

SPEDEMISSIONS INC  
Form DEF 14A  
September 06, 2006

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14a**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**(AMENDMENT NO. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary proxy statement

**Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**

Definitive proxy statement

Definitive additional materials

Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

**Speedemissions, 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

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11  
The filing fee of \$\_\_\_\_\_ was calculated on the basis of the information that follows:

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

---

2. Aggregate number of securities to which transaction applies:

---

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

---

4. Proposed maximum Aggregate value of transaction:

---

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.

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

6. Amount Previously Paid:

---

7. Form, Schedule or Registration Statement No.:

---

8. Filing Party:

---

9. Date Filed:

---

**SPEDEMISSIONS, INC.**

**1015 Tyrone Road, Suite 220**

**Tyrone, Georgia 30290**

**(770) 306-7667**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**to be held September 18, 2006**

**To our Shareholders:**

The Annual Meeting of Shareholders of Speedemissions, Inc. ( Speedemissions ) will be held at 10:00 a.m., local time, on Monday, September 18, 2006, at the headquarters of Speedemissions located at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, for the following purposes:

- (1) To elect five (5) directors of Speedemissions to serve until the 2007 annual meeting and until their successors are elected and qualified;
- (2) To approve and adopt the 2006 Stock Grant and Option Plan;
- (3) To ratify the appointment of Tauber & Balsler, P.C. as independent auditors of Speedemissions for the fiscal year ending December 31, 2006; and

(4) To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof. The board of directors has set August 30, 2006, as the record date for the annual meeting. You will only be entitled to notice of, and to vote at, the annual meeting if you are a holder of record of shares of Speedemissions's common stock or Series A Convertible Preferred Stock at the close of business on the record date. The stock transfer books will not be closed.

We may adjourn the annual meeting without notice other than announcement at the meeting or adjournments thereof, and any business for which notice is hereby given may be transacted at any such adjournment.

We have provided details concerning those matters to come before the annual meeting in the accompanying proxy statement. Whether you plan to attend the annual meeting or not, please sign, date and return the enclosed proxy card in the envelope provided. Returning your proxy card does not deprive you of your right to attend the annual meeting and to vote your shares in person.

By order of the board of directors,

/s/ Richard A. Parlontieri

Richard A. Parlontieri, President

September 6, 2006

Tyrone, Georgia

**SPEDEMISSIONS, INC.**

**1015 TYRONE ROAD, SUITE 220**

**TYRONE, GEORGIA 30290**

**(770) 306-7667**

---

**PROXY STATEMENT**

**Annual Meeting of Shareholders**

**to be held September 18, 2006**

---

**INTRODUCTION**

We are mailing this proxy statement and proxy card to the shareholders of Speedemissions, Inc., which we sometimes refer to as Speedemissions or the Company, on behalf of Speedemissions' board of directors on or about September 6, 2006. Our board of directors is soliciting your proxy to vote your shares at the annual meeting of Speedemissions' shareholders to be held at 10:00 a.m., local time, on Monday, September 18, 2006, at the headquarters of Speedemissions located at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, or at any adjournment or postponement thereof.

At the annual meeting, the shareholders will be asked to:

- (1) elect five (5) members to the board of directors of Speedemissions to serve until the 2007 annual meeting;
- (2) approve and adopt the 2006 Stock Grant and Option Plan; and
- (3) ratify the appointment of Tauber & Balsler, P.C. as independent auditors of Speedemissions for the fiscal year ending December 31, 2006.

The board of directors has set August 30, 2006 as the record date for the annual meeting. You are entitled to notice of and to vote at the annual meeting if you own shares as of the close of business on our record date. At the close of business on the record date there were 2,892,098 outstanding shares of our common stock, par value \$0.001 per share, and 5,133 outstanding shares of our Series A Convertible Preferred Stock, par value \$0.001 per share. If you own shares of our common stock, you are entitled to one (1) vote in person or by proxy on all matters properly to come before the annual meeting for each share of our common stock that you own on the record date. If you own shares of our Series A Convertible Preferred Stock, you are entitled to eight hundred thirty three and one-third (833.33) votes in person or by proxy on all matters properly to come before the annual meeting for each share of our Series A Convertible Preferred Stock that you own on the record date.

***Voting Instructions***

If you are a record owner of our common stock or Series A Convertible Preferred Stock you may vote your shares on matters properly presented at the annual meeting in one of two ways:

by signing and returning the enclosed proxy card in the enclosed envelope; or

## Edgar Filing: SPEDEMISSIONS INC - Form DEF 14A

by attending the meeting and voting in person.

If you hold shares in street name (that is, through a bank, broker or other nominee), such shares must be voted in accordance with instructions provided by the nominee. If your shares are held in the name of a nominee and you would like to attend the annual meeting and vote in person, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the annual meeting.

If you properly cast your vote, and your vote is not subsequently revoked, your vote will be voted in accordance with your instructions. If you sign and return the enclosed proxy card but do not give instructions, the shares represented by that proxy will be voted **FOR** the election of each director nominee nominated by the board of directors, **FOR** the approval and adoption of the 2006 Stock Grant and Option Plan and **FOR** the ratification of Tauber & Balsler, P.C. as independent auditors of Speedemissions for the fiscal year ending December 31, 2006.

You may revoke your proxy prior to the annual meeting by either (i) submitting to Speedemissions a properly executed proxy and bearing a later date, (ii) by voting in person at the meeting, or (iii) by giving written notice of revocation to the Secretary of Speedemissions. The mailing address of Speedemissions is 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290.

### ***Quorum and Voting Requirements***

#### **Quorum**

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at a meeting will constitute a quorum to conduct business at the annual meeting. Proxies received but marked as abstentions and broker non-votes (which occur where shares held by brokers or nominees for beneficial owners are not voted on a matter) will be included in the calculation of the number of shares considered to be present at the meeting.

#### **Voting Requirements**

The vote which is required to approve the above Proposals is the affirmative vote of the holders of a majority of Speedemissions' s voting securities. Each holder of common stock is entitled to one (1) vote for each share held, and each holder of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share held, representing a total of 4,277,483 votes.

The record date for purposes of determining the number of outstanding shares of voting securities of Speedemissions, and for determining shareholders entitled to vote, is the close of business on August 30, 2006 (the Record Date ). As of the Record Date, Speedemissions had outstanding 2,892,098 shares of common stock and 5,133 shares of Series A Convertible Preferred Stock. Holders of the shares have no preemptive rights. All outstanding shares are fully paid and nonassessable. The transfer agent for the common stock is Interwest Transfer Company, 1981 - 4800 South, Suite 100, Salt Lake City, Utah 84117, telephone (801) 272-9294.

#### ***Expenses of Solicitation***

Speedemissions will pay the expenses of the preparation of proxy materials and the solicitation of proxies for the annual meeting. In addition to the solicitation of proxies by mail, solicitation may also be made by certain of our directors, officers or employees telephonically, electronically or by other means of communication and they will receive no additional compensation for such solicitation. We will reimburse brokers and other nominees for costs incurred by them in mailing proxy materials to beneficial owners in accordance with applicable rules.

#### ***Availability of Certain Documents***

You may obtain copies of our 2005 Annual Report on Form 10-KSB (including the financial statements) without charge by contacting Richard Parlontieri at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, telephone (770) 306-7667. Our Annual Report on Form 10-KSB is not a proxy soliciting material.

## **PROPOSAL ONE**

### **ELECTION OF DIRECTORS**

Our Bylaws provide that our Board of Directors is comprised of at least one and not more than seven directors until changed by a duly adopted amendment to our Articles of Incorporation or by an amendment to the Bylaws, adopted by the vote or written consent of a majority of our shareholders entitled to vote. Directors are elected by the shareholders at each annual meeting to hold office until their respective successors are elected and qualified, and need not be shareholders of Speedemissions or residents of the State of Florida. Voting for the election of directors is non-cumulative, which means that a simple majority of the shares voting may elect all of the directors. Each share of common stock is entitled to one (1) vote and, therefore, has a number of votes equal to the number of authorized directors. Each share of Series A Convertible Preferred Stock is entitled to eight hundred thirty three and one-third (833.33) votes for each share. The majority of the remaining directors, though less than a quorum, or a sole remaining director, may fill any vacancies on the board of directors resulting from the death, resignation or removal of a director. A director elected by the directors to fill a vacancy on the board of directors holds office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

Although the Board of Directors of Speedemissions expects that each of the following nominees will be available to serve as a director, in the event that any of them should become unavailable prior to the shareholders meeting, a replacement will be appointed by a majority of the then-existing Board of Directors. The Board of Directors has no reason to believe that any of its nominees, if elected, will be unavailable to serve. All nominees are expected to serve until the next Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*Nominees For Election As Director*

**Richard A. Parlontieri** (Age 60) was appointed to our Board of Directors and as an officer in connection with the acquisition of Speedemissions, Inc. in 2003. He is the founder and President and Chief Executive Officer of Speedemissions, an emissions testing and safety inspection company headquartered in suburban Atlanta, Georgia, which began operations in 2000. Prior to this, Mr. Parlontieri was the founder, Chairman and Chief Executive Officer of ebank.com, Inc., a publicly held bank holding company headquartered in Atlanta. ebank.com, which began as a traditional bank designed to deliver banking services in a non-traditional way, was the first internet bank to provide banking services focusing on small business owners.

Prior to starting ebank, Mr. Parlontieri was President/CEO of Habersham Resource Management, Inc., a consulting firm with over 16 years experience in the financial services, mortgage banking, real estate, home health care and capital goods industries. While at Habersham Mr. Parlontieri co-founded and organized denovo (start-up) banks (including Fayette County Bank which was sold to Regions Financial Corporation) and completed strategic acquisitions or divestitures for banks, mortgage companies and real estate projects.

Mr. Parlontieri currently serves on the Georgia Emissions, Industry Advisory Board as Secretary. He also is a member of the Georgia Emissions Testing Association (GETA). Over the past several years he has spoken or given presentations at various conferences concerning the financial services industry and the Internet. These include the American Banker Online Financial Services in Cyberspace Conference, the Phoenix International Users Banking Conference, GE Capital Management Conference and the eFinancial World Conference.

**Bradley A. Thompson** (Age 42) was appointed to our Board of Directors in 2003. Mr. Thompson is currently a director and Chief Financial Analyst for Global Capital Advisors, Ltd., an affiliate of GCA Strategic Investment Fund, Ltd. Mr. Thompson has over 14 years of experience in commercial banking, investment management, bond credit underwriting, financial analysis, and business management.

Mr. Thompson currently heads the Analytical/Due Diligence Group of Global Capital Advisors and oversees all fundamental and technical financial analysis. Mr. Thompson began his career in banking with Trust Company Bank (now SunTrust Bank) as a Financial Analyst. He later joined the firm of Merrill Lynch, Pierce, Fenner & Smith, managing retirement, profit sharing, pension, trust, and individual investment portfolios. While at Merrill Lynch, Mr. Thompson received his NASD Series 7 (General Securities) and Series 63 (State Securities) Licenses. In 1990, he joined SAFECO Insurance Company of America as a Financial Analyst and Bond Underwriter, managing the bond programs of over 45 accounts and managing a portfolio in excess of \$1 billion. At SAFECO, he was responsible for the financial analysis, due diligence, and credit evaluations of the prospective and current bond accounts, and was ultimately responsible for the credit decisions with a single line of credit approval authority ranging from \$1 million to \$10 million and an aggregate line of authority on specific accounts in excess of \$175 million. He is past President and Chief Financial Officer of Time Plus, an automated payroll accounting services firm for small to medium sized companies.

Mr. Thompson received his Bachelors of Business Administration degree in Finance from the University of Georgia in 1986.

**Ernest A. Childs** (Age 59) was appointed to our Board of Directors in 2005. Mr. Childs is currently the Chief Executive Officer of ArcheaSolutions, Inc., a position he has held since 2000. ArcheaSolutions is a privately held environmental company that specializes in solutions for wastewater processing problems. Prior to joining ArcheaSolutions, Dr. Childs was the Chief Executive Officer of Benesys, Inc. and Equity Development, Inc. Benesys is a benefit consulting company for companies in the health care industry and Equity Development is a consulting company that specializes in assisting people injured in major work and traffic accidents. Dr. Childs received his Bachelor of Science from the University of Tennessee in 1968, his Masters of Science from the University of Tennessee in 1969, and his Doctorate from the University of Georgia in 1971.

**John Bradley** (Age 47) was appointed by the Board of Directors to fill the vacancy created by the resignation of Bahram Yusefzadeh in June 2006. Mr. Bradley is currently Vice President of Sales at Environmental Systems Products, where he has been employed since 1998. He is also a member and active participant in a number of industry trade associations and various states. Mr.



Bradley currently serves as a director for Auto Repair Coalition, which represents certain large auto repair entities and is based in Sacramento, California. He received a degree in automotive technology from the State University of New York.

**Michael E. Guirlinger** (Age 59) was appointed by the Board of Directors to fill the vacancy created by the resignation of Erik Sander in June 2006. Mr. Guirlinger is currently the Chief Executive Officer and Chief Operating Officer for The Language Access Network, a publicly traded company. He has extensive experience, as both manager and a director, in a variety of professional practices, both public and private, with a particular emphasis in the financial services industry. Mr. Guirlinger received his Bachelor of Arts from Aquinas College in 1970 and his Masters in Business Administration from Ohio State University in 1986.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE NOMINEES NOMINATED FOR ELECTION AS DIRECTORS BY THE BOARD OF DIRECTORS.**

***Compensation of Directors***

Our Directors receive \$250 for each regularly scheduled board meeting that they attend, as well as reimbursement for their travel expenses. Pursuant to the SKTF, Inc. 2001 Stock Option Plan, in March 2005 we issued to each of Bradley Thompson and Bahram Yusefzadeh options to acquire 7,500 shares of our common stock at an exercise price of \$2.50 per share, exercisable for a period of ten years. On June 29, 2005 and August 26, 2005, we issued options to acquire 2,500 shares of our common stock under our 2001 Stock Option Plan to Erik Sander and Ernest A. Childs, respectively. The options vested immediately and are exercisable at \$2.00 per share for a period of ten years. In December 2005, we issued options to acquire 5,000 shares of our common stock under our 2005 Plan to each of our directors serving at that time, Erik Sander (who resigned from our board in June 2006), Ernest A. Childs, Bahram Yusefzadeh (who resigned from our board in June 2006), and Bradley Thompson. One-third of the options vested immediately upon issue and an additional one-third will vest on each of the anniversary dates of the grant in 2006 and 2007 and are exercisable at \$1.00 per share for a period of ten years. Directors will also receive stock options under the proposed 2006 Stock Grant and Option Plan, which terms are described below under Proposal Two.

***Board Meetings and Committees***

During the fiscal year ended December 31, 2005, the Board of Directors held eight meetings. Each of our directors attended all of the meetings of the board of directors and the committees of the board on which he served during 2005. We currently have two standing committees of the Board of Directors: the Compensation Committee and the Audit Committee, which are described below. We do not presently have a standing Nominating Committee.

**Nominating Committee**

During the fiscal year ended December 31, 2005, Speedemissions did not have a standing nominating committee. The NASDAQ rules do not require the Company to have a nominating committee since the Company was a controlled company in that more than 50% of the voting common stock of the Company was held by GCA Strategic Investment Fund Ltd. The Board believes that there is no material benefit to the Company of having a separate nominating committee at this time in view of the size of the company, and the fact that Speedemissions is controlled by one large shareholder. Nominees for election as a director are determined by the entire Board. The Board will make all decisions regarding Board nominees based upon the best interest of the Company and its shareholders.

**Compensation Committee**

Our Compensation Committee consists of three directors. In 2005, Bahram Yusefzadeh served as chairman of the Compensation Committee and Messrs. Parlontieri and Thompson also served on the Compensation Committee. Mr. Yusefzadeh will be replaced as chairman of the Compensation Committee following this year's Annual Meeting of Shareholders. The primary purposes of the Compensation Committee are to assist the Board of Directors in its responsibilities relating to compensation and to determine the compensation arrangements for certain executive officers. The Compensation Committee is also charged with approving incentive compensation plans for executive management. The Compensation Committee met two times in 2005.

**Audit Committee**

In 2005, we had four members on the Audit Committee: Erik Sander, who served as chairman, Bradley Thompson, Bahram Yusefzadeh and Ernest Childs. The primary purposes of our Audit Committee are to represent and assist the Board of Directors in its responsibilities relating to the accounting, reporting and financial practices of Speedemissions and its subsidiaries, including the integrity of our financial statements and the outside auditor's qualifications and independence. The Audit Committee also prepared the report, included elsewhere in this proxy statement, required by the rules of the SEC to be included in our annual proxy statements. The Audit Committee met four times during 2005.



Our Board of Directors has determined that Bradley Thompson, based upon his education and extensive experience in accounting, is an audit committee financial expert within the meaning of the rules of the SEC. No member of the Audit Committee is presently serving on the audit committee of another company.

## PROPOSAL TWO

### 2006 Stock Grant and Option Plan

#### *General*

The purpose of this proposal is to seek the consideration and approval of the shareholders of the Company regarding the Speedemissions, Inc. 2006 Stock Grant and Option Plan (the 2006 Plan), to be effective September 18, 2006. The 2006 Plan offers selected employees, directors, and consultants an opportunity to acquire our common stock, to align the interests of such persons with those of the Company's shareholders, to encourage such persons to remain employed by us and to attract new employees. The 2006 Plan allows for the award of stock and options, up to 2,000,000 shares of our common stock. We have not issued any options or stock awards under the 2006 Plan.

#### *Purpose*

The purpose of the 2006 Plan is to promote the interests of the Company (including its subsidiaries) and its shareholders by using investment interests in the Company to attract, retain and motivate its management and other persons, including officers, directors, key employees and certain consultants, to encourage and reward such persons' contributions to the performance of the Company and to align their interests with the interests of the Company's shareholders. In furtherance of this purpose, the 2006 Plan authorizes the granting of the following types of stock-based awards (each, an Award):

stock options (including incentive stock options and non-qualified stock options);

restricted stock awards;

unrestricted stock awards; and

performance stock awards.

Each of these types of Awards is described below under Awards.

#### *Eligibility*

Key employees (including employees who are also directors or officers), directors and certain consultants of the Company or any subsidiary are eligible to be granted Awards under the 2006 Plan at the discretion of the Board of Directors. In determining the eligibility of any person, as well as in determining the number of shares to be covered by an Award and the type or types of Awards to be made, the Board of Directors may consider:

the position, relationship, responsibilities and importance of the person to the Company; and

such other factors as the Board of Directors deems relevant.

Selected consultants may participate in the 2006 Plan if:

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

the consultant renders *bona fide* services to the Company or one of its subsidiaries;

the services rendered by the consultant are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and

the consultant is a natural person who has contracted directly with the Company or a subsidiary of the Company to render such services.

**Administration**

The 2006 Plan currently is administered by the Compensation Committee of the Board of Directors. The Board of Directors has delegated to the Compensation Committee full authority, in its discretion, to:

select the persons to whom Awards will be granted (each a Participant );

grant Awards under the 2006 Plan;

determine the number of shares to be covered by each Award;

determine the nature, amount, pricing, timing and other terms of the Award;

interpret, construe and implement the provisions of the 2006 Plan (including the authority to adopt rules and regulations for carrying out the purposes of the 2006 Plan); and

terminate, modify or amend the 2006 Plan.

The 2006 Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

**Shares Subject to the 2006 Plan**

A total of 2,000,000 shares of common stock (subject to adjustment as described below) are reserved for issuance under the 2006 Plan. Shares of common stock issued under the 2006 Plan may be authorized but unissued shares, or shares reacquired by the Company, including shares purchased on the open market. The unexercised, unearned or yet-to-be acquired portions of any Award that expire, terminate or are canceled, and shares of common stock issued pursuant to Awards under the 2006 Plan that are reacquired by the Company pursuant to the terms under which such shares were issued, will again become available for the grant of further Awards.

**Adjustment.** In general, the aggregate number of shares as to which Awards may be granted to Participants under the 2006 Plan, the number and kind of shares thereof covered by each outstanding Award, and/or the price per share thereof in each such Award will, upon a determination of the Board of Directors, all be proportionately adjusted for any increase or decrease in the number of issued shares of common stock resulting from an increase, decrease or exchange in the outstanding shares of common stock or additional shares or new or different shares are distributed in respect of such shares of common stock, through merger, consolidation, sale or exchange of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, spin-off or other distribution with respect to such shares. Fractional interests will not be issued upon any adjustments made by the Board of Directors; however, the committee may, in its discretion, make a cash payment in lieu of any fractional shares of common stock issuable as a result of such adjustments.

**Awards**

**Stock Options.** Under the 2006 Plan, the Board of Directors may grant either incentive stock options or nonqualified stock options. Incentive stock options and non-qualified stock options may be granted for such number of shares of common stock as the Board of Directors determines.

The exercise price for each stock option is determined by the Board of Directors. Stock options must have an exercise price of at least 85% (100% in the case of incentive stock options, or at least 110% in the case of incentive stock options granted to certain employees owning more than 10% of the outstanding voting stock) of the fair market value of the common stock on the date the stock option is granted. Under the 2006 Plan, fair market value of the common stock for a particular date is generally the average of the closing bid and asked prices per share for the stock as quoted on the OTC Bulletin Board on such date.

No stock option may be exercised after the expiration of ten years from the date of grant (or five years in the case of incentive stock options granted to certain employees owning more than 10% of the outstanding voting stock). Pursuant to the 2006 Plan, the aggregate fair market value

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

of the common stock, for which one or more incentive stock options granted to any participant may for the first time become exercisable as incentive stock options under the federal tax laws during anyone calendar year shall not exceed \$100,000.

- 6 -

A stock option may be exercised in whole or in part according to the terms of the applicable stock option agreement by delivery of written notice of exercise to the Company specifying the number of shares to be purchased. The exercise price for each stock option may be paid by the Participant in cash or by such other means as the Board of Directors may authorize. Fractional shares are not to be issued upon exercise of a stock option.

The Board of Directors may, in its discretion, at any time after the grant of a stock option, accelerate vesting of such option, as a whole or in part, by increasing the number of shares then purchasable. However, the Board of Directors may not increase the total number of shares subject to an option.

Subject to the foregoing and the other provisions of the 2006 Plan, stock options may be exercised at such times and in such amounts and be subject to such restrictions and other terms and conditions, if any, as determined by the Board of Directors.

**Restricted Stock.** Restricted stock may be awarded by the Board of Directors subject to such terms, conditions and restrictions as it deems appropriate. Restrictions may include limitations on voting rights and transferability of the shares, restrictions based on the duration of employment or engagement with the Company, and Company or individual performance. Restricted stock may not be sold or encumbered until all restrictions expire or are terminated. In this regard, the Secretary of the Company or such other escrow holder as the Board of Directors may appoint shall retain physical custody of each certificate representing restricted stock until all restrictions imposed under the applicable Award Agreement shall expire or be removed.

The Board of Directors may require the Participant to pay the Company an amount at least equal to the par value of the common stock awarded to the Participant. Subject to any limitations imposed by the applicable Award Agreement, from the date a Participant becomes the holder of record of restricted stock, the Participant has all the rights of a shareholder with respect to such shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares.

The 2006 Plan provides that to the extent the Board of Directors elects to grant an Award of restricted stock, the Award Agreement applicable thereto shall, except in certain specified situations, provide the Company with the right to repurchase the restricted stock then subject to restrictions immediately upon a termination of employment or engagement for any reason whatsoever at a cash price per share equal to the price paid by the Participant for the restricted stock.

**Unrestricted Stock.** The Board of Directors may, in its discretion, grant an Award of unrestricted stock to any eligible Participant, pursuant to which such Participant may receive shares of common stock free of any vesting restrictions under the 2006 Plan. The Board of Directors may also sell shares of unrestricted stock to eligible Participants at a purchase price determined in its discretion. Unrestricted stock may be granted or sold in respect of past services or other valid consideration, or in lieu of any cash compensation due to such individual.

**Performance Stock Awards.** The Board of Directors may make performance stock awards under the 2006 Plan based upon terms it deems appropriate. The Board of Directors may make performance stock awards independent of or in connection with the granting of any other Award under the 2006 Plan. The Board of Directors shall determine whether and to whom performance stock awards shall be made, the performance criteria applicable under each such Award, the periods during which performance is to be measured, and all other limitations and conditions applicable to the awarded shares. The Board of Directors may utilize any of the following performance criteria when granting performance stock awards:

net income;

pre-tax income;

operating income;

cash flow;

earnings per share;

return on equity;

return on invested capital or assets;

cost reductions or savings;

funds from operations;

- 7 -



appreciation in the fair market value of the common stock;

earnings before anyone or more of the following: interest, taxes, depreciation or amortization; and

such other criteria deemed appropriate by the Board of Directors.

The Participant receiving a performance stock award shall have the rights of a shareholder only as to shares actually received by the Participant and not with respect to shares subject to the Award but not actually received. At any time prior to the Participant's termination of employment (or other business relationship) by the Company, the Board of Directors may, in its discretion, accelerate, waive or, subject to the other provisions of the 2006 Plan, amend any and all performance criteria specified under any performance stock award.

#### ***Federal Income Tax Consequences***

The following is a brief summary of the principal federal income tax consequences of the grant and exercise of Awards under present law. This summary is not intended to be exhaustive and does not describe foreign, state or local tax consequences. Recipients of Awards are advised to consult their personal tax advisors with regard to all tax consequences arising with respect to the Awards.

**Tax Withholding.** If a distribution is made under this 2006 Plan in cash, the Company will withhold taxes as required by law. If an Award is satisfied in the form of shares of the common stock, then no shares may be issued unless and until arrangements satisfactory to the Company have been made to satisfy any tax withholding obligations applicable with respect to such Award.

**Deductibility of Awards.** Company deductions for Awards granted under the 2006 Plan are limited by Section 162(m) of the Internal Revenue Code of 1986 (the Code) which generally limits the Company's deduction for non-performance based compensation to \$1.0 million per year for the Company's CEO and its other four (4) most highly compensated officers. The Company has not paid any compensation to any executive officers that was not deductible by reason of the prohibition of Section 162(m).

**Incentive Stock Options.** Pursuant to the 2006 Plan, employees may be granted stock options that are intended to qualify as incentive stock options under the provisions of Section 422 of the Code. An optionee will not recognize any taxable income for federal income tax purposes upon receipt of an incentive stock option or, generally, at the time of exercise of an incentive stock option. The exercise of an incentive stock option generally will result in an increase in an optionee's taxable income for alternative minimum tax purposes.

If an optionee exercises an incentive stock option and does not dispose of the shares received in a subsequent disqualifying disposition (generally, a sale, gift or other transfer within two years after the date of grant of the incentive stock option or within one year after the shares are transferred to the optionee), upon disposition of the shares any amount realized in excess of the optionee's tax basis in the shares disposed of will be treated as a long-term capital gain, and any loss will be treated as a long-term capital loss. In the event of a disqualifying disposition, the difference between the fair market value of the shares received on the date of exercise and the exercise price (limited, in the case of a taxable sale or exchange, to the excess of the amount realized upon disposition over the optionee's tax basis in the shares) will be treated as compensation received by the optionee in the year of disposition. Any additional gain will be taxable as a capital gain and any loss as a capital loss, which will be long-term or short-term, depending on the length of time the optionee held the shares. If the exercise price of an incentive stock option is paid in whole or in part with shares of common stock, no income gain or loss generally will be recognized by the optionee with respect to the shares of common stock paid as the exercise price. However, if such shares of common stock were received upon the exercise of an incentive stock option, the use of those shares as payment of the exercise price will be considered a disposition for purposes of determining whether there has been a disqualifying disposition of those shares.

Neither the Company nor any of its subsidiaries will be entitled to a deduction with respect to shares received by an optionee upon exercise of an incentive stock option and not disposed of in a disqualifying disposition. If an amount is treated as compensation received by an optionee because of a disqualifying disposition, the Company or one of its subsidiaries generally will be entitled to a corresponding deduction in the same amount for compensation paid.

**Non-Qualified Stock Options.** An optionee will not recognize any taxable income for federal income tax purposes upon receipt of a non-qualified stock option. Upon the exercise of a non-qualified stock option the amount by which the fair market value of the shares received, determined as of the date of exercise, exceeds the exercise price, the stock option will be treated as compensation received by the optionee in the year of exercise. If the exercise price of a non-qualified stock option is paid in whole or in part with shares of common stock, (i) no income, gain or loss will be recognized by the optionee on the receipt of shares equal in value on the



date of exercise to the shares delivered in payment of the exercise price, and (ii) no income, gain or loss will be recognized by the optionee with respect to the shares of common stock paid as the exercise price of the option. The fair market value of the remainder of the shares received upon exercise of the non-qualified stock option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise, will be treated as compensation income received by the optionee on the date of exercise of the stock option. The Company or one of its subsidiaries, generally will be entitled to a deduction for compensation paid in the same amount treated as compensation received by the optionee.

**Restricted Stock.** A recipient of restricted stock will not recognize any taxable income for federal income tax purposes in the year of the Award, provided the shares are subject to restrictions (that is, they are non-transferable and subject to a substantial risk of forfeiture). However, the recipient may elect under Section 83(b) of the Code to recognize compensation income in the year of the Award in an amount equal to the fair market value of the shares on the date of the Award (less the amount paid by the recipient for such shares), determined without regard to the restrictions. If the recipient does not make a Section 83(b) election, the fair market value of the shares on the date the restrictions lapse (less the amount paid by the recipient for such shares) will be treated as compensation income to the recipient and will be taxable in the year the restrictions lapse. The Company or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the recipient.

**Unrestricted Stock.** Any shares of common stock received pursuant to an Award of unrestricted stock will be treated as compensation income received by the recipient, generally, in the year in which the recipient receives such shares. In each case, the amount of compensation income will equal the fair market value of the shares of common stock on the date compensation income is recognized (less the amount, if any, paid by the recipient for such shares). The Company or one of its subsidiaries, generally, will be entitled to a corresponding deduction in the same amount for compensation paid.

**Performance Stock Awards.** A recipient of a performance stock award will not recognize any taxable income for federal income tax purposes upon receipt of the Award. Any shares of common stock received pursuant to the Award will be treated as compensation income received by the recipient, generally, in the year in which the recipient receives such shares of common stock. The amount of compensation income will equal the fair market value of the shares of common stock on the date compensation income is recognized. The Company or one of its subsidiaries, generally, will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the recipient.

**Other Tax Matters.** The exercise by a recipient of a stock option, the lapse of restrictions on restricted stock, or the deemed earnout of performance stock awards following the occurrence of a change in control, in certain circumstances, may result in:

a 20% federal excise tax (in addition to federal income tax) to the recipient on certain payments of common stock or cash resulting from such exercise or deemed earnout of performance stock awards or, in the case of restricted stock, on all or a portion of the fair market value of the shares on the date the restrictions lapse; and

the loss of a compensation deduction which would otherwise be allowable to the Company or one of its subsidiaries as explained above.

***Grants Under the 2006 Plan***

As of the date of this Proxy Statement, no employee has been granted options or shares under the 2006 Plan.

***Interests of Certain Persons in the 2006 Plan***

The approval and adoption of the 2006 Plan is being solicited and recommended by both management and the Board of Directors. Each executive officer and each member of the Board of Directors will be eligible to participate in and such persons could receive benefits under the 2006 Plan.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL AND ADOPTION OF THE 2006 STOCK GRANT AND OPTION PLAN.**

**PROPOSAL THREE**

**RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

The Board of Directors has appointed Tauber & Balsler, P.C. to audit the consolidated financial statements of Speedemissions for the fiscal year ending December 31, 2006, and seeks ratification of such appointment. In the event of a negative vote on such ratification, the Board of Directors will reconsider its appointment.

Tauber & Balser, P.C. was engaged as independent public accountants of Speedemissions for 2005. Representatives from Tauber & Balser, P.C. will be present at the annual meeting, will have the opportunity to make a statement if they so desire, and will be available to respond to appropriate questions. The Audit Committee is responsible for selecting our independent public accountants for 2007, and has not yet made its selection.

#### *Fees for 2005 and 2004*

The table below sets forth the aggregate fees billed to Speedemissions for audit, audit-related, tax and other services provided by Tauber & Balser, P.C. to Speedemissions during 2005. Tauber & Balser, P.C. was not engaged as Speedemissions independent auditors in 2004. Fees billed by our independent auditors for 2004, Bennett Thrasher PC, Inc., are described after the table below.

	<b>2005</b>
Audit fees	\$ 93,894
Audit-related fees	included in audit fees
Tax fees	\$ 11,259
All other fees	\$ 0
<b>Total</b>	<b>\$ 105,153</b>

#### **Audit and Audit-Related Fees**

During the fiscal year ended December 31, 2005 Tauber & Balser, P.C. billed us \$93,894, and for the fiscal year ended December 31, 2004 Bennett Thrasher PC, Inc. billed us \$2,402 in fees for the annual audit engagement, assurance and related services related to the performance of the audit or review of our financial statements.

#### **Tax Fees**

During the fiscal year ended December 31, 2005 Tauber & Balser, P.C. billed us \$11,259, and in the fiscal year ended December 31, 2004 Bennett Thrasher PC, Inc. billed us \$2,500 in fees for professional services for tax planning and preparation.

#### **All Other Fees**

During the fiscal years ended December 31, 2005 and 2004, Bennett Thrasher PC, Inc. and Tauber & Balser, P.C. did not bill us for any other fees.

Of the fees described above for the fiscal year ended December 31, 2005, 100% were either approved in advance by the Audit Committee or subsequently ratified by the Audit Committee. All fees paid to Tauber & Balser, P.C. in 2005 which required the pre-approval of the Audit Committee were approved in accordance with our pre-approval policies and procedures described below.

#### *Pre-Approval Policies and Procedures*

**Audit and Non-Audit Services Pre-Approval Policy.** Under the Sarbanes-Oxley Act of 2002, the audit committee of the board of directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the audit committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence from Speedemissions. To implement these provisions of the Sarbanes-Oxley Act of 2002, the SEC has issued rules specifying the types of services that an independent auditor may not provide to its audit client and governing the audit committee's administration of the engagement of the independent auditor.

*Audit Services.* Audit services in the annual audit engagement include the annual financial statement audit (including required quarterly reviews), subsidiary audits, equity investment audits and other procedures required to be performed by the independent auditor in order for the independent auditor to form an opinion on Speedemissions' consolidated financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control and consultations relating to the annual audit or quarterly review. Audit services also include the engagement for the independent auditor's report on the effectiveness of internal controls for financial reporting and on management's assessment of the effectiveness of such internal controls. In addition to the audit services included in the annual audit engagement, the Audit Committee may approve other audit services. Other audit services are those services that only the independent auditor can reasonably provide and include statutory audits or financial audits for our subsidiaries or affiliates and services associated with SEC registration statements, periodic reports and other documents we file with the SEC or

other documents issued in connection with a securities offering.

*Audit-Related Services.* Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the independent auditor. The Audit Committee may grant pre-approval to audit-related services if the provision of audit-related services does not impair the independence of the auditor and is consistent with SEC rules on auditor independence. Audit-related services include accounting consultations relating to accounting, financial reporting or disclosure matters not classified as audit services, assistance with understanding and implementing new accounting and financial reporting guidance from rule-making authorities, financial audits of employee benefit plans, and assistance with internal control reporting requirements.

*Tax Services.* Our Audit Committee believes that the independent auditor can provide tax services to Speedemissions such as tax compliance, tax planning and tax advice without impairing the auditor's independence, and the SEC has stated that the independent auditor may provide such services. The Audit Committee may grant pre-approval to those tax services that the Audit Committee believes would not impair the independence of the auditor and are consistent with SEC rules on auditor independence.

*Other Non-Audit Services.* Our Audit Committee believes, based on the SEC's rules prohibiting the independent auditor from providing specific non-audit services, that certain types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant pre-approval for those permissible non-audit services that it believes are routine and recurring services, would not impair the independence of the auditor, and are consistent with the SEC's rules on auditor independence. Our Audit Committee may not pre-approve any of SEC's prohibited non-audit services.

#### **Pre-Approval Procedures.**

*Annual Audit Engagement.* Our Audit Committee appoints the independent auditor of Speedemissions and pre-approves the services to be provided in connection with the preparation or issuance of the annual audit report or related work. The annual audit services are set forth in an engagement letter prepared by the independent auditor which is submitted to the Audit Committee for approval. The independent auditors report directly to the Audit Committee. Audit services within the scope of the engagement letter are deemed to have been pre-approved by our Audit Committee.

*Pre-Approval of Other Audit and Non-Audit Services.* Other audit services, audit-related services, tax services, and other non-audit services may be pre-approved by our Audit Committee either on a specific case-by-case basis as services are needed or on a pre-approval basis for services that are expected to be needed. Our management may submit requests for pre-approval of eligible services by the independent auditor from time to time to our Audit Committee. The request for approval must be sufficiently detailed as to the particular services to be provided so that the Audit Committee knows precisely what services it is being asked to pre-approve and so that it can make a well reasoned assessment of the impact of the service on the auditor's independence. Budgeted amounts or fee levels for services to be provided by the independent auditor must be submitted with the request for pre-approval. Our Audit Committee will be informed of the services rendered by the independent auditor. Management will immediately report to the chairman of the Audit Committee any services that are not in compliance with the pre-approval policy that comes to the attention of any member of management.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF TAUBER & BALSER, P.C. AS INDEPENDENT AUDITORS OF SPEDEMISSIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2006.**

**BENEFICIAL OWNERSHIP OF OUR STOCK**

The following table shows how much common stock in the company is owned by the directors, certain executive officers, and owners of more than 5% of the outstanding common stock, as of August 30, 2006. Unless otherwise indicated, the mailing address for each beneficial owner is care of Speedemissions, Inc., 1015 Tyrone Road, Suite 220, Tyrone, GA 30290

**Common Stock**

Name	Number of Shares Owned	Right To Acquire(1)	Percentage of Beneficial Ownership(2)
GCA Strategic Investment Fund Ltd. (3) c/o Prime Management Ltd Mechanics Bldg 12 Church St. HM11 Hamilton, Bermuda HM 11	1,457,062	4,963,321(4)	81.7%
Global Capital Funding Group, LP 106 Colony Park Drive, Suite 900 Cumming, GA 30040	62,299	3,574,167(5)	56.2%
Richard A. Parlontieri (6) Bahram Yusefzadeh (14) 2180 West State Road Suite 6184 Longwood, FL 32779	156,242(7)	299,000(8)	14.3%
Bradley A. Thompson (6) (11) Colony Park Drive, Suite 900 Cumming, GA 30040	850	10,167(12)	*
Erik Sander (15) Ernest A. Childs, PhD (6)	-0-	4,167(13)	*
All current directors and executive officers as a group (6 persons)	156,242	299,000	14.3%

\* represents less than 1%.

(1) Includes shares that may be acquired within 60 days of the date of this report by exercising vested stock options and warrants but does not include any unvested stock options or warrants.



## Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

- (2) For each individual or entity, this percentage is determined by assuming the named person or entity exercises all options and warrants that each has the right to acquire within 60 days, but that no other persons or entities exercise any options or warrants. For the directors and executive officers as a group, this percentage is determined by assuming that each director and executive officer exercises all options and warrants which he or she has the right to acquire within 60 days, but that no other persons or entities exercise any options or warrants. The calculations are based on 2,892,098 shares of common stock outstanding as of August 30, 2006.
- (3) Global Capital Advisors, LLC ( Global ), the investment advisor to GCA Strategic Investment Fund Limited ( GCA ), has sole investment and voting control over shares held by GCA. Mr. Lewis Lester is the sole voting member of Global.
- (4) Includes 3,103,321 shares of common stock which may be acquired upon conversion of 3,724 shares of Series A Convertible Preferred Stock. Also includes 1,860,000 shares of common stock which may be acquired upon the exercise of warrants at \$1.20 per share.
- (5) Includes 1,174,167 shares of common stock which may be acquired upon conversion of 1,409 shares of Series A Convertible Preferred Stock. Also includes 2,400,000 shares of common stock which may be acquired upon the exercise of warrants at \$1.20 per share.
- (6) Indicates a Director of the Company.
- (7) Includes 103,742 shares of common stock owned of record by Calabria Advisors, LLC, an entity controlled by Mr. Parlontieri.
- (8) Includes 150,000 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share; 4,000 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share; and 30,000 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share, which are part of a grant of 40,000 options, with 10,000 options vesting on October 1, 2006. Includes 45,000 shares which may be acquired upon the exercise of

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

warrants at \$7.50 per share; 45,000 shares which may be acquired upon the exercise of warrants at \$10.50 per share; and 25,000 shares which may be acquired upon the exercise of warrants at \$2.50 per share.

- (9) Includes 9,526 shares of common stock owned of record by Yusefzadeh Family Limited Partnership.
- (10) Includes 1,667 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share, which are part of a grant of 5,000 options, with 1,667 options vesting on December 21, 2006 and 1,666 options vesting on December 21, 2007. Includes 8,500 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share. Includes 2,500 shares which may be acquired upon the exercise of warrants at \$1.00 per share and 10,000 shares which may be acquired upon the exercise of warrants at \$2.50 per share.
- (11) Mr. Thompson is a director of GCA Strategic Investment Fund Limited, and disclaims beneficial ownership of the shares held by them.
- (12) Includes 1,667 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share, which are part of a grant of 5,000 options, with 1,667 options vesting on December 21, 2006 and 1,666 options vesting on December 21, 2007. Includes 8,500 shares of common stock which may be acquired upon the exercise of options at \$2.50 per share.
- (13) Includes 1,667 shares of common stock which may be acquired upon the exercise of options at \$1.00 per share, which are part of a grant of 5,000 options, with 1,667 options vesting on December 21, 2006 and 1,666 options vesting on December 21, 2007. Includes 2,500 shares of common stock which may be acquired upon the exercise of options at \$2.00 per share.
- (14) Mr. Yusefzadeh resigned as a Director of the Company effective June 19, 2006.
- (15) Mr. Sander resigned as a Director of the Company effective June 23, 2006.

**Preferred Stock**

Title of Class	Name	Number of Shares Owned	Percentage of Ownership of Class
Series A Convertible Preferred Stock	GCA Strategic Investment Fund Ltd c/o Prime Management Ltd Mechanics Bldg 12 Church St. HM11 Hamilton, Bermuda HM 11	3,724	72.5%
Series A Convertible Preferred Stock	Global Capital Funding Group, LP 106 Colony Park Drive, Suite 900 Cumming, GA 30040	1,409	27.5%
Series B Convertible Preferred Stock	Barron Partners LP (1) c/o Barron Capital Advisors, LLC Managing Partner	2,481,481	100%

Attn: Andrew Barron Worden

730 Fifth Avenue, 9th Floor

New York, NY 10019

- (1) Barron converted 18,519 shares of Series B Convertible Preferred Stock into 140,000 shares of common stock on February 23, 2006. Barron may acquire 18,760,000 shares of common stock upon conversion of 2,481,481 shares of Series B Convertible Preferred Stock. However, Barron is restricted from converting any portion of the Series B Convertible Preferred Stock which would cause Barron to beneficially own in excess of 4.9% of the number of shares of common stock outstanding immediately after giving effect to such conversion. In addition, Barron may acquire 12,587,431 shares of common stock upon the exercise of warrants at \$1.20 per share. However, Barron is restricted from exercising any portion of the common stock warrants which would cause Barron to beneficially own in excess of 4.9% of the outstanding shares of common stock.

**EXECUTIVE COMPENSATION**

The Summary Compensation Table shows certain compensation information for services rendered in all capacities for the fiscal years ended December 31, 2005, 2004, and 2003. In addition, the table shows compensation for our current executive officers. Other than as set forth herein, no executive officer's salary and bonus exceeded \$100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

**Summary Compensation Table**

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options SARs	LTIP Payouts	All Other Compensation
		(\$)	(\$)	(\$)	(\$)	(#)	(\$)	(\$)
Richard A. Parlontieri Chairman, President and CEO	2005	180,000	-0-	-0-	-0-	178,000	-0-	-0-
	2004	180,000	-0-	7,200	-0-	90,000	-0-	-0-
	2003	180,000	-0-	5,400	-0-	41,000	-0-	-0-
Larry C. Cobb	2005	128,476	-0-	-0-	-0-	-0-	-0-	-0-

CFO (1)

- (1) Mr. Cobb was engaged by the Company in April 2005. Prior to his engagement with us, Mr. Cobb served as a consultant to us on certain financial matters.

**OPTION/SAR GRANTS IN LAST FISCAL YEAR****(Individual Grants)**

Name	Number of Securities Underlying Options/SARs Granted	Percent of Total Options/SARs Granted to Employees In Fiscal Year	Exercise or Base Price (\$/Sh)	Expiration Date
Richard A. Parlontieri	3,000	1.1%	2.50	3/10/15
	150,000	55.6%	1.00	12/20/15
Larry C. Cobb	0	0	0	0

**AGGREGATED OPTIONS/SAR EXERCISES IN LAST FISCAL YEAR****AND FY-END OPTION/SAR VALUES**

Name	Shares Acquired On Exercise	Value Realized	Number of Unexercised Securities Underlying	Value of Unexercised In-The-Money
------	-----------------------------	----------------	---	-----------------------------------

Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

	(#)	(\$)	Options/SARs at FY-End	Option/SARs
			(#)	at FY-End
			Exercisable/	(\$)
			Unexercisable	Exercisable/ Unexercisable
Richard A. Parlontieri	N/A	N/A	N/A	N/A
Larry C. Cobb	N/A	N/A	N/A	N/A

### **Employment Agreements and Compensation of Officers**

Effective September 15, 2003, we entered into a three-year employment agreement with Richard A. Parlontieri, our President and Chief Executive Officer. This employment agreement was amended on December 19, 2003. Pursuant to the terms of the employment agreement, Mr. Parlontieri's employment was extended until September 15, 2007. Also pursuant to the terms of the agreement, Mr. Parlontieri receives a salary of \$180,000 per year, plus an automobile and expense allowance, and is eligible for an annual bonus as set forth in the agreement. In January 2006, the Compensation Committee approved a salary increase to \$190,000 pursuant to the salary adjustment term of the employment agreement. The agreement may be terminated by us for cause, in which case Mr. Parlontieri would not be entitled to severance compensation, or without cause, in which case Mr. Parlontieri would be entitled to the balance of his salary due under the agreement, plus other compensation earned through the date of termination. If Mr. Parlontieri's employment terminates due to a change of control of our company, Mr. Parlontieri is entitled to receive his base salary multiplied by three.

On February 22, 2005, the Compensation Committee of our Board of Directors issued to Mr. Parlontieri warrants to acquire 25,000 shares of our common stock at \$2.50 per share, the fair market value of our common stock based on the closing bid price on the date of grant. On February 22, 2005, and again on April 11, 2005, we issued 25,000 shares of our common stock to Calabria Advisors, LLC, an entity controlled by Mr. Parlontieri, for services rendered.

### **Option-based Compensation Plans**

We have adopted two stock option plans. On May 15, 2001, our directors and shareholders approved the SKTF, Inc. 2001 Stock Option Plan, effective June 1, 2001. At our annual shareholders meeting on August 27, 2003, our shareholders approved an amendment to the plan, changing its name to the Speedemissions, Inc. 2001 Stock Option Plan, and increasing the number of shares of our common stock available for issuance under the plan from 60,000 shares to 100,000 shares. As of March 8, 2006, we have issued options to acquire 84,975 shares of our common stock under the plan at prices ranging from \$2.00 to \$5.15 per share, and we have issued 5,000 shares of common stock under the plan.

At our annual 2005 meeting, the shareholders approved the 2005 Omnibus Stock Grant and Option Plan (the 2005 Plan), effective September 1, 2005. We may issue options for up to 2,500,000 shares of our common stock. For purposes of the 2005 Plan, each year of the plan commences on September 1. On September 1 of each new plan year, the number of shares in the 2005 Plan is automatically adjusted to an amount equal to 10% of outstanding shares of common stock on August 31 of the immediately preceding plan year. As of March, 2006, under the 2005 Plan we have issued 238,500 shares or options at an exercise price of \$1.00 per share.

We filed a Form S-8 with the Securities and Exchange Commission on December 8, 2005 registering the 2,500,000 shares of our common stock available under the 2005 Plan.

In March 2005, Mr. Parlontieri was granted options under the 2001 Stock Option Plan to purchase up to 3,000 shares of our common stock at an exercise price of \$2.50 per share for a period of ten years. In December 2005, Mr. Parlontieri was granted options under the 2005 Plan to purchase up to 150,000 shares of our common stock, at \$1.00 per shares for a period of ten years.

### ***Section 16(a) Beneficial Ownership Reporting Compliance***

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership of, and transactions in, our equity securities with the SEC, which are called Section 16 Reports. Such directors, executive officers and 10% shareholders are also required to furnish us with copies of all Section 16 Reports they file.

We believe that all Section 16(a) filing requirements applicable to our directors, executive officers and 10% shareholders were complied with during fiscal year 2005.

---

**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee is currently comprised of two directors, Bradley Thompson and Michael Guirlinger, who serves as its chairman. Erik Sander and Bahram Yusefzadeh, who were members of the Audit Committee in 2005, resigned from our Board of Directors in June 2006. Michael Guirlinger was appointed by the Board to fill one of these vacancies until the annual meeting of the shareholders and was also appointed to serve as Chairman of the Audit Committee.

Our management is responsible for the preparation, presentation and integrity of Speedemissions' s financial statements, accounting and financial reporting principles in compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for performing an independent audit of Speedemissions' financial statements in accordance with generally acceptable auditing standards and expressing an opinion as to their conformity with generally accepted accounting principles. The Audit Committee is directly responsible in its capacity as a committee of the board for the appointment, compensation and oversight of the work of the independent auditor. The independent auditor reports directly to the Audit Committee.

In performing its oversight role, the Audit Committee has considered and discussed the audited financial statements with management and with Tauber & Balser, P.C., our independent auditors. The Audit Committee also has discussed with the independent auditors the matters required to be discussed by Statement on Accounting Standards ( SAS ) No. 61, Communications with Audit Committees, as currently in effect. SAS No. 61 requires the independent auditors to provide us with additional information regarding the scope and results of their audit of Speedemissions' financial statements, including information with respect to the following, if applicable:

their responsibility under standards of the Public Company Accounting Oversight Board (United States), or PCAOB;

critical accounting policies, including a discussion of their quality, not just their acceptability;

sensitive accounting estimates;

any significant audit adjustments;

unrecorded audit differences considered by management to be immaterial;

any disagreements with management;

consultations with other accountants;

any difficulties encountered with management in performing the audit;

the adoption of or change in an accounting principle; and

methods of accounting for significant unusual transactions and for controversial or emerging areas.

The Audit Committee has received from Tauber & Balser, P.C. a letter providing the disclosures required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, with respect to any relationships between Tauber & Balser, P.C. and Speedemissions that in their professional judgment may reasonably be thought to bear on independence. Tauber & Balser, P.C. has discussed its independence with us, and has confirmed in such letter that, in its professional judgment, it is independent of Speedemissions within the meaning of federal securities laws. In addition to the disclosures and discussions mandated by SAS No. 61 and ISB Standards No. 1, the Audit

## Edgar Filing: SPEEDEMISSIONS INC - Form DEF 14A

Committee discussed with Tauber & Balsler, P.C. risks of fraud and illegal acts as required by SAS No. 99 and other matters required to be communicated to the Committee by our independent auditor under the requirements of the PCAOB and SEC.

All non-audit services performed by the independent auditors must be specifically pre-approved by the Audit Committee or a member thereof. The Audit Committee approved the non-audit services rendered by our independent auditors during the most recent fiscal year as required by Section 10A(i) of the Exchange Act and Rule 2.01(c)(7) of Regulation S-X and considered whether the approved non-audit services are compatible with maintaining the independence of such auditors. Members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditors. Therefore, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

Based on the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the charter, the Audit Committee recommended to the board of directors that the audited financial statements of Speedemissions for 2005 be included in its Annual Report on Form 10-KSB for the year ended December 31, 2005, prior to the filing of such report with the SEC.

Audit Committee:

Michael E. Guirlinger, Chairman

Bradley A. Thompson



**Policies on Reporting of Concerns Regarding Accounting and Other Matters and on Communicating with Directors.**

We have adopted policies on reporting of concerns regarding accounting and other matters and on communicating with our directors. Any person, whether or not an employee, who has a concern about the conduct of Speedemissions or any of our people, including with respect to our accounting, internal accounting controls or auditing issues, may, in a confidential or anonymous manner, communicate that concern to the members of the Audit Committee by mail or telephone at the address and number of the headquarters of Speedemissions. In addition, any person may communicate directly with our directors by mail or telephone at the address and number of the headquarters of Speedemissions.

**OTHER MATTERS THAT MAY COME BEFORE THE ANNUAL MEETING**

We have no present knowledge of any other matters to be presented at the annual meeting. If any other matters should properly come before the annual meeting, or any adjournment or postponement thereof, it is the intention of the persons named in the accompanying Proxy to vote such Proxy in accordance with their best judgment.

**PROPOSALS OF SHAREHOLDERS**

***Shareholder Nominations for Directors***

Our Bylaws do not have specific procedures for shareholder nominations of directors. Shareholders who wish to nominate directors at an annual meeting of the shareholders must contact Richard A. Parlontieri, Chairman of the Board of Directors, at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, telephone (770) 306-7667, by December 31 in the year preceding the annual meeting. The shareholder must provide Mr. Parlontieri with the name, address and resume, and any other information requested by the Board of Directors, of his or her nominee for director.

***Shareholder Proposals for our 2007 Annual Meeting***

If you wish to present proposals for inclusion in the proxy materials to be distributed by us in connection with our 2007 annual meeting, you must submit your proposal in proper form (in accordance with the SEC Rule 14a-8), to our secretary on or before December 31, 2006, in order for the proposal to be considered for inclusion in the proxy statement for the 2007 annual meeting of Shareholders. Simply submitting a proposal does not guarantee its inclusion, as the rules of the SEC make clear.

**OTHER MATTERS**

***Important Notice Regarding Delivery of Shareholder Documents***

We have sent a notice to certain street name shareholders of common stock or Series A Convertible Preferred Stock who share a single address, indicating that only one copy of this proxy statement is being sent to that address unless we received contrary instructions from any shareholder at that address. This practice, known as "householding," reduces our printing and postage costs. However, if any shareholder residing at such an address wishes to receive a separate copy of this proxy statement, he or she may contact Richard A. Parlontieri at 1015 Tyrone Road, Suite 220, Tyrone, Georgia 30290, telephone (770) 306-7667, and we will deliver those documents to such shareholder promptly upon receiving the request. Any such shareholder may also contact Interwest Transfer Company at (801) 272-9294, if he or she would like to receive separate proxy statements in the future. If you are receiving multiple copies of our proxy statement, you may request householding in the future by contacting Interwest Transfer Company at (801) 272-9294.

***Incorporation by Reference***

To the extent that this proxy statement is incorporated by reference into any other filing by Speedemissions under the Securities Act of 1933, as amended, or the Exchange Act, the sections of this proxy statement titled "Report of the Audit Committee" (to the extent permitted by the rules of the SEC), as well as the exhibits to this proxy statement, will not be deemed incorporated, unless specifically provided otherwise in such filing.

REVOCABLE PROXY

SPEEDEMISSIONS, INC.

**PROXY SOLICITED ON BEHALF OF YOUR BOARD OF DIRECTORS**

FOR THE ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 18, 2006

The Shareholder executing this Proxy appoints Richard A. Parlontieri and Michael Shanahan, and each of them, each with full power to appoint his or her substitute, attorneys and proxies to represent the Shareholder and to vote and act with respect to all shares of common stock of Speedemissions, Inc. ( Speedemissions ) that the Shareholder would be entitled to vote on all matters which come before the Annual Meeting of Shareholders of Speedemissions referred to above (the Annual Meeting ) and at any adjournment(s) or postponement(s) of the Annual Meeting.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF SPEEDEMISSIONS, INC. IF THIS PROXY IS PROPERLY EXECUTED, THE SHARES OF SPEEDEMISSIONS COMMON STOCK AND SERIES A CONVERTIBLE PREFERRED STOCK, IF APPLICABLE, REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED. IF NO DIRECTION IS MADE, SUCH SHARES WILL BE VOTED **FOR** THE ELECTION AS DIRECTORS OF ALL NOMINEES LISTED HEREIN, **FOR** THE APPROVAL AND ADOPTION OF THE 2006 STOCK GRANT AND OPTION PLAN AND **FOR** THE RATIFICATION OF TAUBER & BALSER, P.C. AS THE INDEPENDENT AUDITORS OF SPEEDEMISSIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2006. THE SHARES OF SPEEDEMISSIONS COMMON STOCK AND SERIES A CONVERTIBLE PREFERRED STOCK REPRESENTED BY THIS PROXY WILL BE VOTED IN THE DISCRETION OF THE PROXIES ON ANY OTHER MATTERS WHICH MAY COME BEFORE THE ANNUAL MEETING.

ADDRESS CHANGE/COMMENTS (Mark the corresponding box on the reverse side.)

(Continued and to be signed on reverse side.)

	MARK HERE	..
	FOR ADDRESS	
	CHANGE OR	
	COMMENTS	
	SEE REVERSE SIDE	
	WITHHOLD AUTHORITY	
1. ELECTION OF FIVE (5) DIRECTORS, each to serve until his successor is duly	FOR ALL NOMINEES	TO VOTE FOR ALL
elected and qualified:	LISTED HEREIN (EXCEPT	NOMINEES
	AS MARKED TO THE	LISTED HEREIN
	CONTRARY)	
	..	..

- 01. Richard A. Parlontieri
- 02. Bradley A. Thompson
- 03. Ernest A. Childs
- 04. John Bradley
- 05. Michael E. Guirlinger

NOTE: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE

STRIKE A LINE THROUGH THE NOMINEE S NAME IN THE LIST ABOVE.

2. APPROVAL AND ADOPTION OF THE 2006 STOCK GRANT	FOR THE 2006	AGAINST THE	ABSTAIN
AND	STOCK GRANT AND	2006 STOCK	..
OPTION PLAN	OPTION PLAN	GRANT AND	
	..	OPTION PLAN	
		..	
3. RATIFICATION OF TAUBER & BALSER, P.C. AS	FOR THE	AGAINST THE	ABSTAIN
INDEPENDENT	RATIFICATION OF	RATIFICATION OF	..
AUDITORS OF SPEEDEMISSIONS FOR FISCAL YEAR ENDING	TAUBER & BALSER,	TAUBER & BALSER, P.C.	
	P.C.	..	
DECEMBER 31, 2006	..		

Dated \_\_\_\_\_, 2006

Signature

Signature if held jointly

Please sign exactly as name appears on this proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by an authorized officer. If a partnership, please sign in partnership name by authorized person.