

SONO TEK CORP  
Form DEF 14A  
July 11, 2011

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

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

Exchange Act of 1934

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant §240.14a-12

SONO-TEK CORPORATION  
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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2) Aggregate number of securities to which transaction applies:

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

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

4) Date Filed:

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**SONO-TEK CORPORATION**

**2012 Route 9W**

**Milton, New York 12547**

**845-795-2020**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**AUGUST 18, 2011**

The 2011 Annual Meeting of Shareholders of Sono-Tek Corporation (the "Company") will be held at the Inn at Buttermilk Falls, 220 North Road, Milton, New York 12547 on August 18, 2011 at 10:00 a.m., local time,

for the following purposes:

1. To elect three Directors of the Company to serve until the 2013 Annual Meeting of Shareholders of the Company.
2. To ratify the appointment of Sherb & Co., LLP as the Company's independent auditors for the fiscal year ending February 28, 2012.
3. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on June 30, 2011 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. A list of shareholders entitled to vote will be available for examination by interested shareholders at the offices of the Company, 2012 Route 9W, Milton, New York 12547 during ordinary business hours until the meeting.

**Important notice regarding the availability of proxy materials for the regular meeting of shareholders to be held on August 18, 2011. The Notice of 2011 Annual Meeting of Shareholders, the Proxy Statement, including Proxy Card, and the 2011 Annual Report to Shareholders are available on the Internet at the following website: <http://www.sono-tek.com/corporate/SubCategory/88>.**

Claudine Y. Corda, Secretary

**Dated:** July 11, 2011

**YOUR VOTE IS IMPORTANT. EVEN IF YOU DESIRE TO ABSTAIN,**

**PLEASE SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING**

**POSTAGE PAID ENVELOPE.**

**SONO-TEK CORPORATION**

**2012 Route 9W**

**Milton, New York 12547**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**AUGUST 18, 2011**

The accompanying proxy is solicited by the Board of Directors of SONO-TEK CORPORATION, a New York corporation (the "Company"), for use at the 2011 Annual Meeting of Shareholders of the Company to be held on August 18, 2011.

All proxies that are properly completed, signed and returned to the Company prior to the Annual Meeting, and which have not been revoked, will be voted in accordance with the shareholder's instructions contained in such proxy. In the absence of contrary instructions, shares represented by such proxy will be voted (i) FOR approval of the election of each of the individuals nominated as Directors set forth herein and (ii) FOR the ratification of the appointment of Sherb & Co., LLP as the Company's auditors for the fiscal year ending February 28, 2012. A shareholder may revoke his or her proxy at any time before it is exercised by filing with the Secretary of the Company at its offices in Milton, New York either a written notice of revocation or a duly executed proxy bearing a later date, or by appearing in person at the 2011 Annual Meeting and expressing a desire to vote his or her shares in person. All costs of this solicitation are to be borne by the Company.

Abstentions will be treated as shares present and entitled to vote for quorum purposes but as not voted for purposes of determining the approval of any matters submitted to the shareholders for a vote. Except as otherwise provided by law or by the Company's certificate of incorporation or bylaws, abstentions will not be counted in determining whether a matter has received a majority of votes cast. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter. Broker non-votes are not counted for quorum purposes.

This Proxy Statement and the accompanying Notice of Annual Meeting of Shareholders, the Proxy, and the 2011 Annual Report to Shareholders are intended to be mailed on or about July 11, 2011 to shareholders of record at the close of business on June 30, 2011. At said record date, the Company had 14,441,511 outstanding shares of common stock.

## **ITEM 1. ELECTION OF DIRECTORS**

The Board of Directors is divided into two classes. The Directors in each class serve for a term of two years, and until their respective successors are duly elected and qualify. Three Directors will be elected at the Annual Meeting by plurality vote to hold office until the Company's 2013 Annual Meeting of Shareholders and until their successors shall be duly elected and shall qualify.

Management intends to vote the accompanying Proxy FOR election as Directors of the Company, the nominees named below, unless the Proxy contains contrary instructions. Proxies that direct the Proxy holders to withhold voting in the matter of electing Directors will not be voted as set forth above. Proxies cannot be voted for a greater number of persons than the number of nominees named in the Proxy Statement. On all matters that may properly come before the 2011 Annual Meeting, each share has one vote. Management has no reason to believe that any of the nominees will not be a candidate or will be unable to serve. However, in the event that any of the nominees should become unable or unwilling to serve as a Director, the Proxy will be voted for the election of such person or persons as shall be designated by the Directors.

## **NOMINEES FOR DIRECTOR**

### Nominees for election to term expiring 2013

The following three persons are nominated for election as Directors of the Company to hold office until the Company's 2013 Annual Meeting of Shareholders.

DR. CHRISTOPHER L. COCCIO, 70, was appointed President and Chief Executive Officer of Sono-Tek on April 30, 2001, has been a Director of the Company since June 1998, and was appointed Chairman in August 2007. From 1964 to 1996, he held various engineering, sales, marketing and management positions at General Electric Company, with P&L responsibilities for up to \$100 million in sales and 500 people throughout the United States. He also won an ASME Congressional Fellowship and served with the Senate Energy Committee in 1976. His business experience includes both domestic and international markets and customers. He founded a management consulting business in 1996, and was appointed a legislative Fellow on the New York State Assembly's Legislative Commission on Science and Technology from 1996 to 1998. From 1998 to 2001, he worked with Accumetrics Associates, Inc., a manufacturer of digital wireless telemetry systems, as Vice President of Business Development and member of the Board of Advisors. Dr. Coccio received a B.S.M.E. from Stevens Institute of Technology, an M.S.M.E. from the University of Colorado, and a Ph.D. from Rensselaer Polytechnic Institute in Chemical Engineering.

*Key attributes, Experience and Skills:* Dr. Coccio brings his strategic vision for our Company to the Board together with his leadership, business experience and investor relations skills. Dr. Coccio has an immense knowledge of our Company and its related applications which is beneficial to the Board. Dr. Coccio's service as Chairman and CEO bridges a critical gap between the Company's management and the Board, enabling the Board to benefit from management's perspective on the Company's business while the Board performs its oversight function.

DR. JOSEPH RIEMER, 62, joined the Company in January 2007 as Vice President of Engineering, became a Director in August 2007 and was appointed President in September 2007. Dr. Riemer holds a Ph.D. in Food Science and Technology from the Massachusetts Institute of Technology (MIT), focusing on food technology, food chemistry, biochemical analysis, and food microbiology. His experience includes seven years with Pfizer in its Adams Confectionary Division, where he was Director, Global Operations Development. Dr. Riemer has also held leading positions with several food, food ingredients, and personal care products companies. He has served in the capacities of research and development, operations, and general management. Prior to joining the Company, he was a management consultant serving clients in the food, biotech and pharmaceutical industries

*Key attributes, Experience and Skills:* Dr. Riemer's extensive research and management experience enables him to bring valuable insights to the Board. His extensive experience in the biotech, food and pharmaceutical industries bring specific product application insights to the Board. Dr. Riemer's service as President helps to bridge the gap between the Company's management and the Board. Dr. Riemer also brings leadership and oversight experience to the Board.

PHILIP STRASBURG, CPA, 72, has been a Director since August 2004. He is a retired partner from the firm of Anchin Block and Anchin, LLP and has 40 years of experience in auditing. He served as Audit Committee Chairman from August 2004 until February 2005, when he was elected Treasurer. Mr. Strasburg was reappointed Audit Committee chairman in May 2005 concurrent with his resignation as Treasurer. He was the lead partner on the Sono-Tek account from Fiscal 1994 to Fiscal 1996. Mr. Strasburg is a certified public accountant in New York State. He has a Master of Science in economics from The London School of Economics and Political Science and a Bachelors of Science degree from Lehigh University, where he majored in business administration.

*Key attributes, Experience and Skills:* Mr. Strasburg's training and extensive experience in auditing provide the Board with valuable insights and skills necessary to lead the Audit Committee. Mr. Strasburg's strong operational and business background complement his accounting and finance experience, and are valuable resources to the Board as it exercises its oversight duties and support of the Company's growth strategies.

**DIRECTORS CONTINUING AS DIRECTORS**



EDWARD J. HANDLER, III, Esq., 74, is a retired partner from Kenyon & Kenyon, a law firm that provided intellectual property advice to the Company. Mr. Handler became a Director of the Company on October 1, 2004, coincident with his retirement from his law firm. Mr. Handler has 40 years experience in all aspects of intellectual property, including patents, trade secrets, trademarks and copyrights, including litigation and other adversarial proceedings. Mr. Handler is President and COO of The Bronx Project, Inc., a private Delaware corporation active in the area of therapeutics for acute inflammatory conditions. Mr. Handler is past President of the West Point Society of New York and a past Trustee of the Association of Graduates, U.S. Military Academy. He holds a J.D. degree from the University of Virginia Law School and a B.S. in Engineering Science from the United States Military Academy.

*Key attributes, Experience and Skills:* Mr. Handler's extensive experience as an attorney enables him to bring valuable strategic insights to the Board. Mr. Handler's past experience as the Company's intellectual property attorney provides him with an in depth knowledge of the Company and its related market applications. Mr. Handler also brings leadership and oversight experience to the Board.

ERIC HASKELL, CPA, 64, has been a Director since August 2009. He has over 30 years of experience in senior financial positions at several public and private companies. He has significant expertise in the areas of acquisitions and divestitures, strategic planning and investor relations. From December 2005 through March 2008, Mr. Haskell served as the Executive Vice President and Chief Financial Officer of SunCom Wireless Holdings, Inc., a company providing digital wireless communications services which was publicly traded until its merger with a wholly-owned subsidiary of T-Mobile USA, Inc. in February 2008. He also served as a member of SunCom's Board of Directors from November 2003 through May 2007. From 1989 until April 2004, Mr. Haskell served as the Chief Financial Officer of Systems & Computer Technology Corp., a NASDAQ listed software and services corporation. Mr. Haskell received his Bachelors Degree in Business Administration from Adelphi University in 1969.

*Key attributes, Experience and Skills:* Mr. Haskell's training and extensive experience in financial management at both public and private companies provide the Board with valuable insights. Mr. Haskell's significant experience in acquisitions and divestitures and investor relations bring strategic judgment and experience to the Board. Mr. Haskell's strong operational and business background complement his accounting and finance experience and are valuable resources to the Board as it exercises its oversight duties and support of the Company's growth strategies.

DR. DONALD F. MOWBRAY, 73, has been a Director since August 2003. He has been an independent consultant since August 1997. From September 1992 to August 1997 he was the Manager of the General Electric Company's Corporate Research and Development Mechanical Engineering Laboratory. From 1962 to 1992 he worked for the General Electric Company in a variety of engineering and managerial positions. Dr. Mowbray received a B.S. in Aeronautical Engineering from the University of Minnesota in 1960, a Master of Science in Engineering Mechanics from the University of Minnesota in 1962 and a Ph.D. from Rensselaer Polytechnic Institute in Engineering Mechanics in 1968.

*Key attributes, Experience and Skills:* Dr. Mowbray's extensive research and managerial experience enables him to bring valuable insights to the Board. His knowledge of the Company's products and the materials sciences technology underlying them has enabled him to contribute to our advanced products development and designs. Dr. Mowbray also brings leadership and oversight experience to the Board from his GE management background.

SAMUEL SCHWARTZ, 91, has been a Director of the Company since August 1987, and was Chairman of the Board from February 1993 to May 1999 and August 2001 to August 2007. From 1959 to 1992, he was the Chairman and Chief Executive Officer of Krystinel Corporation, a manufacturer of ceramic magnetic components used in electronic circuitry. He received a B.Ch.E. from Rensselaer Polytechnic Institute in 1941 and an M.Ch.E. from New York University in 1948.

*Key attributes, Experience and Skills:* Mr. Schwartz's long-time experience as a businessman and manufacturer enables him to bring valuable operational insights to the Board. Mr. Schwartz's experience as former Chairman of the Board enable him to bring operational insights to the Board. Mr. Schwartz also brings leadership and oversight experience to the Board.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSALS TO ELECT THE THREE NOMINEES LISTED ABOVE.**

## **CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS**

### Independence of Directors

The Company's Board of Directors is currently comprised of five "independent directors", as that term is defined under Nasdaq rules, and two directors who are not "independent directors". The Company's "independent directors" are Edward Handler, Eric Haskell, Donald Mowbray, Philip Strasburg and Samuel Schwartz. Christopher Coccio and Joseph Riemer are employees of the Company and are therefore not independent.

### Board Leadership Structure and Role in Risk Oversight

The Board believes Dr. Coccio's service as Chief Executive Officer and Chairman of the Company is appropriate because it provides an important link between the Company's management and the Board, enabling the Board to benefit from management's views on the Company's business while the Board performs its oversight role. Further, the Board believes Dr. Coccio's significant ownership of Sono-Tek Corporation stock aligns his interests with those of Sono-Tek's shareholders. In addition, the Board believes that having one person serve as both Chief Executive Officer and Chairman of the Board of Directors demonstrates for the Company's employees, strategic partners, customers and shareholders that Sono-Tek has one clear leader.

Management is responsible for Sono-Tek's day-to-day risk management, and the Board's role is to engage in informed oversight. The entire Board performs the risk oversight role. Sono-Tek's Chief Executive Officer is a member of the Board of Directors, and Sono-Tek's Chief Financial Officer regularly attends Board meetings, which helps facilitate discussions regarding risk between the Board and Sono-Tek's senior management, as well as the exchange of risk-related information or concerns between the Board and senior management. Further, the independent directors generally meet in executive session following regularly scheduled Board meetings to voice their observations or concerns and to shape the agendas for future Board meetings.

The Board of Directors believes that, with these practices, each director has an equal stake in the Board's actions and oversight role and equal accountability to Sono-Tek and its shareholders.

#### Board Meetings and Committees: Annual Meeting Attendance

The Board of Directors held three meetings in the fiscal year ended February 28, 2011. All Directors attended all of the Company's Board Meetings.

The Board does not have a policy regarding attendance at annual shareholders' meetings; however, all Board members are strongly encouraged to attend such meetings. All Board members attended the 2010 Annual Meeting of Shareholders held on August 19, 2010.

The Board of Directors has two standing committees: Compensation Committee and Audit Committee. Certain information regarding the members and duties of the various management committees is detailed below.

#### COMPENSATION COMMITTEE

The Company's Board of Directors has a Compensation Committee composed of Dr. Mowbray (Chairman) and Messrs. Handler and Strasburg. The compensation of the executive officers of the Company is set by the Company's Board of Directors based upon the recommendations of the Compensation Committee. Compensation is set at levels believed to be competitive with executive officers with similar qualifications, experience and responsibilities of similar businesses. Such individuals receive a base salary and incentive compensation based on the achievement of certain operating objectives. The Compensation Committee serves an advisory function only and has no independent authority. The Compensation Committee met twice during Fiscal Year 2011. All members were in attendance. The Compensation Committee does not have a charter. During the fiscal year ended February 28, 2011, the Compensation Committee did not use any external consultants to assist in the determination of executive compensation.

#### AUDIT COMMITTEE

The Company's Board of Directors has an Audit Committee composed of Messrs. Handler, Haskell and Strasburg (Chairman). The Board of Directors has adopted a charter for the Audit Committee. The "audit committee financial expert" designated by the Board is Mr. Strasburg. The Audit Committee charter is available on the Company's website

at <http://www.sono-tek.com/corporate/page/116/88>. The Audit Committee is responsible for (i) selecting an independent public accountant for ratification by the stockholders, (ii) reviewing material accounting items affecting the consolidated financial statements of the Company, and (iii) reporting its findings to the Board of Directors. The Audit Committee met four times during the fiscal year ended February 28, 2011. All members attended at least 75% of the meetings.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee's job is one of oversight as set forth in its charter. It is not the duty of the Audit committee to prepare the Company's financial statements, to plan or conduct audits, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Company's management is responsible for preparing the Company's financial statements and for maintaining internal control and disclosure controls and procedures. The independent auditors are responsible for auditing the financial statements and for expressing an opinion as to whether those audited financial statements fairly present the financial position, results of operations, and cash flows of the Company in conformity with generally accepted accounting principles.

The Audit Committee has reviewed and discussed the Company's audited consolidated financial statements with management and with Sherb & Co., LLP, the Company's independent auditors for 2011.

The Audit Committee has discussed with Sherb & Co., LLP the matters required to be discussed by Statement on Auditing Standards No. 61.

The Audit Committee has received from Sherb & Co., LLP the written statements required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, and has discussed Sherb & Co., LLP's independence with Sherb & Co., LLC, and has considered the compatibility of non-audit services with the auditor's independence.

Based upon the review and discussions referred to above, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended February 28, 2011 for filing with the Securities and Exchange Commission. The Audit Committee and the Board of Directors have also recommended, subject to stockholder approval, the selection of Sherb & Co., LLP as the Company's independent auditors for the Fiscal Year ending February 28, 2012.

This report of the Audit Committee shall not be incorporated by reference into any of the Company's future filings made under the Securities Exchange Act of 1934 or the Securities Act of 1933, and shall not be deemed to be soliciting material or to be filed with the SEC under the Exchange Act or the Securities Act.

#### THE AUDIT COMMITTEE

Philip Strasburg (Chairman)

Edward Handler

Eric Haskell

#### NOMINATING COMMITTEE

The Board of Directors does not maintain a separate nominating committee because the Board of Directors believes that it can select prospective Director nominees by acting on the basis of a consensus of the entire Board of Directors. Accordingly, all Directors participate in the selection of candidates for nomination as Directors of the Company. The Board identifies and deliberates on the merits of candidates, based upon education, and experience in the following areas: business, scientific, legal and financial. The Board of Directors does not have a separate charter pertaining to nominations. All current nominees for the Board of Directors are incumbent Directors and were nominated by the entire Board for inclusion on the Company's proxy card. The Board of Directors will consider nominees recommended by shareholders. No special procedure needs to be followed in submitting such recommendation.

#### **Shareholder Communications with the Company's Board of Directors**

Mail can be addressed to Directors c/o Corporate Secretary, Sono-Tek Corporation, 2012 Route 9W, Milton, NY 12547. At the direction of the Board, all mail received may be opened and screened for security purposes. All mail, other than trivial, obscene, unduly hostile, threatening, illegal or similarly unsuitable items will be forwarded. Trivial items will be delivered to the Directors at the next scheduled Board meeting. Mail addressed to a particular Director will be forwarded or delivered to that Director. Mail addressed to "Board of Directors" "Outside Directors" or "Non-Management Directors" will be forwarded or delivered to the Chairman of the Board.



**Director Compensation**

Each non-employee director receives \$500 for each meeting attended. Committee Chairmen and committee members receive \$100 for each committee meeting attended. Directors who are employees of the Company receive no additional compensation for serving as directors. For the year ended February 28, 2011, director compensation was as follows:

## 2011 Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Edward J. Handler	1,500	-	-	-	-	-	1,500
Eric Haskell	1,500	-	1,587	-	-	-	3,087
Donald F. Mowbray	1,500	-	-	-	-	-	1,500
Samuel Schwartz	1,500	-	-	-	-	-	1,500
Philip Strasburg	1,500	-	-	-	-	-	1,500

The number of vested and unvested stock options held by non-employee directors as of February 28, 2011 was as follows:

	Number of Vested Options	Number of Unvested Options
Edward J. Handler	30,000	-
Eric Haskell	20,000	20,000
Donald F. Mowbray	40,000	-
Samuel Schwartz	50,000	-
Philip Strasburg	40,000	-

**OTHER EXECUTIVE OFFICERS**

In addition to Drs. Christopher L. Coccio and Joseph Riemer, the following persons are executive officers of the Company:



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STEPHEN J. BAGLEY, CPA, 48, was appointed Chief Financial Officer in June 2005. From 1987 to 1991 he worked in public accounting in various capacities. From 1992 to 2005, he held various leadership positions as Controller, Chief Financial Officer and Vice President of Finance for companies with up to \$45,000,000 in revenues. Mr. Bagley earned a Bachelor of Science degree from The State University of NY – College at Oneonta and an MBA from Marist College. He was licensed as a CPA in 1990. Mr. Bagley is a member of the Board of Education for the New Paltz Central School District.

R. STEPHEN HARSHBARGER, 43, has been Vice President of the Company since June 2000. He joined the Company in October 1993 as a Sales Engineer and served in various sales management capacities from 1997 to 2000. Prior to joining the Company, Mr. Harshbarger was the Sales and Marketing Coordinator at Plasmaco, Inc., a developer and manufacturer of state-of-the-art flat panel displays. He is a graduate of Bentley College, with a major in Finance and a minor in Marketing.

**EXECUTIVE COMPENSATION**

The following table sets forth the aggregate remuneration paid or accrued by the Company for the Fiscal Years ended February 28, 2011 and 2010 for each named officer of the Company.

## Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Christopher L. Coccio CEO, Chairman and Director	2011	198,462	26,000	0	0	2,797	227,259
	2010	190,615	0	0	0	1,446	192,061
Joseph Riemer, President	2011	153,556	20,000	0	18,207	3,471	195,234
	2010	147,368	0	0	22,382	1,214	170,964
R. Stephen Harshbarger Vice-President	2011	189,954	0	0	0	3,799	193,753
	2010	141,599	0	0	0	1,401	143,000

All other Compensation represents Company contributions to the Company's 401K plan.

Option awards in the above table are calculated using the Black-Scholes options pricing model which is further discussed in Note 4 – Stock Based Compensation, in the Company's financial statements.

**Officer Compensation Arrangements**

During the year ended February 28, 2011, Dr. Coccio was compensated at a rate of \$200,000 per annum. Effective April 1, 2011, the Board of Directors increased his salary to \$225,000 per annum.

During the year ended February 28, 2011, Dr. Riemer was compensated at a rate of \$150,000 per annum. Effective April 1, 2011, the Board of Directors increased his salary to \$170,000 per annum.

Mr. Harshbarger is compensated at a rate of \$75,000 per annum plus a commission on sales that his business unit generates.

## STOCK OPTION PLAN

As of June 30, 2011, the Company had in effect the 1993 Stock Incentive Plan, as amended (the "1993 Plan") and the 2003 Stock Incentive Plan (the "2003 Plan"). As of June 30, 2011 there were outstanding options to purchase an aggregate of 1,326,268 shares of common stock at prices ranging from \$.25 to \$2.95 per share.

### 1993 Stock Incentive Plan

Under the 1993 Plan, options have been granted to officers, directors, consultants and employees of the Company and its subsidiaries to purchase the Company's common shares. Options granted under the 1993 Plan expire on various dates through 2013. There can be no further grants under the 1993 Plan.

### 2003 Stock Incentive Plan

Under the 2003 Plan, options can be granted to officers, directors, consultants and employees of the Company and its subsidiaries to purchase up to 1,500,000 of the Company's common shares.

Under both the 1993 and 2003 Plans, option prices must be at least 100% of the fair market value of the common stock at time of grant. For qualified employees, except under certain circumstances specified in both the 1993 and 2003 Plans or unless otherwise specified at the discretion of the Board of Directors, no option may be exercised prior to one year after date of grant, with the balance becoming exercisable in cumulative installments over a three year period during the term of the option.

During Fiscal Year 2011, the Company granted options for 125,000 shares exercisable at \$1.04 to an officer of the Company, options for 20,000 shares exercisable at \$.95 to a director of the Company and options for 43,500 shares exercisable at prices from \$.88 to \$.97 to employees of the Company.

The following table sets forth information regarding option exercises during the Fiscal Year ended February 28, 2011, as well as any unexercised options held as of February 28, 2011 by each named executive who received in excess of \$100,000 in salary and bonus.

#### Outstanding Equity Awards At Fiscal Year End

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Christopher L. Coccio	91,893		0.74	11/12/2014
	50,000		0.74	03/05/2018
	20,000		0.95	05/19/2014
	100,000		1.00	11/12/2014
	225,000		1.75	11/12/2014
Joseph Riemer	39,000	10,000	0.74	03/05/2018
	50,000		0.95	09/04/2017
	25,000		1.18	04/13/2017
	22,500	27,500	1.04	10/22/2019
	125,000 <sup>1</sup>	125,000	1.04	2/28/2021
R. Stephen Harshbarger	10,000		0.95	5/19/2014

<sup>1</sup> The Board of Directors waived the net income target under Dr. Riemer's option agreement dated October 22, 2009, permitting him to earn these options subject to the vesting schedule in the agreement.

#### Description of 401 (k) Plan

Effective April 1, 2000, the Company instituted the Sono-Tek Corporation 401(k) Plan ("401(k) Plan") for employees of the Company, its subsidiaries and affiliates pursuant to the Internal Revenue Code. Under the 401(k) Plan, an eligible employee can elect to make a salary reduction of up to 20% of his compensation as defined in the plan.

#### **BENEFICIAL OWNERSHIP OF SHARES**

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following information is furnished as of June 30, 2011 to indicate beneficial ownership of the Company's Common Stock by each Director, by each named executive officer, by all Directors and executive officers as a group, and by each person known to the Company to be the beneficial owner of more than 5% of the Company's outstanding Common Stock. Such information has been furnished to the Company by the indicated owners. Unless otherwise indicated, the named person has sole voting and investment power.

-8-

Name (and address if more than 5%) of Beneficial owner	Amount Beneficially Owned	Percent
Directors and Officers		
*Christopher L. Coccio	1,011,484	<sup>1</sup> 6.78%
*Edward J. Handler	127,508	<sup>2</sup> **
*R. Stephen Harshbarger	10,000	<sup>3</sup> **
*Eric Haskell	-	**
*Donald F. Mowbray	65,000	<sup>4</sup> **
*Joseph Riemer	167,725	<sup>5</sup> 1.15%
*Samuel Schwartz	1,585,147	<sup>6</sup> 10.8%
*Philip A. Strasburg	75,000	<sup>7</sup> **
All Executive Officers and Directors as a Group	3,070,114	<sup>8</sup> 20.10%
Additional 5% owners		
Herbert Spiegel 425 East 58 <sup>th</sup> Street New York, NY 10022	756,931	5.24%
Norwood Venture Corporation 65 Norwood Avenue Montclair, NJ 07043	1,084,672	7.51%
Norman H. Pessin 366 Madison Avenue New York, NY 10017	619,990	4.29%
Sandra Pessin 366 Madison Avenue New York, NY 10017	196,588	1.36%

\*c/o Sono-Tek Corporation, 2012 Route 9W, Milton, NY 12547.

\*\* Less than 1%

<sup>1</sup> Includes 2,000 shares in the name of Dr. Coccio's wife and 486,893 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>2</sup> Includes 61,579 shares owned jointly with Mr. Handler's wife, 35,929 shares in the name of Mr. Handler's wife and 30,000 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>3</sup> Represents 10,000 options currently exercisable under the Company's Stock Incentive Plans.

<sup>4</sup> Includes 40,000 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>5</sup> Includes 126,500 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>6</sup> Includes 50,000 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>7</sup> Includes 40,000 options currently exercisable issued under the Company's Stock Incentive Plans.

<sup>8</sup> The group total includes 831,393 options currently exercisable issued under the Company's Stock Incentive Plans. The group total includes 250 shares and 48,000 exercisable options held by Mr. Bagley.

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

On September 1, 2007, the Company entered into identical Executive Agreements with Stephen J. Bagley, Chief Financial Officer, Christopher L. Coccio, Chief Executive Officer and Joseph Riemer, President. The Company also entered into this Executive Agreement with R. Stephen Harshbarger, Vice President, on March 5, 2008. In the event of a change of control of the Company followed by a termination of the executives' employment under certain circumstances, the Executive Agreements provide for severance payments to each officer equal to one year of the executive's annual base and bonus compensation paid by the Company for the previous calendar year.

**Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's Directors, executive officers and persons who own more than ten percent of the Company's common stock to file with the Securities and Exchange Commission initial reports of beneficial ownership and reports of changes of beneficial ownership of common stock. Such persons are also required by Securities and Exchange Commission regulations to furnish the Company with copies of all such reports. Based solely on a review of such filings, during the year ended February 28, 2011, all of the Company's Directors and executive officers and holders of more than ten percent of the Company's stock have made timely filings of such reports.

**ITEM 2. RATIFICATION OF APPOINTMENT OF AUDITORS**

The Board of Directors has appointed Sherb & Co., LLP, Certified Public Accountants, to audit the books of account and other records of the Company for the fiscal year ending February 28, 2011. In the event of a negative vote, the Board of Directors will reconsider its election. The Audit Committee of the Company's Board of Directors determined the independence of the Company's auditors and recommended their re-appointment to the Board of Directors. Fees paid to or accrued for the auditors were as follows:

	Audit Fees	Tax Fees
Sherb & Co., LLP Fiscal year ended February 28, 2011	\$44,500	\$8,000
Sherb & Co., LLP Fiscal year ended February 29, 2010	\$44,500	\$5,500

The Company did not pay any audit related fees or other fees to any independent auditing firms during the past two fiscal years.

The Audit Committee's current policy is to pre-approve all audit and non-audit services, including the preparation of tax returns, that are to be performed and fees to be charged by the Company's independent auditor to ensure that the provision of these services does not impair the independence of the auditor. The Audit Committee was in compliance with the requirements of the Sarbanes-Oxley Act of 2002 regarding the pre-approval of all audit and non-audit services and fees. The Audit Committee (or the entire Board of Directors performing the equivalent functions of an audit committee) pre-approved all audit and non-audit services rendered by the Company's principal accountant in fiscal 2011 and 2010.



A representative of the auditors, Sherb & Co., LLP, is expected to be present at our Annual Meeting, will have an opportunity to make a statement if he desires, and will be available to respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF SHERB & CO, LLP.

### **ITEM 3. OTHER MATTERS**

The Board of Directors is not aware of any business to be presented at the Annual Meeting except the matters set forth in the Notice and described in this Proxy Statement. Unless otherwise directed, all shares represented by proxies will be voted in favor of the proposals of the Board of Directors described in this Proxy Statement. If any other matters come before the Annual Meeting, the persons named in the accompanying Proxy will vote on those matters according to their best judgment.

A copy of Sono-Tek Corporation's Annual Report on Form 10-K for the fiscal year ended February 28, 2011 (without exhibits) will be sent to any shareholder without charge by contacting the Company at the address or phone number listed above. You also may obtain the Company's Annual Report on Form 10-K over the Internet at the Securities and Exchange Commission's website, [www.sec.gov](http://www.sec.gov).

#### **Expenses**

The entire cost of preparing, assembling, printing and mailing this Proxy Statement, the enclosed Proxy and other materials, and the cost of soliciting Proxies with respect to the Annual Meeting will be borne by the Company. The Company will request banks and brokers to solicit their customers who beneficially own shares listed of record in names of nominees, and will reimburse those banks and brokers for the reasonable out-of-pocket expense of such solicitations. The original solicitation of Proxies by mail may be supplemented by telephone and facsimile by officers and other regular employees of the Company but no additional compensation will be paid to such individuals.

**Future Shareholders Proposals**

Proposals of shareholders intended to be presented at the next annual meeting (expected to be held in August 2012) under SEC Rule 14a-8 must be received by the Company for inclusion in the Company's proxy statement and form of proxy relating to that meeting (expected to be mailed in mid-July 2012) not later than April 20, 2012.

Notice of shareholder matters intended to be submitted at the next annual meeting outside the processes of Rule 14a-8 will be considered untimely if not received by the Company by June 1, 2011. The discretionary authority described above with respect to other matters coming before the meeting will be conferred with respect to any such untimely matters.

Signed:

/s/Claudine Y. Corda

Claudine Y. Corda

July 11, 2011

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