

CLEARONE INC  
Form DEFA14A  
November 19, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**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.

**ClearOne, Inc.**

**(Name of Registrant as Specified in its Charter)**

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

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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Dear Fellow Shareholders:

It is time to vote your ClearOne proxy. You have less than fifteen days to have your voice heard.

ClearOne is on a roll thanks to the support and trust of you, our shareholders; the guidance of our board of directors; the vision and leadership of management; the enthusiasm of our partners; and, of course, the creative energy of our employees. We are delivering profitable growth and solid returns by managing our business with a relentless focus on operational excellence, product innovation and prudent use of hard-earned capital.

**We are growing wealth for our shareholders:**

**We grew revenues to \$48.4 million in 2013** (twelve months ended September 30, 2013) from \$35.7 million in 2009 (twelve months ended December 31, 2009), while maintaining gross margins of about 60% and consistently generating positive cash flow.

Strategic acquisitions of VCON, NetStreams and MagicBox and their complementary video and network technologies fortified our flagship voice conferencing solutions, **making ClearOne a player in the growing \$5+ billion video communications market.**

Early this year, ClearOne was awarded damages of \$45 million related to auction rate securities sold to the company leaving us with approximately \$24.4 million after legal fees and taxes. Soon after the award, the Board authorized the repurchase of up to \$10 million of ClearOne stock, and we have repurchased \$2.8 million so far. This is only the latest in repurchases since our NASDAQ relisting in 2006, we have repurchased nearly \$20 million or about 30 percent of ClearOne outstanding stock.

**We have the right strategy to continue this momentum:**

We are evaluating options to invest to grow our share price and revenue while expanding our footprint in the audio visual industry through strategic acquisitions and internal investments. With our current cash position, a debt-free balance sheet and a demonstrated ability to generate growth, we believe our focused and prudent strategy will drive additional growth and wealth for all stakeholders.

Our current strategy is working thanks to the support of ClearOne's management team, employees, board of directors and shareholders. To continue implementing this strategy, it is critical that we have the ongoing support of our fellow shareholders. The time is **NOW** to vote **FOR** management's recommendations and **FOR** ClearOne's continued growth. I urge you to **vote FOR the Board's recommendations** on your proxy to maintain our growth and preserve your power as a shareholder.

I am also pleased to report that the largest and most influential proxy advisory service **Institutional Shareholder Services (ISS)** **has endorsed the Board's proposals on every issue we consider key to the future of the company.**

Please vote today. The deadline to vote for the future of your company is less than fifteen days away. Exercise your right to vote. You are important regardless of the number of shares you own. Do not delay.

You are invited to attend our Annual Meeting, scheduled to be held at ClearOne's corporate offices on December 3, 2013 at 9 a.m. local time. Our offices are located at 5225 Wiley Post Way, Suite 500, Salt Lake City, Utah 84116.

Sincerely,

Zee Hakimoglu

Chairman, President and Chief Executive Officer

ClearOne, Inc.

2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010

2011  
2012  
2013  
CLRO Trades on NASDAQ  
August 2007-Present  
SEC Investigation  
January 2003-July 2006  
November 2008  
ClearOne awarded  
\$10.5M in punitive  
and compensatory  
damages in trade  
secret case  
August 2008  
Tender offer to  
repurchase up to 20%  
shares outstanding  
May 2008  
ClearOne adds \$1M to  
stock buy-back  
September 2007  
ClearOne announces  
\$3.6M stock buy-back  
August 2007  
CLRO begins trading on  
NASDAQ  
January 2007  
Zee Hakimoglu named  
Audio Conference CEO  
of the Year  
August 2006  
Board authorizes \$2M  
stock buy-back  
August 2006  
Shares begin trading  
on OTC Bulletin Board  
April 2013  
ClearOne recoups  
~\$500K in legal  
expenses  
February 2012  
ClearOne acquires  
VCON  
October 2012  
Zee Hakimoglu wins  
Women in AV  
May 2012  
Board authorizes \$2M  
stock buy-back  
Delisted from NASDAQ

April 2003-August 2007  
January 2003  
SEC files complaint  
against ClearOne  
January 2003  
ClearOne delays earnings  
as it assesses SEC  
allegations; CEO and CFO  
relieved of duties  
January 2003  
U.S. Attorney's Office for  
the District of Utah  
begins criminal  
investigation stemming  
from the SEC complaint  
January 2003  
NASDAQ halts trading,  
requests information  
from ClearOne  
December 2003  
ClearOne settles SEC  
and class action  
proceedings; pays \$5M  
and \$1.2M in shares to  
former shareholders;  
pays no fine to the SEC  
April 2003  
CLRO delisted  
from NASDAQ  
August 2005  
ClearOne restates  
consolidated financial  
statements  
A Decade of Progress  
July 2007  
Zee Hakimoglu named  
Chairman of ClearOne  
November 2009  
ClearOne acquires  
NetStreams  
July 2009  
Narsi Narayanan  
appointed VP, Finance  
July 2004  
Zee Hakimoglu  
appointed CEO  
July 2009  
ClearOne named one of  
America's fastest  
growing small public



companies by Fortune  
Small Business  
magazine  
July 2011  
CLRO added to Russell  
Microcap®  
Index  
August 2011  
Court of Appeals affirms  
ClearOne \$11.7M award  
in trade secrets case  
September 2011  
ClearOne acquires  
MagicBox  
February 2013  
Board approves  
increase of stock buy-  
back to \$10M  
January 2013  
ClearOne receives  
\$45M auction-rate  
securities settlement  
July 2006  
SEC terminates  
ClearOne investigation  
May 2006  
Zee Hakimoglu  
named to Board  
Company event  
Stock buy-back  
Acquisition  
November 18, 2013