr. Black was previously the Managing Director of R.D. Black & Company, a consulting firm, since August 2011. From September 2010 to August 2011, Dr. Black was the Chief Executive Officer of MobiWire, formerly Sagem</p>

Wireless, a privately-held mobile handset company headquartered near Paris, France that offers products and services to original equipment manufacturers and mobile network operators in the mobile phone marketplace. From June 2009 to October 2010, Dr. Black served as Chairman and CEO of UPEK, Inc. Dr. Black currently serves as a board member of EnOcean GmbH, a German-based company that manufactures and markets energy harvesting technology, sensors, and radio frequency communication. From September 2010 to November 2012, he served as a board member of AuthenTec, Inc., which he joined following the AuthenTec-UPEK merger in September 2010 and from 2007 to 2013, he served as a board member of Inside Contactless, a France-based company engaged in the semiconductors and information

technology industry. From September 2004 to June 2009, he was the Chief Executive Officer of Wavecom S.A., a publicly traded French wireless solutions company. Dr. Black holds a Bachelor of Science, a Master's of Science, and a Ph.D. in materials science and engineering from Cornell University in Ithaca, N.Y.

The Board of Directors believes that Dr. Black's qualifications to serve as a Board member include his leadership positions in various high-growth technology companies, both domestic and foreign.

Simon Cheng

41 2012

Mr. Cheng has been Director of Business Development since January 2015. Prior to that he was Director of Supply Chain in charge of Company procurement and supply chain operations from December 2013 to December 2014.

From June 2013 to November 2013, he was the Company's Brand Manager.

Previously, he was Managing Director of Communal International Ltd., a group assisting clean energy companies to gain market access and improve supply chain efficiencies in Asia, from March 2012 to June 2013. He is a Board Director of ZW Group, a real estate and shopping center developer in China, and was the Market/Project Manager from October 2007 to March 2012. Prior to that time, Mr. Cheng was a Co-founder and Chief Executive Officer for The X/Y Group, a marketing enterprise that markets and distributes global consumer brand products including JanSport and Skechers in the greater China region.

Additionally, he has consulting experience having worked as an Enterprise Risk Services Consultant and a

System Consultant for Deloitte & Touche. Mr. Cheng graduated from New York University with a Bachelor's degree in Business Administration.

The Board of Directors believes that Mr. Cheng's qualifications to serve as a Board member include his knowledge of the Company's operations in various areas and experience with marketing and supply chain matters in Asia.

William Cohen

61 2014

Mr. Cohen has served as the Chief Executive Officer of Dillon Yarn Corporation since February 2011, and as President from October 1996 to February 2011. Dillon Yarn Corporation manufactures and globally distributes filament yarns, fabrics, flake, chip, staple fiber and non-woven fabric to many segments of the textile industry, including medical, technical, industrial, automotive, home furnishing and apparel. Mr. Cohen is also

Chairman and Chief Executive Officer of Atlas Oral Health Care LLC, Chairman and Chief Executive Officer of GAWI, LLC d/b/a Arctic Ease, a Partner in Fabricated Metals, and President of Morristown Helicopter Services Inc. He is a member of the Tel Aviv University Board of Governors and Chairman Emeritus of American Friends of Tel Aviv University. Mr. Cohen attended C.W. Post of Long Island University.

The Board of Directors believes that Mr. Cohen's qualifications to serve as a Board member include his leadership experience of a global manufacturing and distribution business, as well as his network and experience in sales, marketing and manufacturing, both domestic and foreign.

Glenda Dorchak	61 n/a	<p>Ms. Dorchak was Executive Vice President and General Manager of Global Business for Spansion, Inc., a Sunnyvale, California based flash memory provider from April 2012 to June 2013. From January 2009 until September 2010, when it was acquired by Red Bend Software, Ms. Dorchak was the Chief Executive Officer and Vice Chairman of VirtualLogix, Inc., a Sunnyvale, California based provider of virtualization software for wireless and embedded devices. Prior to VirtualLogix, Inc., she served as Chairman and Chief Executive Officer of Intrinsic Software International, Inc. from August 2006 to November 2008 where she had also served as an independent director September 2003 to December 2004. Ms. Dorchak was an executive with Intel Corporation from 2001 to 2006, including serving as Vice President and Chief Operating</p>
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Officer of Intel Corporation's Communications Group; Vice President and General Manager of Intel's Consumer Electronics Group; and Vice President and General Manager of the Broadband Products Group. Prior to her tenure at Intel Corporation, she served as Chairman and Chief Executive Officer of Value America, Inc., an online retailer, from September 1999 to November 2000. Since 2009, Ms. Dorchak has been a member of the Board of Directors of Mellanox Technologies, a leading global supplier of end-to-end InfiniBand and Ethernet interconnect silicon, software and systems. Ms. Dorchak also currently serves on the board of Miramatrix Inc, a private software company that provides gaze-tracking software and she is an Operating Advisor to OMERS Private Equity.

The Board of Directors believes

that Ms. Dorchak's qualifications to serve as a Board member include her executive and board member experience in the software and technology industries, as well as her expertise, experience and understanding of global markets.

Mr. Eisenberg is Chief Executive Officer and a Director of ORBCOMM Inc., positions he has held since March 2008. ORBCOMM is a global provider of machine-to-machine solutions, including network connectivity, devices and web reporting applications. He previously served as its Chief Operating Officer from February 2007 to March 2008, Chief Marketing Officer from June 2006 to February 2007 and Executive Vice President, Sales and Marketing from March 2002 to June 2006. Mr. Eisenberg holds a Bachelor's of Science degree in Marketing and Management from New York University.

Marc J. Eisenberg 48 n/a

The Board of Directors believes

that Mr. Eisenberg's qualifications to serve as a Board member include leadership position in a technology company, as well as his expertise and experience in global operations.

Jiangang Luo	47 n/a	<p>Mr. Luo has been the Managing Partner of Cleantech Global Limited, formerly Prime Science & Technology, Inc. since 2006, a company focusing on clean technology and a significant stockholder of the Company. He previously served on the Company's Board of Directors from September 2013 until July 2014. Mr. Luo has also been Managing Partner of Faith Asset Management LLC since 2011. He also serves many non-profit organizations and is Chairman of the American United Chamber of Commerce, and former Chairman of Tsinghua Alumni Association of Greater New York. Mr. Luo has a Master's degree in Computational Mathematics and double Bachelor's degrees in Applied Mathematics and</p>
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Computer Science from Tsinghua University. He was also awarded a Fellowship for his mathematical Ph.D. degree from Rutgers University.

The Board of Directors believes that Mr. Luo's qualifications to serve as a Board member include his significant and diverse experience in financial matters and vast knowledge of clean technology, as well as his previous service on the Board.

Michael R. Ramelot 692013 Mr. Ramelot has been a consultant since 2002 on many projects, including serving as project leader on BlackLine system implementations to enhance the financial close process of several multi-million dollar companies; serving as project leader on due diligence, accounting valuations and appraisals related to acquisitions; researching and preparing position papers for companies on complex accounting issues; preparing various SEC filings; and assessing and implementing compliance with

Section 404 of Sarbanes-Oxley at several companies. Prior to becoming a consultant, Mr. Ramelot served as the President and Chief Financial Officer and as the Chief Financial Officer of Compro Packaging LLC. Mr. Ramelot received a Master's degree in Business Administration from the University of Santa Clara and a Bachelor of Science degree in accounting from St. Mary's College. He is a Certified Public Accountant.

The Board of Directors believes that Mr. Ramelot's qualifications to serve as a Board member include his significant experience with financial and accounting matters and SEC compliance matters.

James Tu 462012 Mr. Tu has served as the Executive Chairman and Chief Executive Officer of the Company since May 2013. He served as the non-Executive Chairman of the Board from December 2012 to April 2013. He is also the Founder, Chief Executive Officer and Chief Investment Officer of 5 Elements Global Advisors, an investment advisory and management company focusing on investing in clean energy companies. Additionally, he is Co-Founder and Managing Partner of Communal International Ltd., a British Virgin Islands company dedicated to assisting clean energy solutions companies

maximize their technology and product potential and gain access to global marketing, distribution licensing, manufacturing, and financing resources.

Previously, he served as the Director of Investment Management of Gerstein Fisher & Associates, and an equity analyst at Dolphin Asset Management Corp. Mr. Tu received a Master's degree in Business Administration in finance from Baruch College and a Bachelor of Science degree in electrical engineering from Tsinghua University.

The Board of Directors believes that Mr. Tu's qualifications to serve as a Board member include his role as the Company's Chief Executive Officer, as well

as his
experience
investing in and
advising clean
energy
companies.

Vote Required and Board of Directors Recommendation

The eight nominees receiving the highest number of votes at the Annual Meeting will be elected as directors of the Company.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** EACH OF THE NOMINEES LISTED ABOVE.

Corporate Governance

Director Independence

The Board of Directors has determined that each of the following current directors and director nominees is independent within the meaning of the listing standards of The NASDAQ Stock Market:

Ronald D. Black (Nominee)

William Cohen (Current Director and Nominee)

Glenda Dorchak (Nominee)

Marc J. Eisenberg (Nominee)

Xin He (Current Director)

Jiangang Luo (Nominee)

Michael R. Ramelot (Current Director and Nominee)

Thomas W. Swidarski (Current Director)

In this Proxy Statement these current directors and director nominees are referred to individually as an “Independent Director” and collectively as the “Independent Directors.”

Board Meetings and Committees Annual Meeting Attendance

The Board of Directors held a total of seven meetings during the fiscal year ended December 31, 2014, including five regular meetings and two special meetings. All directors attended at least 75% of the aggregate number of meetings of the Board of Directors and of the committees on which such directors served, except J. James Finnerty and Jiangan Luo who each attended 67% of the aggregate number of meetings of the Board of Directors during the time that each served as a director. In addition, the Board acted numerous times by written consent as permitted under Delaware law. The Board of Directors has established a Compensation Committee and an Audit and Finance Committee, each composed entirely of Independent Directors under the applicable NASDAQ Stock Market rules for purposes of serving on such committees.

The Company does not have a policy regarding attendance by the directors at the Company’s Annual Meeting. Four of our directors then serving were present at the last Annual Meeting held July 15, 2014.

Compensation Committee

The Company has a standing Compensation Committee of the Board of Directors, currently consisting of Mr. Swidarski, as chairman, Mr. Cohen and Mr. He. Following the Annual Meeting, it is expected that the Board of Directors will appoint Mr. Black to replace Mr. Swidarski, as chairman, and Ms. Dorchak to replace Mr. He. The Compensation Committee held one meeting in 2014. The Board has approved a charter for the Compensation Committee. A copy of this charter can be found on the Company's website at <http://www.energyfocusinc.com>.

The Compensation Committee reviews and recommends to the Board corporate goals and objectives relevant to compensation of the Chief Executive Officer, evaluates his performance in light of such goals and objectives, and recommends to the Board for approval his compensation level based on this evaluation; develops and recommends to the Board compensation arrangements for other executive officers of the Company, reviews and recommends to the Board incentive compensation plans and equity-based plans, and administers such plans; reviews and recommends to the Board all other employee benefit plans for the Company; and reviews and makes recommendations to the Board regarding compensation of the Board of Directors. The authority of the Compensation Committee may be delegated to a subcommittee of the Compensation Committee, consisting of one or more directors. The Chief Executive Officer may provide recommendations regarding compensation of other executive officers. The Compensation Committee is empowered to retain consultants for advice on compensation matters. In 2014, the Compensation Committee retained Findley Davies to provide consulting services in connection with Mr. Tu's compensation program, which included a market analysis for base salary, variable and long term compensation.

No director currently serving on the Compensation Committee is or has been an officer or employee of the Company or any of the Company's subsidiaries. No interlocking relationships exist between our Board of Directors or Compensation Committee and the board of directors or compensation committee of any other entity, nor has any interlocking relationship existed in the past.

Audit and Finance Committee

The Company's Audit and Finance Committee acts as the standing audit committee of the Board of Directors. The Audit and Finance Committee of the Board of Directors, which currently consists of Mr. Ramelot, as chairman, Mr. He and Mr. Swidarski, held five meetings in 2014. Following the Annual Meeting, it is expected that the Board of Directors will appoint Mr. Eisenberg and Mr. Luo to replace Mr. He and Mr. Swidarski. The Board of Directors has determined that Mr. Ramelot is an "audit committee financial expert," as defined under the rules of the SEC. The Board has approved a charter for the Audit and Finance Committee. A copy of this charter can be found on the Company's website at <http://www.energyfocusinc.com>.

The Audit and Finance Committee's primary functions are to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and other financial information, the Company's compliance with legal and regulatory requirements, the qualifications, independence and performance of the Company's independent registered public accounting firm. Other specific duties and responsibilities of the Audit and Finance Committee are to: appoint, compensate, evaluate and, when appropriate, replace the Company's independent registered public accounting firm; review and pre-approve audit and permissible non-audit services; review the scope of the annual audit; monitor the independent registered public accounting firm's relationship with the Company; and meet with the independent registered public accounting firm and management to discuss and review the Company's financial statements, internal controls, and auditing, accounting and financial reporting processes.

Director Nominations

We do not have a standing nominating committee or a nominating committee charter. Acting upon the nomination recommendations of our Independent Directors as required by the NASDAQ Stock Market rules, the Board as a whole sets the size of the Board, nominates directors for election at each annual meeting, and elects new directors to fill vacancies when they arise. We believe that, considering the size of the Company and our Board composition, nominating recommendations can be made effectively and efficiently by our Independent Directors without the need for a formal committee or charter.

The Board selects candidates for directors based on their character, judgment, diversity of experience, business acumen, and ability to act on behalf of all stockholders. While the Board does not have a formal policy with respect to the consideration of diversity, it believes that its membership should be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives and skills. The Board believes that nominees for directors should have experience, such as experience in management or accounting and finance, or industry and technology knowledge that may be useful to the Company and the Board, high personal and professional ethics, and the willingness and ability to devote sufficient time to effectively carry out his or her duties as a director.

During 2015, the Company retained the services of D.J. Wurdack Inc., an executive search consultant firm, to identify potential director candidates. New director nominees Ronald D. Black, Glenda Dorchak and Marc J. Eisenberg were identified by D.J. Wurdack Inc. Director nominee Jiangang Luo was known to the Board of Directors due to his past service as a director of the Company and his position as Managing Partner of Cleantech Global Limited, a significant stockholder of the Company.

The Board will consider various candidates for Board membership, including those suggested by other Board members, by any executive search firm engaged by the Board, and by stockholders. A stockholder who wishes to suggest a prospective nominee for the Board to consider should notify the Secretary of the Company or any member of the Board in writing, with any supporting material the stockholder considers appropriate, at the following address: Energy Focus, Inc., 32000 Aurora Road, Suite B, Solon, Ohio 44139.

Board Leadership Structure and Role in Risk Oversight

Mr. Tu currently serves as both Chief Executive Officer and Executive Chairman of the Board. The Board does not have a formal policy on whether the roles of Chief Executive Officer and Chairman should be separate and has not appointed a lead independent director, but believes at this time that the Company and its stockholders are best served by its current leadership structure. Combining the roles of Chief Executive Officer and Chairman fosters accountability, effective decision-making and alignment between interests of the Board and management.

It is management's responsibility to manage risk and bring material risks to the attention of the Board. The Board administers its risk oversight role by reviewing strategic, financial and execution risks and exposures associated with the Company's operations and financial condition; litigation and other matters that may present material risk to our operations, plans, prospects or reputation; acquisitions and divestitures; and senior management succession planning. This oversight role is performed directly and through the committee structure and the committees' regular reports to the Board of Directors. The Audit and Finance Committee reviews risks associated with financial and accounting matters, including financial reporting, accounting, disclosure, internal controls over financial reporting and ethics and compliance programs. The Compensation Committee reviews risks related to executive compensation and the design of compensation programs, plans and arrangements.

Proposal No. 2: Advisory Approval of Executive Officer Compensation

We are asking our stockholders to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement. This proposal is commonly referred to as a “say-on-pay” vote and is required by Section 14A of the Securities Exchange Act of 1934.

Our policy is to provide a compensation program that will attract, motivate and retain persons of high quality and will support a long-standing internal culture of loyalty and dedication to the interests of the Company and our stockholders. Your advisory vote on this particular proposal is not intended to address any specific element of the compensation of our named executive officers; rather, the vote relates to our general executive compensation program, which is described in greater detail under the “Executive Compensation and Other Information” heading of this proxy statement.

Although this vote is not binding on the Company, we value your opinion and our Compensation Committee will consider the results of your vote on this proposal when making future decisions relating to our executive compensation program.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE NON-BINDING ADVISORY APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

Proposal No. 3: Amendment to the Certificate of Incorporation

On May 4, 2015, the Board adopted, subject to stockholder approval, an amendment to the Company's Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 15,000,000 shares to 30,000,000 shares (the "Charter Amendment"). The Charter Amendment would not affect the number of authorized shares of the Company's preferred stock.

Form of the Amendment

The Board has deemed the Charter Amendment to be advisable and in the best interests of the Company and is accordingly submitting it to stockholders for approval. The Charter Amendment would revise the Company's Certificate of Incorporation, as amended, by replacing the second paragraph of section (A) of Article FOURTH with the following language:

"The total number of shares which the Corporation is authorized to issue is Thirty-Two Million (32,000,000) shares, each with a par value of \$0.0001 per share. Thirty Million (30,000,000) shares shall be Common Stock and Two Million (2,000,000) shares shall be preferred stock."

The full text of the proposed Charter Amendment is set forth in [Appendix A](#) of this proxy statement

Purpose of the Amendment

The Charter Amendment is intended to ensure that the Company will continue to have an adequate number of authorized and unissued shares of Common Stock available for future use. As of June 1, 2015, the Company had 10,022,913 shares of Common Stock issued and outstanding and an additional 1,499,161 shares reserved for issuance as future awards or upon exercise or settlement outstanding awards pursuant to our equity incentive plans, for purchase under our employee stock purchase plan or for issuance upon exercise of certain outstanding warrants. If stockholders approve the proposal to increase the authorized shares available for issuance pursuant to our 2014 Stock Incentive Plan at the Annual Meeting, an additional 600,000 shares would be reserved for issuance pursuant to future awards. As a result, the Company would only have authorized but unissued or reserved 2,877,926 shares of Common Stock available for future issuance.

The Board believes that the current level of authorized shares could impair the Company's ability to pursue strategies intended to enhance stockholder value and support the Company's plans for growth. Increasing the number of authorized shares of Common Stock would provide the Company with additional flexibility to issue Common Stock in connection with a variety of general corporate purposes that the Board may at times deem to be desirable for the Company. These general corporate purposes may include, without limitation, acquisitions, capital-raising transactions, such as sales of Common Stock pursuant to our effective shelf registration statement on Form S-3 or other public or private equity or convertible debt financings, and equity-based incentive plans. As described in Proposal 4 in this Proxy Statement, the Company is also seeking stockholder approval for an amendment to the Company's 2014 Stock Incentive Plan that would increase the number of shares authorized for issuance thereunder. However, the Company currently has no plans, arrangements, commitments or understandings with respect to the issuance of any of the additional shares of Common Stock that would be authorized by the proposed Charter Amendment.

The holders of any of the additional shares of Common Stock issued in the future would have the same rights and privileges as the holders of any shares of Common Stock currently issued and outstanding. The proposed increase in authorized shares would not have an immediate effect on the rights of existing stockholders. However, as is the case with the shares of Common Stock that are currently authorized but unissued, if this Charter Amendment is adopted by the stockholders, the Board will have the authority to issue additional shares of Common Stock from time to time without further action on the part of stockholders, except as may be required by the Certificate of Incorporation, the rules of the NASDAQ Stock Market or other applicable law and regulations. Future issuances of Common Stock (or securities convertible into Common Stock) could have a dilutive impact on, among other things, the earnings per share, the voting power of existing stockholders, and, depending on the issue price of future shares, the value of the currently outstanding shares. Further, the availability of additional authorized shares of Common Stock could discourage, delay, or prevent a third-party takeover attempt because the Company would be capable of engaging in actions that would be dilutive to a potential acquirer, although this proposal is not being presented with the intent to prevent or discourage any attempt to obtain control of the Company.

Effectiveness of the Amendment

Upon receipt of the necessary stockholder approval, the Board has authorized and directed the Company's officers to prepare, execute, and file the Charter Amendment with the Secretary of State of the State of Delaware. The Charter Amendment would become effective upon such filing.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE APPROVAL OF THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK.

Proposal No. 4: Amendment to the 2014 Stock Incentive Plan

On May 4, 2015, the Board resolved to submit for stockholder approval an amendment to the Company's 2014 Stock Incentive Plan (the "2014 Plan"). If approved by our stockholders, the amendment would increase the number of authorized shares of Common Stock available for issuance under the 2014 Plan from 600,000 shares (as adjusted to reflect the one-for-ten reverse split of our Common Stock effected on July 16, 2014) to 1,200,000 shares.

Purpose of the 2014 Plan and Amendment

The 2014 Plan is an important part of the Company's overall compensation program by allowing the Company to grant incentive awards to our current and prospective officers, employees, directors, and consultants. The purpose of the 2014 Plan is to: (1) enhance stockholder value by linking the compensation of our officers, non-employee directors and key employees to increases in the price of our Common Stock and the achievement of other performance objectives; (2) encourage ownership in our Common Stock by key personnel whose long-term employment is considered essential to our continued progress and success; (3) assist the Company in recruiting new directors and employees; and (4) motivate, retain and encourage such directors and employees to act in the stockholders' interest and share in our success.

The 2014 Plan, as approved by our stockholders on July 15, 2014, originally authorized 600,000 shares of Common Stock available for issuance under its terms. As of May 29, 2015, we had granted a total of 341,634 stock options, restricted stock unit awards and restricted stock awards, net of cancellations, under the 2014 Plan, leaving 258,366 shares available for future awards. As of May 29, 2015, there were a total of 273,250 stock options outstanding under the 2014 Plan with a weighted average exercise price of \$5.53 per share, and 60,250 restricted stock unit awards outstanding. The Company's closing stock price on June 1, 2015 was \$6.97 per share.

At the time the 2014 Plan was submitted to stockholders for approval, we estimated that it would support awards for the next three to four years. However, as the Company has continued to grow, our provision of equity compensation has become an increasingly important component of our ability to incentivize officers, directors and employees and compete for and retain talented executives and other personnel. We have granted awards under the 2014 Plan to approximately 97 officers, directors, employees and advisory board members. Of the awards granted pursuant to our 2014 Plan to date, 135,000 were granted to executive officers, 30,000 were granted to directors, 157,634 were granted to non-executive employees and 20,000 were granted to advisory board members. We believe that the proposed increase is necessary to continue to support our growth efforts and any inability to adequately compensate and incentivize our officers, directors, employees, advisory board members or other consultants that we may engage through equity awards could adversely impact our ability to motivate, recruit and retain talent.

New Plan Benefits

Grants under the 2014 Plan are discretionary, so it is not possible to predict the number of shares of Common Stock that will be awarded or who will receive awards under the 2014 Plan as proposed to be amended.

Summary of the 2014 Plan

The 2014 Plan is an “omnibus” plan that provides for several different kinds of awards, including stock options, stock appreciation rights (“SARs”), stock awards and other stock-based awards. The 2014 Plan generally permits the same types of awards as could be granted under the 2008 Plan, but also specifically provides for performance-based cash awards and permits more flexible terms than the 2008 Plan, which provides us with greater discretion in structuring award programs. The 2014 Plan does not have an “evergreen” feature, so any increase in the number of authorized shares other than as specifically set forth in the 2014 Plan will require stockholder approval.

The following summary of the material terms of the 2014 Plan is qualified in its entirety by reference to the full text of the 2014 Plan, as proposed to be amended, a copy of which is attached as Appendix B to this proxy statement.

Shares Authorized for Issuance under the 2014 Plan; Share Counting Procedure

The proposed amendment would increase the maximum number of shares that may be issued under the 2014 Plan from 600,000 to 1,200,000.

Shares (i) delivered (or withheld upon settlement) under the 2014 Plan, in payment of the exercise price of a stock option or in payment of tax withholding obligations with respect to stock options or SARs, and (ii) subject to a SAR under the 2014 Plan that are not issued in connection with a stock settlement on exercise of the SAR, will not be added back to the total shares available under the 2014 Plan. Similarly, shares reacquired by us using cash proceeds from the exercise of stock options under the 2014 Plan will not be added back to the total shares available under the 2014 Plan. The limitation described above with respect to shares delivered or withheld in payment of tax withholding obligations does not apply to shares underlying awards other than stock options and SARs.

The maximum number of shares underlying incentive stock options (within the meaning of Section 422 of the Code) that may be granted under the 2014 Plan is 100,000.

Limitations on Individual Awards

The 2014 Plan also contains limitations on the size of awards that can be provided to an individual participant, as follows:

The maximum number of shares underlying stock options or SARs that can be granted to an employee in any calendar year is 150,000.

The maximum number of shares underlying stock awards and other stock-based awards granted to an employee in any 12 month period that are intended to qualify for the exemption from the \$1 million deduction limit under Section 162(m) of the Code is 80,000.

The maximum dollar amount of a dollar-denominated award granted to a participant in any 12 month period that is intended to qualify for the exemption under Section 162(m) of the Code is \$750,000.

Eligible Participants

All of our non-employee directors, officers and advisory board members, as well as other key employees selected by the Board or Board committee administering the 2014 Plan, are eligible to receive awards under the 2014 Plan. Consultants who provide bona fide services to us also are eligible to participate in the 2014 Plan, provided that the consultants' services are not in connection with the offer and sale of our securities in a capital-raising transaction and the consultants do not directly or indirectly promote or maintain a market in our securities. Incentive stock options may only be granted to our employees and employees of our "subsidiaries" (as defined in the 2014 Plan).

Administration

The 2014 Plan is administered by our Compensation Committee, which satisfies the applicable independence requirements of standards of The NASDAQ Stock Market. The administrator has the authority, among other things, to determine the employees, directors and consultants to whom awards may be granted, determine the number of shares subject to each award, determine the type and the terms of any award to be granted, approve forms of award agreements, interpret the terms of the 2014 Plan and awards granted under the Plan, adopt rules and regulations relating to the 2014 Plan and amend awards, subject to limitations set forth in the 2014 Plan, including a limitation generally prohibiting an amendment that materially impairs any outstanding award without the written agreement of the participant. The administrator may delegate day-to-day administration of the 2014 Plan to one or more individuals.

To the extent that the administrator determines it desirable that an award to a person who is, or may in the future be, a “covered employee” (as defined under Section 162(m) of the Code) should qualify as “qualified performance-based compensation” within the meaning of Section 162(m), the award will be made by a committee consisting of at least two “outside directors” as defined for purposes of Section 162(m) (which, if it so qualifies, may be the administrator). In addition, in order to meet the requirements imposed under Section 16 of the Securities Exchange Act of 1934, as amended, awards granted to officers and directors under the 2014 Plan may only be made by the entire Board or a committee of “non-employee directors,” as defined under Section 16 of the Exchange Act (which, if it so qualifies, may be the administrator).

Term

The 2014 Plan became effective upon approval by the Company’s stockholders on July 15, 2014, and it will terminate ten years later on July 15, 2024.

Types of Awards

Stock Options. The 2014 Plan authorizes the grant of stock options (which may be either incentive stock options within the meaning of Section 422 of the Code, which are eligible for special tax treatment, or nonqualified stock options). The aggregate fair market value of shares, determined as of the date of grant, for which any employee may be granted incentive stock options that are exercisable for the first time in any calendar year may not exceed \$100,000. To the extent that an incentive stock option exceeds the \$100,000 threshold, or otherwise does not comply with the applicable conditions of Section 422 of the Code, the stock option will be treated as a non-qualified stock option.

The term of a stock option granted under the 2014 Plan cannot be longer than 10 years from the date of grant, and the exercise price per share underlying the option may not be less than the fair market value of a share of our Common Stock on the date of grant. The administrator will determine the acceptable forms of consideration for exercise of the option, which may include cash, check or wire transfer; shares of our Common Stock held for at least six months; our withholding of shares otherwise issuable upon exercise of the stock option; a broker assisted sale and remittance program acceptable to the administrator that complies with applicable law; and such other consideration as is permitted by applicable law; or any combination of the foregoing. Re-pricing of options (i.e., reducing the exercise price or cancelling an option in exchange for cash, another award or an option with a lower exercise price) is not permitted under the 2014 Plan without approval of our stockholders.

Stock Appreciation Rights. The 2014 Plan permits the grant of SARs related to a stock option or other award, which is commonly referred to as a “tandem SAR.” An SAR may be granted in tandem with a stock option either at the time of the stock option grant or thereafter during the term of the stock option. The 2014 Plan also permits the grant of SARs separate and apart from the grant of another award, which is commonly referred to as a “freestanding SAR.” Tandem SARs typically may be exercised upon surrender of a related stock option to the extent of an equivalent number of shares of Common Stock. SARs entitle the grantee, upon exercise of SARs, to receive a payment equal to the excess of the fair market value (on the date of exercise) of the designated number of shares of Common Stock underlying the SAR over the fair market value of such shares of Common Stock on the date the SAR was granted or, in the case of a SAR granted in tandem with a stock option, on the date the stock option was granted. Payments by us in respect of a SAR may be made in shares of our Common Stock, in cash, or partly in cash and partly in shares of Common Stock, as the administrator may determine. The term of SARs granted under the 2014 Plan cannot be longer than ten years from the date of grant, and otherwise will be subject to the same terms and conditions applicable to stock options.

Stock Awards and Other Stock-Based Awards. Under the 2014 Plan, the administrator may grant participants stock awards, which may involve the award of shares or the award of stock units representing an amount equivalent in value to the fair market value of a share, payable in cash, property or shares. The administrator may also grant participants any other type of equity-based or equity-related award, including the grant or offer for sale of unrestricted shares of Common Stock, as well as cash-based bonuses subject to the attainment of one or more of the performance criteria described below under “Qualified Performance-Based Compensation.” Stock awards and other stock-based awards are subject to terms and conditions determined by the administrator and set forth in an award agreement, which may include conditions on vesting, achievement of performance conditions and other provisions consistent with the 2014 Plan as may be determined by the administrator.

Qualified Performance-Based Compensation

The administrator may specify that all or a portion of an award is intended to satisfy the requirements for “qualified performance-based compensation” under Section 162(m) of the Code. Section 162(m) of the Code generally limits to \$1 million the deductibility for federal income tax purposes of annual compensation paid by a publicly held company to its chief executive officer and other specified executive officers, as described under “Code Section 162(m)” below. “Qualified performance-based compensation” is specifically excluded from this deduction limit.

The 2014 Plan permits the administrator to impose objective performance criteria to be met with respect to stock awards and other stock-based awards so that the grants are considered “qualified performance-based compensation.” If an award (other than a stock option or SAR) is intended to qualify as “qualified performance-based compensation” under Section 162(m) of the Code, the performance criteria must be based on one or more business criteria which apply to the individual, business unit or corporation as a whole, such as stock price, market share, sales, earnings per share, return on equity, or costs.

The administrator will (within the first quarter of the performance period, but in no event more than 90 days into that period) establish the specific performance criteria (including thresholds for payment and whether to exclude certain extraordinary, non-recurring, or similar items) and amounts to be paid if the performance criteria is met (subject to the right of the administrator to exercise discretion to reduce payment amounts following the conclusion of the performance period).

Dividends

The administrator may provide for payment of dividends or dividend equivalents on the shares of Common Stock subject to an award, other than stock options and SARs, prior to vesting. However, dividends and dividend equivalents will not be paid on any stock award or stock-based award that vests upon the achievement of performance goals prior

to the date the performance goals are satisfied and the award is earned, and then shall be payable only with respect to the number of shares or stock units actually earned under the award. Dividends or dividend equivalent payments may be paid in cash, shares or stock units, or may be credited to a participant's account and settled in cash, shares or a combination of cash or shares upon vesting of the underlying award. The administrator may, in its discretion, provide that payment of dividend equivalents is subject to specified conditions and contingencies.

Transferability

Unless determined otherwise by the administrator, awards are not transferable, other than by beneficiary designation, will or the laws of descent and distribution. The administrator may make an award transferable by a participant only if the participant does not receive consideration for the transfer.

Termination of Board Membership or Employment

The administrator may specify the effect of termination of service as a director or termination of employment on an award at the time of grant, subject to the administrator's right to modify the award terms after the date of grant in accordance with the terms of the 2014 Plan. In the absence of such specification, the following provisions apply.

Stock Options and SARs

• Non-vested stock options held by non-employee directors will be forfeited upon the termination from Board membership of the director.

• Vested stock options held by a non-employee director whose membership on the Board terminates will remain exercisable for the lesser of one year from the termination or the remaining term of the option.

• Upon termination of an employee or termination from membership on the Board by a non-employee director due to death or disability, any unvested stock options will vest, and all stock options held by the employee or non-employee director on the date of such termination will remain exercisable for the lesser of one year after such termination or the remaining term of the stock option.

• Upon termination of employment due to retirement, vested stock options will remain outstanding for the lesser of one year or the remaining term of the stock option.

• Any other termination of employment, other than termination for cause, will result in immediate cancellation of all unvested stock options; vested stock options will remain exercisable for the lesser of 90 days after such termination or the remaining term of the stock option.

• Upon termination for “cause” (as defined in the 2014 Plan, subject to a different definition that may be included in a participant’s award agreement, employment agreement or severance agreement), all outstanding stock options will be immediately cancelled.

Stock and Other Stock-Based Awards

• Unless otherwise provided in an award agreement, unvested stock awards or other stock-based awards will fully vest upon termination from Board membership of a non-employee director or termination of employment of an employee due to disability or death; in the case of stock awards or other stock-based awards that vest upon the achievement of performance goals, the vested amount will be based upon the target award.

• Upon any other termination of employment or termination from membership on the Board by a non-employee director, all outstanding unvested stock awards and other stock-based awards will be cancelled.

Change of Control

In the event of a change of control of the Company (as defined in the 2014 Plan), unless the administrator has determined otherwise with respect to a particular award:

All outstanding unvested stock options and SARs become fully vested and exercisable if not assumed, or substituted with a new award, by the successor to the Company. If assumed or substituted by the successor to the Company, such unvested stock options and SARs will become fully exercisable and vested if a participant's employment is terminated (other than a termination for cause) within two years following a change of control.

If an employee's employment is terminated within two years after a change of control for any reason other than death, retirement, disability or termination for cause, each outstanding stock option or SAR that is vested following such termination will remain exercisable until the earlier of the third anniversary of termination or the expiration of the term of the stock option or SAR.

All restrictions and conditions on outstanding unvested stock awards, stock unit awards, and other stock-based awards that are not assumed or substituted with a new award by the successor to the Company will lapse and such awards shall become fully vested, and any such awards that are performance-based will be deemed fully earned at the target amount. All stock awards, stock unit award and other stock-based awards shall be settled or paid within thirty days of vesting. If assumed or substituted by the successor to the Company, any stock awards, stock unit awards and other stock-based awards shall become fully vested if a participant's employment is terminated (other than a termination for cause) within two years following a change of control, and any performance based award shall be deemed fully earned at the target amount.

Amendment and Termination of 2014 Plan

The administrator may at any time amend, alter or discontinue the 2014 Plan or any award made under the plan, subject to approval by our stockholders to the extent required by applicable law. Unless approved by our stockholders, the administrator may not increase the maximum aggregate number of shares of Common Stock that may be subject to awards granted under the 2014 Plan, reduce the minimum exercise price for stock options or SARs, or reprice (i.e., reduce the exercise price or cancel in exchange for cash, another award or an option or SAR with a lower exercise price) outstanding stock options or SARs, as prohibited by the 2014 Plan. As noted above, an amendment to an award under the 2014 Plan may not, without the written agreement of the participant, materially impair the award.

Capitalization Adjustments

Upon the occurrence of an event that affects our capital structure (such as a stock dividend, stock split, reverse stock split or recapitalization), an extraordinary cash dividend or a merger, consolidation, acquisition of property or shares, reorganization, liquidation or similar event affecting us, our Board or the administrator may make such substitutions or adjustments as it deems appropriate and equitable, including with respect to (i) the number of shares issuable under the 2014 Plan, (ii) the number and kind of shares covered by each outstanding award, (iii) the price per share subject to each such outstanding award, (iv) individual limits with regard to stock options and SARs, (v) individual limits with regard to stock awards, other stock-based awards and dollar-denominated awards intended to qualify for the exemption under Section 162(m) of the Code, and (vi) the performance criteria listed under "Qualified Performance-Based Compensation" above.

As result of our one-for-ten reverse split effected on July 16, 2014, the total number of shares issuable under the 2014 Plan and the individual limits were proportionately adjusted, as reflected in this description of the 2014 Plan.

Deferred Compensation

Unless the administrator determines otherwise, it is intended that no award granted under the 2014 Plan will be “deferred compensation” for purposes of Section 409A of the Code. If the administrator determines that an award is subject to Section 409A, the terms and conditions governing that award, including rules for elective or mandatory deferral of delivery of cash or shares of Common Stock and rules relating to treatment of awards in the event of a change of control, will be set forth in the applicable award agreement and will be required to comply with Code Section 409A.

Conversion Awards

The 2014 Plan permits the administrator to authorize conversion or substitution under the 2014 Plan of all stock options, SARs or other stock awards held by awardees of any entity acquired by us. These conversion awards would not be subject to several limitations in the 2014 Plan, including limitations on shares authorized for issuance under the 2014 Plan, limitations on individual awards under the 2014 Plan, and minimum exercise price of stock options.

Tax Matters

The following is a general summary of the United States federal income tax consequences to us and participants in the 2014 Plan. The following is only a general description intended for the information of stockholders and not as tax guidance for participants as consequences may vary depending on the types of awards granted, the identity of the participants and the method of payment or settlement. This summary is based on the federal tax laws in effect as of the date of this proxy statement. In addition, this summary assumes that all awards are exempt from, or comply with, the rules under Section 409A of the Internal Revenue Code regarding nonqualified deferred compensation. Changes to these laws could alter the tax consequences described below. In addition, this summary does not address the effects of other federal taxes (including possible “golden parachute” excise taxes) or taxes imposed under state, local or foreign tax laws.

Incentive Stock Options

A participant will not recognize income upon the grant of an incentive stock option. A participant will recognize income upon the sale of the stock acquired under an incentive stock option at a profit (if sales proceeds exceed the exercise price). The type of income will depend on when the participant sells the stock. If a participant sells the stock more than two years after the option was granted and more than one year after the option was exercised, then all of the profit will be long-term capital gain and we will not be entitled to a tax deduction (although, for alternative minimum tax purposes, a participant must include the excess of the fair market value of the stock over the exercise price in alternative minimum taxable income for the year of exercise). If a participant sells the stock prior to satisfying these waiting periods, then the participant will have engaged in a “disqualifying disposition” and will recognize ordinary income at the time of the disposition equal to the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price; we will be entitled to a tax deduction equal to that amount. The gain, if any, in excess of the amount recognized as ordinary income will be long-term or short-term capital gain, depending upon the length of time a participant holds shares prior to the disposition.

Nonqualified Stock Options

A participant will not recognize income upon the grant of a nonqualified stock option. A participant will recognize income upon the exercise of a nonqualified stock option equal to the fair market value of the stock on the day the participant exercised the option less the exercise price. Upon sale of the stock, the participant will have short-term or long-term capital gain or loss, depending on the length of time the participant held the shares, equal to the difference between the sales proceeds and the value of the stock on the day the option was exercised.

SARs

The grant of a SAR will result in no tax consequences for the participant or us. A participant generally will recognize ordinary income upon the exercise of a SAR equal to the amount of the cash and the fair market value of any stock received less the exercise price, and we will be entitled to a tax deduction in that amount. Upon the sale of any stock received, the participant will have short-term or long-term capital gain or loss, depending on the length of time the participant held the shares, equal to the difference between the sales proceeds and the value of the stock on the day the SAR was exercised.

Stock Awards and Other Stock-Based Awards

As a general rule, a participant will recognize ordinary income at the time of delivery of shares of Common Stock or payment of cash under the 2014 Plan. Future appreciation on shares of Common Stock held beyond the ordinary income recognition event will be taxable as long-term or short-term capital gain, depending on the length of time the participant held the shares, when the shares are sold. We, as a general rule, will be entitled to a tax deduction that corresponds in time and amount to the ordinary income recognized by the participant. However, if shares of Common Stock, when delivered, are subject to substantial risk of forfeiture by reason of any employment or performance related condition, ordinary income taxation and our tax deduction will be delayed until the risk of forfeiture lapses, unless the participant makes a special election to accelerate taxation under Section 83(b) of the Code.

Code Section 162(m)

Section 162(m) of the Code generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to a company's chief executive officer or any of its other four most highly paid executive officers (not including the chief financial officer). Performance-based compensation is specifically exempt from the deduction limit if it otherwise meets the requirements of Section 162(m). Stock options and SARs granted under the 2014 Plan are intended to qualify as "qualified performance-based compensation." Other awards will be "qualified performance-based compensation" if they are so designated and if their grant, vesting or settlement is subject to the performance criteria set forth in the 2014 Plan. Stock awards and other stock-based awards that vest solely upon the passage of time do not qualify as "qualified performance-based compensation."

Securities Authorized for Issuance under Equity Compensation Plans

The following table details information regarding our existing equity compensation plans as of December 31, 2014:

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	459,271	\$ 8.95	997,404 (1)

(1) Includes 483,654 shares available for issuance under the 2013 Employee Stock Purchase Plan and 513,750 shares available for issuance under our 2014 Plan, which may be issued in the form of options, restricted stock, restricted stock units, and other equity-based awards. Also does not include shares that may become issuable under the proposed amendment to the 2014 Plan set forth in this Proxy Statement.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE APPROVAL OF THE AMENDMENT TO THE COMPANY'S 2014 STOCK INCENTIVE PLAN.

Security Ownership of Principal Stockholders and Management

The following table sets forth certain information with respect to beneficial ownership of the Company's common stock as of May 29, 2015, as to (i) each person known by the Company to beneficially own more than 5% of the outstanding shares of common stock, (ii) each of the Company's current directors and Named Executive Officers listed below, (iii) each of the new director nominees, and (iv) all current executive officers and directors of the Company listed below as a group. Unless otherwise specified, the address for each officer and director is: 32000 Aurora Road, Suite B, Solon, OH 44139. Except as otherwise indicated and subject to community property laws where applicable, each person or entity included in the table below has sole voting and investment power with respect to the shares beneficially owned by that person or entity.

The table should be read with the understanding that more than one person may be the beneficial owner or possess certain attributes of beneficial ownership with respect to the same securities.

Name and Address	Shares Beneficially Owned		
	Number (1)	Percent of Outstanding Common Stock (1)	
5% Stockholders			
Gina Huang P.O. Box 3444, Road Town Tortola, British Virgin Islands	1,452,173 (2)	14.5	%
Bright Horizon Partners 1300 Avenue of the Americas, 36th Floor New York, NY 10019	1,030,434 (3)	10.3	%
Cleantech Global Limited 18 Michelle Way Pine Brook, NJ 07058	910,869 (4)	9.1	%
5 Elements Energy Efficiencies (BVI) Ltd. P.O. Box 3444, Road Town Tortola, British Virgin Islands	570,000 (5)	5.7	%
Scott E. DeSano 222 Seaspray Avenue Palm Beach, FL 33480	500,869 (6)	5.0	%
Current Directors and Named Executive Officers			
Simon Cheng	3,501 (7)	*	
John M. Davenport	59,170 (8)	*	
William Cohen	713,695 (9)	7.1	%
Xin He	5,000 (10)	*	
Eric W. Hilliard	49,332 (11)	*	

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Frank Lamanna	1,597		*	
Michael R. Ramelot	10,000	(12)	*	
Thomas W. Swidarski	3,334	(13)	*	
James Tu	420,000	(14)	4.2	%
New Director Nominees				
Ronald D. Black	-		-	
Glenda Dorchak	-		-	
Marc J. Eisenberg	-		-	
Jiangang Luo	912,869	(15)	9.1	%
All Current Directors and Executive Officers as a Group	1,278,664	(16)	12.8	%

*Less than one percent

Based on 10,022,913 shares of common stock outstanding as of May 29, 2015. In addition, shares of common stock issuable pursuant to options that may be exercised through July 28, 2015, are deemed to be issued and outstanding and are included in the reported beneficial holdings. These shares of common stock have been treated as outstanding in calculating the percentage ownership of the individual possessing such interest, but not for any other individual. Thus, the number of common stock shares considered to be outstanding for the purposes of this table varies depending on each individual's particular circumstances.

Based upon a Form 4 filed with the SEC by Gina Huang on January 28, 2015 and amended on June 2, 2015. Ms. Huang holds sole voting and dispositive power over 852,173 shares of common stock held by Brilliant Start Enterprise, Inc., and 600,000 shares of common stock held by Jag International Ltd.

Based on a Form 4 filed with the SEC by Bright Horizon Partners, Inc. on April 2, 2015.

Based on a Schedule 13D/A filed with the SEC by Cleantech Global Limited, formerly Prime Science & Technology, Inc. on October 10, 2014. Jiangang Luo and Cleantech Global Limited reported sole voting and dispositive power over the shares of common stock. Jiangang Luo, who is Managing Partner of Cleantech Global Limited, was a member of the Board until July 15, 2014 and is a director nominee for the Annual Meeting.

Based on a Schedule 13G/A filed with the SEC by 5 Elements Energy Efficiencies (BVI) Ltd. ("5 Elements Energy") on February 13, 2015, Yeh Mei-Hui Cheng and Communal International Ltd. ("Communal") each reported shared voting and dispositive power over the shares of common stock, which includes 190,000 shares subject to warrants. Ms. Cheng and Communal are each a 50 percent owner of 5 Elements Energy. James Tu is Co-Founder and Partner-In-Charge of Communal. Ms. Cheng is the other Co-Founder of Communal and the mother of Simon Cheng, who is a director of the Company.

Based on a Schedule 13D/A filed with the SEC by Scott E. DeSano on October 14, 2014, reporting sole voting and dispositive power over the shares of common stock.

Includes 3,501 options.

Includes 25,001 options.

Includes 600,000 shares of common stock held by Costar Partners II, LLC and 5,000 options. Mr. Cohen and Costar Partners II, LLC have shared voting and dispositive power of the shares of common stock held by Costar Partners II, LLC.

Includes 5,000 options.

Includes 41,254 options.

Includes 10,000 options.

Includes 3,334 options.

Includes 300,000 shares of common stock held by 5 Elements Global Fund LP, and 120,000 options. Mr. Tu has sole voting and dispositive power over the shares of common stock held by 5 Elements Global Fund LP.

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Includes 910,869 shares of common stock held by Cleantech Global Limited. Mr. Luo and Cleantech Global Limited reported sole voting and dispositive power over the shares of common stock held by Cleantech Global Limited. Mr. Luo is Managing Partner of Cleantech Global Limited.

(16)Includes 219,710 options.

Executive Compensation and Other Information**Summary Compensation Table**

The following table sets forth information about compensation of our Chief Executive Officer, and two other most highly compensated executive officers (our “Named Executive Officers”) for the years indicated:

Name and Principal Position	Year	Salary	Bonus	Option Awards	All Other Compensation	Total
		(\$)	(\$)	(\$) (1)	(\$) (2)	(\$)
James Tu (3) Executive Chairman and Chief Executive Officer	2014	246,500	125,000	242,510	1,064	615,074
	2013	88,495	80,000	69,603	594	238,692
Eric W. Hilliard President and Chief Operating Officer	2014	200,000	90,000	39,937 (4)	1,459	331,396
	2013	196,538	-	38,299	874	235,711
Frank Lamanna (5) Former Chief Financial Officer	2014	150,000	-	23,962	1,308	175,270
	2013	133,846	20,000	19,451	619	173,916

Under SEC rules, the values reported reflect the aggregate grant date fair values computed in accordance with (1) Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”), to each of the Named Executive Officers in the years shown.

We calculate the grant date fair value of stock option grants using the Black-Scholes option pricing model. A discussion of the assumptions used in calculating the fair value is set forth in Note 13 to the Consolidated Financial Statements contained in Item 8 of the Annual Report on Form 10-K filed with the SEC on March 12, 2015. The following table includes the assumptions used to calculate aggregate grant date fair value of awards reported for 2014 on a grant-date basis:

Optionee	Grant Date	Assumptions		
		Volatility (%)	Expected Life (in years)	Risk-free Interest Rate (%)
				Dividend Yield (%)

Messrs. Hilliard and Lamanna	1/28/2014	98.6	5.8	1.8	0.0
Mr. Tu	1/28/2014	95.8	5.2	1.7	0.0

- (2) The amounts set forth in this column include company-paid contributions for life insurance policies.
- (3) Salary in 2013 includes \$10,495 in fees paid to Mr. Tu while he was a non-employee director. Mr. Tu became our Executive Chairman and Chief Executive Officer in May 2013.
- (4) This amount includes \$20,898 for a February 26, 2013 option grant for which the performance condition was not met as of December 31, 2014. The option was cancelled.
- (5) Mr. Lamanna served as Chief Financial Officer from July 8, 2013 until February 5, 2015. Prior to becoming Chief Financial Officer, Mr. Lamanna served as the Company's Corporate Controller. The 2013 compensation information shown for Mr. Lamanna includes the entire 2013 calendar year.

Narrative Disclosure to Summary Compensation Table

The Compensation Committee (the "Committee") of our Board of Directors generally has the responsibility of administering our executive compensation program. On occasion, the full Board takes such responsibility. The Committee reviews and, as appropriate, makes recommendations to the full Board regarding the base salaries and annual cash bonuses for executive officers, and administers our stock incentive plans, including the grants of stock options.

Compensation philosophy and objectives

Our principal executive compensation policy, which is endorsed by the Committee, is to provide a compensation program that will attract, motivate and retain persons of high quality and will support a long-standing internal culture of loyalty and dedication to the interests of the Company and our stockholders. In administering the executive compensation program, the Committee is mindful of the following principles and guidelines, which are supported by the full Board:

• Base salaries for executive officers should be competitive.

• A sufficient portion of annual compensation should be at risk in order to align the interests of executives with those of our stockholders.

• The variable part of annual compensation should reflect both individual and corporate performance.

As a person's level of responsibility increases, a greater portion of total compensation should be at risk and include more stock-based compensation to provide executives long-term incentives, and help to align further the interests of executives and stockholders in the enhancement of stockholder value.

Executive officer compensation has three primary components: base salary, bonuses granted under our bonus incentive plan, and stock-based awards granted pursuant to our 2014 Stock Incentive Plan. In addition, executive officers receive certain benefits that are generally available to all salaried employees. We do not have any defined benefit pension plans, non-qualified deferred compensation arrangements, or supplemental retirement plans for our executive officers.

For each executive officer, the Committee determines the appropriate level for each compensation component based in part, but not exclusively, on its view of competitive market factors, internal equity and consistency, and other considerations deemed relevant, such as rewarding extraordinary performance. Our Executive Chairman and Chief Executive Officer provides the Committee with recommendations for executive officers other than himself, which the Committee reviews and approves for submission to the Board of Directors as submitted or with revisions, if any. We have not adopted any formal or informal policies or guidelines for allocating compensation between long-term and currently paid compensation, between cash and non-cash compensation, or among different forms of non-cash compensation, and have not sought to formally benchmark our compensation against that of our peers.

Base salary

Salaries for executive officers are based on a review of salaries for similar positions requiring similar qualifications in similar industries. In recommending executive officer salaries, the Compensation Committee has approved the use by management of information from salary surveys.

The Committee determines executive officer base salaries so as to be competitive with amounts paid to executives performing similar functions in comparable-size, non-durable manufacturing companies. The amount of each executive's annual increase in base salary, if any, is based on a number of largely subjective factors, including changes in the individual's duties and responsibilities, the personal performance of such executive officer, the performance of the Company, cost-of-living increases, and such other factors as the Committee deems appropriate, including the individual's overall mix between fixed and variable compensation and between cash and stock-based compensation.

The Executive Chairman and Chief Executive Officer annually assesses the performance of all other executive officers and recommends salary increases to the Committee based on a number of factors such as performance evaluations, comparative data and other relevant factors. The Committee then reviews the Executive Chairman and Chief Executive Officer's recommendations, considers Company performance and financial condition, and approves, or recommends to the Board of Directors for approval, the increases for any other officer of the Company.

In 2014, the Committee engaged a compensation consultant in connection with its evaluation of Mr. Tu's compensation program and reviewed a market analysis for base, variable, and long term compensation. Based upon this analysis, Mr. Tu's annual base salary was increased from \$120,000 to \$250,000 effective January 1, 2014. In 2013, Mr. Hilliard's annual base salary was increased from \$180,000 to \$200,000 upon his appointment to President and Chief Operating Officer effective April 30, 2013, and Mr. Lamanna's annual base salary was increased to \$150,000 upon his appointment to Chief Financial Officer effective July 8, 2013.

Bonus incentive plan

In 2013, there was no bonus incentive plan in place.

For 2014, a bonus incentive plan was established for all employees, including executive management. Mr. Tu was eligible for an incentive payment of up to 50 percent of his 2014 salary, to be determined by the Board of Directors based upon the financial results of 2014, as well as Mr. Tu's individual performance for the year. Mr. Hilliard was eligible for an incentive payment of up to 50 percent of his 2014 salary, with 70 percent based on net income of the government products/R&D services business and 30 percent based on the Company's total net operating income relative to the 2014 operating plan, as well as Mr. Hilliard's individual performance for the year. Mr. Lamanna was eligible for a bonus payout of up to 25 percent of his 2014 salary. His bonus was based upon the Company's net operating income relative to its 2014 operating plan, as well as his individual performance based upon his established key performance indicators.

On March 9, 2015, the Board approved bonus payments of \$125,000, or approximately 50 percent of salary, for Mr. Tu and \$90,000, or 45 percent of salary, for Mr. Hilliard for 2014, which took into account the factors set forth in the Company's bonus incentive plan as described above.

Discretionary bonuses

The Committee may from time to time award a discretionary annual cash bonus to executive officers, in the amounts and based on the factors determined by the Committee. The bonus awards may be based on an executive officer's individual performance or on the overall success of the Company, or both.

For 2013, Mr. Tu received an \$80,000 discretionary bonus in recognition of his strong leadership during the year in establishing a clear mission, vision, and values for the Company. Mr. Lamanna received a \$20,000 discretionary bonus for playing an instrumental role in the sale of the pool product line in November 2013.

Stock options

The Committee believes that employee equity ownership provides significant motivation to executive officers to maximize value for the Company's stockholders and, therefore, periodically grants time-based stock options under the Company's stock incentive plans at the then current market price. On May 6, 2014, the Board approved the Energy Focus, Inc. 2014 Stock Incentive Plan (the "2014 Plan"). The 2014 Plan was approved by the stockholders at our annual meeting on July 15, 2014, after which no further awards could be issued under the Energy Focus, Inc. 2008 Incentive Stock Plan (the "2008 Plan"). The Compensation Committee administers both stock incentive plans. Stock options will only have value if the Company's stock price increases over the exercise price.

The Compensation Committee grants options to executive officers after consideration of recommendations from the Executive Chairman and Chief Executive Officer. Recommendations for options are based upon the relative position, responsibilities, and previous and expected contributions of each officer, previous option grants to such officers and customary levels of option grants for the respective position in other comparable companies. The exercise price for stock options is equal to the fair market value of our common stock on the grant date. Stock options generally vest over a four-year period with 25 percent vesting one year from the date of grant and the remaining 75 percent vesting equally on a monthly basis over the remaining 36 months, or over a three-year period with 33 percent vesting one year from the date of grant and the remaining 67 percent vesting equally on a monthly basis over the remaining 24 months. Options expire 10 years from the date of grant. Generally, upon a Change in Control (as defined in the 2008 Plan), all stock options granted will immediately vest, and all restrictions on restricted shares granted to the Company's employees and independent directors will lapse. Under the 2014 Plan, upon a Change of Control (as defined in such plan) all outstanding unvested stock options become fully vested and exercisable if not assumed, or substituted with a new award, by the successor to the Company and, if such awards are assumed or substituted by the successor to the Company, they become fully exercisable and vested if the option holder's employment is terminated (other than a termination for cause) within two years following a Change of Control. If an option holder's employment is terminated within two years after a Change of Control for any reason other than death, retirement, disability or termination for cause, each outstanding stock option that is vested following such termination will remain exercisable until the earlier of the third anniversary of termination or the expiration of the term of the stock option.

Section 162(m)

Section 162(m) of the Internal Revenue Code (“IRC Sec. 162(m)”) generally disallows a tax deduction to public corporations for compensation in excess of \$1 million paid to a company’s Chief Executive Officer, or to any of the company’s other three most highly compensated executive officers (other than the Chief Financial Officer), for any fiscal year. IRC Sec. 162(m) generally exempts qualifying performance-based compensation from the deduction limit if certain conditions are met. In determining base salary, benefits, perquisites and other compensation, the Committee considers tax deductibility. However, a more important goal of the Committee is to offer compensation that is competitive within our peer group. For 2014, we believe the compensation paid to each of our named executive officers is fully deductible under IRC Sec. 162(m).

Employment Agreements with Named Executive Officers

We do not have employment agreements with any of our current executive officers.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to equity awards outstanding for our Named Executive Officers as of December 31, 2014:

Name	Option Awards		Option Exercise Price (\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Un-exercisable (#)		
James Tu	4/29/2010	-	2.30	4/29/2023
	1/28/2014	-	4.10	1/28/2024

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Eric W. Hilliard	11/13/ 2006	-		71.90	11/13/2016
	4/26/ 2007	-		63.60	4/26/2017
	10/23/ 2008	-		13.70	10/23/2018
	1/18/ 2012	208	(1)	10.70	1/18/2021
	4/29/ 2013	-		2.30	4/29/2023
	1/28/2014	12,500	(2)	4.10	1/28/2024
Frank Lamanna (3)	12/17/ 2008	-		14.00	5/5/2015
	2/15/ 2013	973	(2)	2.30	5/5/2015
	7/19/ 2013	2,638	(2)	4.10	5/5/2015
	1/28/2014	7,500	(2)	4.10	5/5/2015

(1) Options vest monthly in equal installments through January 18, 2015.

(2) One third vests on the first anniversary of the grant date, and the remainder vests monthly in equal installments over the remaining 24-month period.

(3) Mr. Lamanna's options expired three months from the date of his termination of employment on February 5, 2015.

Director Compensation

We use a combination of cash and stock-based awards to attract and retain qualified candidates to serve on our Board. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties, as well as the skill level required.

The following table sets forth the annual cash compensation for non-employee directors:

Annual Retainer	\$20,000
Additional Annual Retainers:	
Compensation Committee Chairman	5,000
Audit and Finance Committee Chairman	7,000

We generally grant option awards to non-employee directors who will continue to serve as members of the Board of Directors on the first business day following the conclusion of each regular annual meeting of the Company's stockholders for each non-employee director. The option is granted for 5,000 shares for each eligible director, has an exercise price equal to the fair market value of the stock on the date of grant, becomes exercisable monthly over the 12-month period following the date of grant, and expires the day before the tenth anniversary of the grant date or 12 months after termination of service on the Board. Non-employee directors who are appointed between annual meetings also may receive option awards on terms determined by the Board of Directors at the time. The options vest if a Change in Control occurs with respect to the Company during the optionee's service, as defined by the applicable plan. The Board, at its discretion, may grant options to newly elected directors and additional grants to other directors.

The following table summarizes the total compensation paid to non-employee directors for the year ended December 31, 2014:

Name	Fees Earned or Paid in	Option Awards	Total
	Cash (\$)	(\$ (1))	(\$)
Jennifer Cheng (2)	10,815	-	10,815
William Cohen	9,239	20,147	29,386
J. James Finnerty (2)	13,519	-	13,519

Xin (Adam) He	10,000	20,147	30,147
Jiangang Luo (2)	10,815	-	10,815
Michael Ramelot	27,000	19,578	46,578
Thomas W. Swidarski	14,563	46,612	61,175

- (1) Under SEC rules, the values reported reflect the aggregate grant date fair values computed in accordance with FASB ASC Topic 718.
- (2) Ms. Cheng, and Messrs. Finnerty and Luo did not stand for re-election to the Board of Directors at our annual meeting of stockholders held on July 15, 2014.

The following table includes the assumptions used to calculate the aggregate grant date fair value of awards reported for 2014 on a grant-date basis:

Grant Date	Assumptions		Risk-free	Dividend Yield
	Volatility (%)	Expected Life (in years)	Interest Rate (%)	(%)
5/21/2014	99.7	6.0	1.8	0.0
7/15/2014	101.5	6.1	1.9	0.0
7/15/2014	94.1	5.3	1.7	0.0
7/16/2014	89.9	5.3	1.8	0.0

The following table summarizes the aggregate number of stock option awards held by our directors that were outstanding at December 31, 2014:

Name	Aggregate Number of Stock Options Outstanding (1)
Jennifer Cheng	3,877
William Cohen	5,000
J. James Finnerty	10,794
Xin He	5,000
Jiangang Luo	2,502
Michael Ramelot	10,000
Thomas W. Swidarski	10,000

(1) The number of options vested at December 31, 2014 was as follows:

Ms. Cheng 3,877