

MEDIFAST INC
Form DEF 14A
April 07, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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

MEDIFAST, 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:

**Notice of Annual Meeting
and Proxy Statement**

**Annual Meeting of Stockholders
Thursday, May 18, 2017**

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS OF MEDIFAST, INC.

TO BE HELD ON THURSDAY, May 18, 2017

April 7, 2017

TO THE STOCKHOLDERS OF MEDIFAST, INC.:

Notice is hereby given that the 2017 annual meeting of stockholders (the “Annual Meeting”) of Medifast, Inc. (the “Company” or “Medifast”) will be held on Thursday, May 18, 2017, at 4:30 p.m. EDT, at the Four Seasons Hotel Baltimore, 200 International Drive, Baltimore, Maryland 21202, for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To elect nine nominees to the Board of Directors to serve for a one year term expiring in 2018;
2. To approve the Amended and Restated 2012 Stock Incentive Plan;
3. To ratify the appointment of RSM US LLP (“RSM”) as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2017;
4. To approve, on an advisory basis, the compensation of the Company’s named executive officers;
5. To approve, on an advisory basis, the frequency of the advisory vote on executive compensation; and
6. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Doors to the Annual Meeting will open at 4:00 p.m. EDT. Stockholders of record at the close of business on March 23, 2017 are entitled to notice of, and to vote at, the Annual Meeting. If you plan to attend the Annual Meeting, please note that for security reasons, before being admitted you must present your proof of stock ownership (or if you hold your shares in street name, a signed legal proxy from your bank, broker or other nominee giving you the right to vote your shares) and valid photo identification at the door. All hand-carried items will be subject to inspection, and any bags, briefcases, or packages must be checked at the registration desk prior to entering the meeting room.

Jason L. Groves, Esq.
Executive Vice President, General Counsel and Corporate Secretary

Whether or not you plan to attend the Annual Meeting, please vote your shares as soon as possible by telephone, via the Internet or by completing, dating, signing and returning a proxy card to ensure your shares are voted, or, if you hold your shares in street name, by following the instructions provided by your bank, broker or other nominee. Submitting your proxy now will not prevent you from voting your shares at the Annual Meeting if you desire to do so, as your proxy is revocable at your option.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement and does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

Our Annual Meeting

Logistics

Date and Time	Place
May 18, 2017 4:30 p.m., EDT	Four Seasons Hotel Baltimore, 200 International Drive, Baltimore, Maryland 21202
Record Date	Who Can Vote
March 23, 2017	Holders of our common stock are entitled to vote on all matters

Agenda

Item	Proposals	Board Vote Recommendation	Page #
1	Elect nine nominees to the Board of Directors to serve for a one year term expiring in 2018	ü FOR each director nominee	6
2	Approve the Amended and Restated 2012 Stock Incentive Plan	ü FOR	47
3	Ratify the appointment of RSM as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2017	ü FOR	52
4	Approve, on an advisory basis, the compensation of the Company's named executive officers	ü FOR	56
5	Approve, on an advisory basis, the frequency of the advisory vote on executive compensation	ü ONCE EVERY YEAR	57

Our Board of Directors

Board Nominees

Name	Age at Annual Meeting	Director Since	Independent	Committee Memberships
Jeffrey J. Brown	56	2015	ü	Audit, Mergers, Executive, *, +
Kevin G. Byrnes	69	2013	ü	Audit, Mergers (Chair), +
Daniel R. Chard	52	2016		
Charles P. Connolly	68	2006	ü	Audit (Chair), Mergers, +
Constance J. Hallquist	53	2015	ü	NCG (Chair)
Michael C. MacDonald	63	1998		Executive (Chair), ²
Carl E. Sassano	67	2013	ü	CC (Chair), Executive
Scott D. Schlackman	59	2015	ü	CC, NCG
Glenn W. Welling	46	2015	ü	CC, Mergers

ü Independent Director

² Chairman of the Board

Audit Audit Committee

NCG Nominating/Corporate Governance Committee

CC Compensation Committee

+ Audit Committee Financial Expert

Executive Executive Committee

* Lead Independent Director

Mergers Special Mergers & Acquisitions Committee

2016 Business Highlights and Performance Overview

2016 was a year of focused execution of our business plan and pursuit of growth strategies. Our disciplined approach to the management of our business resulted in an increase in our revenues for the first time since 2013 and an increase in our profitability year-over-year. In addition, we raised our quarterly dividend from \$0.25 per share to \$0.32 per share. These successes provided strong returns for our stockholders, with total shareholder return of approximately 41% during 2016.

Corporate Governance

Our Governance Highlights

Good governance is a critical part of our corporate culture. The following provides an overview of certain of our governance practices:

Board of Directors

Majority vote for director elections
Lead Independent Director
All directors are expected to attend the Annual Meeting

Board Composition

Number of independent directors – 8, reducing to 7
Diverse Board with different backgrounds, experience and expertise, as well as balanced mix of ages and tenure of service
Unclassified board of directors
All members of the Audit Committee qualify as financial experts

Board Processes

Independent directors meet without management present
Annual Board and Committee self-assessments
Board orientation program
Corporate Governance guidelines approved by Board
Board plays active role in risk oversight
Full Board regularly reviews succession planning

Board Alignment with Stockholders

Annual equity grants align interests of directors and officers with stockholders
Stock ownership requirements for officers and directors
Active Stockholders engagement

Compensation

Executive compensation is tied to performance – 81% of target pay for our Executive Chairman is performance-based
93% of equity awards granted to our new Chief Executive Officer vest based on Company performance
Claw back policy
Anti-hedging and anti-pledging policies for directors and officers
No 280G golden parachute tax gross-ups
No excessive perquisites
Our 2012 Plan prohibits repricing and includes a double-trigger in the event of a Change in Control
No supplemental retirement benefits for executives
New long-term incentive awards include performance-based awards that vest over a three-year performance period
Dividends are only paid for equity awards to the extent that the underlying shares are vested or earned

Corporate Governance Documents

You will find current copies of the following corporate governance documents on our website at <https://ir.medifastnow.com/governance/governance-documents/default.aspx>:

- Corporate Governance Guidelines
- Audit Committee Charter
- Compensation Committee Charter
- Nominating/Corporate Governance Committee Charter
- Special Merger and Acquisitions

How to Cast Your Vote

Your vote is important! Please cast your vote and play a part in the future of Medifast.

Stockholders of record, who hold shares registered in their name, can vote:

- Over the Internet at www.astproxyportal.com/ast/08676 by following the instructions provided in the Notice.

By telephone, by dialing 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and following the instructions.

If you have requested a paper copy of the proxy materials (including the proxy card), by completing, signing and returning the proxy card in the envelope provided.

If you hold your shares in street name, you may instruct your bank, broker or other nominee to vote your shares by following the instructions that your broker or nominee provides to you. Most brokers offer voting by mail, by telephone and on the Internet.

The deadline for voting online or by telephone is 11:59 a.m. EDT on May 17, 2017. If you vote by mail, your proxy card must be received before the annual meeting.

Beneficial owners, who own shares through a bank, brokerage firm or other financial institution, can vote by returning the voting instruction form, or by following the instructions for voting via telephone or the Internet, as provided by the bank, broker or other organization. If you own shares in different accounts or in more than one name, you may receive different voting instructions for each type of ownership. Please vote all your shares.

If you are a stockholder of record or a beneficial owner who has a legal proxy to vote the shares, you may choose to vote in person at the annual meeting. **Even if you plan to attend our annual meeting in person, please cast your vote as soon as possible.**

See the “Questions and Answers About the Annual Meeting and Voting” section for more details.

PROXY STATEMENT

April 7, 2017

2017 Annual Meeting

The 2017 Annual Meeting of Stockholders of Medifast, Inc. (the “Annual Meeting”) will be held at 4:30 p.m. EDT on Thursday, May 18, 2017, for the purposes set forth in the accompanying Notice of 2017 Annual Meeting of Stockholders. The Annual Meeting will be held at the Four Seasons Hotel Baltimore, 200 International Drive, Baltimore, Maryland 21202. This Proxy Statement and the accompanying proxy are furnished in connection with the solicitation by our Board of Directors (the “Board”) of proxies to be used at the Annual Meeting and at any adjournment or postponement of the meeting. We refer to Medifast, Inc. in this Proxy Statement as “we,” “us,” “our,” the “Company” or Medifast.

This Proxy Statement provides information regarding the matters to be voted on at the Annual Meeting, as well as other information that may be useful to you.

Questions and Answers About the Annual Meeting and Voting

Why am I receiving these proxy materials?

We are providing this Proxy Statement and additional proxy materials in connection with the Board’s solicitation of proxies to be voted at our Annual Meeting, or at any adjournment or postponement thereof.

What is included in the proxy materials?

The proxy materials consist of: (1) the Notice of 2017 Annual Meeting of Stockholders of Medifast, Inc.; (2) this Proxy Statement for the Annual Meeting; and (3) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the “2016 Annual Report”).

If you request printed versions of the proxy materials by mail, these proxy materials will also include the proxy card or voting instruction form for the Annual Meeting.

How is Medifast distributing the proxy materials?

We are utilizing a Securities and Exchange Commission (“SEC”) rule that allows companies to furnish their proxy materials over the Internet rather than in paper form. This rule allows a company to send some or all of its stockholders a notice regarding Internet availability of proxy materials (“Notice”). Instructions on how to access the proxy materials over the Internet or how to request a paper copy of our proxy materials may be found in the Notice. If you have received a Notice and you would prefer to receive the proxy materials in printed form by mail or electronically by email, please follow the instructions contained in the Notice.

The Notice was first mailed to stockholders on or about April 7, 2017. An electronic copy of the proxy materials was first made available to stockholders on or about April 7, 2017 at www.astproxyportal.com/ast/08676 for registered holders of our common stock and at www.proxyvote.com for beneficial holders of our common stock.

The SEC rules that allow us to furnish our proxy materials over the Internet rather than in paper form do not require us to do so for all stockholders. We may choose to send certain stockholders the Notice, while sending other stockholders a full set paper copy of our proxy materials.

What shares may I vote?

You may vote all of the shares of our common stock that you owned as of the close of business on March 23, 2017 (the “Record Date”). These shares include:

1. those held directly in your name as the stockholder of record; and
2. those held for you as the beneficial owner through a bank, broker or other nominee at the close of business on the Record Date.

Each share of our common stock is entitled to one vote. On the Record Date, there were 11,920,783 shares of our common stock issued and outstanding.

What matters will be voted on at the Annual Meeting?

There are five matters on which a vote is scheduled at the Annual Meeting:

1. The election of 9 nominees to the Board to serve for a one year term expiring at the 2018 annual meeting of stockholders (Proposal 1);
2. Approval of the Amended and Restated 2012 Stock Incentive Plan (the “2012 Plan”) (Proposal 2);
3. The ratification of the appointment of RSM US LLP (“RSM”), as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2017 (“Fiscal Year 2017”) (Proposal 3);
4. Approval, on an advisory basis, of the compensation of the Company’s named executive officers (Proposal 4); and
5. Approval, on an advisory basis, of the frequency of future advisory votes on executive compensation (Proposal 5).

We will also consider and vote upon any other business properly brought before the Annual Meeting.

What is the quorum requirement for the Annual Meeting?

For business to be conducted at the Annual Meeting, a quorum must be present or represented by proxy. Under our Bylaws, the presence of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting represented in person or by proxy at the Annual Meeting will constitute a quorum for the transaction of business. The number of outstanding shares of our common stock entitled to vote at the Annual Meeting is determined as of the Record Date. Abstentions and broker non-votes will be counted in determining whether a quorum is present for the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most Medifast stockholders hold their shares through a bank, broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares of our common stock are owned directly in your name with Medifast's transfer agent, American Stock Transfer and Trust Company, LLC (the "Transfer Agent"), you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your proxy directly to the Company or to vote in person at the Annual Meeting.

Beneficial Owner

If your shares of our common stock are held through a bank, broker or other nominee, you hold those shares in street name and are considered the beneficial owner of those shares. Your bank, broker or nominee is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your nominee on how to vote your shares, but because you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. As a beneficial owner, you are, however, welcome to attend the Annual Meeting.

What are my voting choices for each matter, and how does the Board recommend that I vote?

Proposal	Voting Choices With respect to each director nominee:	Board Recommendation
1 Election of the 9 nominees named in this Proxy Statement to serve on the Company's Board as directors for a one year term expiring at the 2018 annual meeting of stockholders	For Against Abstain	For election of all 9 director nominees
2 Approve 2012 Plan	For Against Abstain	For
3 Ratification of the appointment of RSM as our independent registered public accounting firm for 2017	For Against Abstain	For
4 Approve on advisory basis the Company's executive compensation	For Against Abstain Once Every Year	For
5 Approve on an advisory basis the frequency of future advisory votes on executive compensation	Every 2 Years Once Every 3 Years	Once Every Year

What vote is needed to elect directors?

Each of the nominees receiving the affirmative vote of a "majority of the votes cast" will be elected to serve as a director. "A majority of the votes cast" with respect to the election of directors means that the number of votes cast "FOR"

a director's election exceeds fifty percent of the number of votes cast with respect to that director's election. Abstentions by stockholders and broker non-votes will have no effect on the outcome of this proposal.

What vote is required in order for the other matters to be voted upon at the Annual Meeting to be adopted?

Proposal	Voting Requirements	Effect of Abstentions	Effect of Broker Non-Votes
2 Approval of the 2012 Plan	Affirmative Vote of Majority of Votes Cast	No effect on outcome	No effect on outcome
3 Ratification of the appointment of RSM as our independent registered public accounting firm for 2017	Affirmative Vote of Majority of Votes Cast	No effect on outcome	Not applicable – brokers are permitted to vote on this matter without specific instruction from the beneficial owner
4 Advisory approval of the Company's executive compensation	Affirmative Vote of Majority of Votes Cast	No effect on outcome	No effect on outcome
5 Advisory approval of the frequency of future advisory votes on executive compensation	Affirmative Vote of Majority of Votes Cast	No effect on outcome	No effect on outcome

How can I vote my shares in person at the Annual Meeting?

You may vote shares you hold directly in your name as the stockholder of record in person at the Annual Meeting.

If you are the beneficial owner of shares held in street name, you may vote the shares in person at the Annual Meeting only if you have obtained a signed legal proxy from your bank, broker or other nominee (i.e., the record holder) giving you the right to vote the shares.

Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy as described below so that your vote will be counted regardless of attendance. Submitting your proxy now will not prevent you from voting your shares in person by written ballot at the Annual Meeting if you desire to do so, as your proxy is revocable at your option.

If you need directions to the Annual Meeting, please call the Four Seasons Hotel Baltimore at (410) 576-5800. Directions can also be found at http://www.fourseasons.com/baltimore/destination/directions_and_maps/.

What do I need to attend the Annual Meeting?

You must present both proof of stock ownership and valid photo identification to attend the Annual Meeting. If you hold shares through an account with a bank, broker or other nominee, contact your nominee to request a legally valid proxy from the record owner record and this will serve as your proof of stock ownership.

If you do not have proof of ownership and valid photo identification, you will not be admitted to the Annual Meeting. Please also note that the use of cell phones, smartphones, pagers, recording and photographic equipment and/or computers is strictly prohibited at the Annual Meeting.

How can I vote my shares without attending the Annual Meeting?

Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct your vote without attending the Annual Meeting. If you hold your shares directly, you may vote by granting a proxy. If you hold your shares in street name, you may submit voting instructions to your bank, broker or other nominee.

If you are a stockholder of record, you may vote your shares by any one of the following methods:

By Mail — The Notice includes directions on how to request paper copies of this Proxy Statement, the 2016 Annual Report and a proxy card. Once you receive a paper proxy card, you may vote your shares by signing and dating each proxy card that you receive and returning it in the prepaid envelope prior to the Annual Meeting. Sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as an attorney-in-fact, executor, administrator, guardian, trustee or the officer or agent of a corporation or partnership),

please indicate your name and your title or capacity. If the stock is held in custody for a minor (for example, under the Uniform Transfers to Minors Act), the custodian should sign, not the minor. If the stock is held in joint ownership, one owner may sign on behalf of all owners. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign but do not provide instructions, your shares will be voted as described below in “How are votes counted?”

Over the Internet — You may vote your shares online at www.astproxyportal.com/ast/08676 by following the instructions provided in the Notice. Voting on the Internet has the same effect as voting by mail. If you vote on the Internet, you do not need to return a proxy card. Internet voting will be available until 11:59 p.m. EDT on May 17, 2017.

By Telephone — You may vote by telephone by dialing 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and following the instructions. Voting by telephone has the same effect as voting by mail. If you vote by telephone, you do not need to return a proxy card. Telephone voting will be available until 11:59 p.m. EDT on May 17, 2017.

If you hold your shares in street name, you may instruct your bank, broker or other nominee to vote your shares by following the instructions that your broker or nominee provides to you. Most brokers offer voting by mail, by telephone and on the Internet.

What happens if I abstain from Voting?

If you submit a proxy and explicitly abstain from voting on any proposal, the shares represented by the proxy will be considered present at the Annual Meeting for the purpose of determining a quorum. Abstentions will not be counted as votes cast and therefore they will have no effect on the outcome of any proposal.

What is a “broker non-vote”?

A “broker non-vote” occurs when a broker submits a proxy to the Company that does not indicate a vote for one or more of the proposals because the broker has not received instructions from the beneficial owner on how to vote on such proposals, and does not have discretionary authority to vote in the absence of instructions. Broker non-votes will be counted for the purposes of determining whether a quorum exists at the Annual Meeting, but because they are not votes that are cast, they will have no effect on the outcome of Proposals 1, 2, 4 and 5.

May I change my vote or revoke my proxy?

Yes, stockholders are entitled to revoke their proxies at any time before their shares are voted at the Annual Meeting. To revoke a proxy, a stockholder must file a written notice of revocation with the Company, deliver a duly executed proxy card bearing a later date than the original submitted proxy card, submit voting instructions again by telephone or the Internet, or attend the Annual Meeting and vote in person. Attendance at the Annual Meeting will not, by itself, revoke your proxy; you must vote your shares. If you hold shares in street name, you must contact your bank, broker or other nominee to change your vote or obtain a proxy to vote your shares if you wish to cast your vote in person at the Annual Meeting.

How will my shares be voted?

If you specify a voting choice, your shares will be voted in accordance with that choice. If you sign, but do not indicate your voting preferences, then the persons named as proxies by our board of directors, Michael C. MacDonald and Jason L. Groves (the "Named Proxies"), will vote your shares in accordance with the recommendations of the Board.

If you are a beneficial owner and you have not provided voting instructions to your broker, your broker may exercise discretion to vote your shares only with respect to routine matters. The ratification of RSM (Proposal 3) is considered a routine matter under applicable rules. Your broker does not have discretionary authority to vote your shares on non-routine matters. The election of directors (Proposal 1), the approval of the 2012 Plan (Proposal 2), the advisory vote on executive compensation (Proposal 4), and the advisory vote on the frequency of the advisory vote on executive compensation (Proposal 5) are considered non-routine matters under applicable rules. Therefore, there may be "broker-non-vote" with respect to these matters. See "What is a broker non-vote?" for more information.

What does it mean if I receive more than one Notice, proxy card or voting instruction form?

It means your shares are registered differently or are held in more than one account. To ensure that all of your shares are voted, please vote as instructed in each Notice or sign and return each proxy card (if you have requested and received paper copies of this Proxy Statement and a proxy card or voting instruction form). If you vote by telephone or on the Internet, you will need to vote once for each Notice, proxy card or voting instruction form you receive.

Are voting records confidential?

We require vote tabulators and the Inspector of the Election to execute agreements to maintain the confidentiality of voting records. Voting records will remain confidential, except as necessary to meet legal requirements, and in other limited circumstances such as proxy contests.

How does the Company solicit proxies?

We are providing this Proxy Statement and other proxy materials in connection with the Board's solicitation of proxies to be voted at our Annual Meeting or at the adjournment or postponement thereof. We will bear the cost of the solicitation of proxies. The Company has retained MacKenzie Partners, Inc. to assist in soliciting proxies from stockholders and we will pay a fee estimated at \$9,500, plus expenses, for such services. In addition, solicitation may be made by our directors, officers, and other employees. We reimburse brokerage firms, custodians, nominees, and fiduciaries in accordance with the rules of the Financial Industry Regulatory Authority for reasonable expenses incurred by them in forwarding materials to the beneficial owners of our common stock.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting, and publish final results in a Current Report on Form 8-K following the Annual Meeting.

PROPOSAL 1 ELECTION OF DIRECTORS

The Board is currently composed of ten directors. The Board has approved a decrease in the number of directors from ten to nine to take effect immediately prior to the Annual Meeting. The Board has nominated nine of the current directors, upon recommendation of the Nominating/Corporate Governance Committee, for election as directors with terms expiring at 2018 annual meeting. Jorgene K. Hartwig will not stand for re-election at the Annual Meeting. Each of the nine nominees for election to the Board has been previously elected to the Board by stockholders, except for Daniel R. Chard. Management has no reason to believe that any of the nominees is unable or unwilling to serve if elected. However, in the event that any of the nominees should become unable or unwilling to serve as a director, the Named Proxies will vote shares represented by proxies at the Annual Meeting for the election of such persons as shall be designated by the Board.

The names of the nominees, along with their present positions, their principal occupations, current directorships held with other public corporations, as well as directorships during the past five years, their ages and the first year elected as a director, are set forth below. Certain individual qualifications, experiences and skills of our directors that contribute to the Board’s effectiveness as a whole are also described below.

DIRECTOR NOMINEES

Jeffrey J. Brown

Qualifications: Mr. Brown brings to the Board extensive public and private

Mr. Brown serves as a member of the Audit Committee, Executive Committee and Mergers & Acquisitions Committee. He has also served as Lead Director of the Company since June 2015. Mr. Brown is the Chief Executive Officer and founding member of Brown Equity Partners, LLC (“BEP”), which provides capital to management teams and companies needing equity capital. Prior to founding BEP in 2007, Mr. Brown served as a founding partner and primary deal originator of the venture capital and private equity firm Forrest Binkley & Brown (“FBB”) from 1993 to 2007.

company board experience and significant transactional experience.

In his 30 years in the investment business, Mr. Brown served on over 40 boards of directors including service on seven public company boards. Mr. Brown has served as a director of

Age: 56

Outerwall, Inc. (NASDAQ: OUTR), a Company that delivers automated retail spaces, since August 2016, and as a director of RCS Capital Corporation (now known as Aretec Group, Inc. (“Aretec”), since February 2014. On January 31, 2016, Aretec and certain of its subsidiaries filed a voluntary petition for reorganization in the United States Bankruptcy Court for the District of Delaware (Case No. 16-10223), seeking relief under Chapter 11 of Title 11 of the United States

Director Since:

Code. Aretec emerged from bankruptcy in May 2016. From 2011 until 2015, Mr. Brown served as a director of Midatech Pharma PLC (LSE: MTPH). From 2014 until 2016, Mr. Brown served as a director of Nordion, Inc. (NYSE: NDZ). From 2009 until 2011, Mr. Brown served as a

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director of Steadfast Income REIT, Inc. Mr. Brown has worked at Hughes Aircraft Company, Morgan Stanley & Company, Security Pacific Capital Corporation and Bank of America Corporation. Mr. Brown received his MBA from the Stanford University Graduate School of Business and graduated Summa Cum Laude as a Mathematics Major from Willamette University.

Kevin G. Byrnes