

Cardium Therapeutics, Inc.
Form DEF 14A
April 24, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- | | |
|---|---|
| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the Commission Only |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | |
| <input type="checkbox"/> Definitive Additional Materials | (as permitted by Rule 14a-6(e)(2)) |
| <input type="checkbox"/> Soliciting Material Pursuant to § 240.14a-12 | |

CARDIUM THERAPEUTICS, 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.

Edgar Filing: Cardium Therapeutics, Inc. - Form DEF 14A

(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 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(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.

(1) Amount Previously Paid:

Edgar Filing: Cardium Therapeutics, Inc. - Form DEF 14A

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

(3) Filing Party:

(4) Date Filed:

CARDIUM THERAPEUTICS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Thursday, May 31, 2012

Time: 9:00 a.m., Pacific time

Place: San Diego Marriott Del Mar

11966 El Camino Real

San Diego, California 92130

To our Stockholders:

You are cordially invited to attend the annual meeting of stockholders of Cardium Therapeutics, Inc. to consider and act upon the following matters:

- 1 To elect two Class III directors, each to serve until the next annual meeting of stockholders held to elect Class III directors and until their respective successor is elected and qualified;
- 2 To ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and
- 3 To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing matters are more fully described in the proxy statement accompanying this notice.

Stockholders of record at the close of business on April 13, 2012, the record date fixed by the Board of Directors, are entitled to notice of and to vote at the meeting and at any adjournment or postponement thereof.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON May 31, 2012: This notice of meeting, the proxy statement and annual report to stockholders are available on-line at www.edocumentview.com/cxm.

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares at your earliest convenience. This will help ensure the presence of a quorum at the meeting. Promptly voting your shares by telephone, by the Internet, or by signing, dating, and returning the enclosed proxy card will save us the expense and extra work of additional solicitation. Voting your shares by telephone or by the Internet will further help us reduce the costs of solicitation. A pre-addressed envelope for which no postage is required if mailed in the United States is enclosed if you wish to vote by mail. Voting your shares now will not prevent you from attending or voting your shares at the meeting if you desire to do so.

Only stockholders and persons holding proxies from stockholders may attend the meeting. If you plan to attend, please bring a photo ID. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a recent brokerage statement, proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares to attend the meeting.

By Order of the Board of Directors

Edgar Filing: Cardium Therapeutics, Inc. - Form DEF 14A

Christopher J. Reinhard

Chairman of the Board, Chief Executive Officer and President

12255 El Camino Real Suite 250

San Diego, California 92130

(858) 436-1000

April 30, 2012

CARDIUM THERAPEUTICS, INC.

12255 El Camino Real, Suite 250

San Diego, California 92130

PROXY STATEMENT

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Cardium Therapeutics, Inc., a Delaware corporation (the Company, Cardium or we, our, or us), for use at its annual meeting of stockholders to be held on Thursday, May 2012, at 9:00 a.m. Pacific time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130, and at any adjournment or postponement thereof (the Annual Meeting). We expect to mail this proxy statement and the enclosed proxy card on or about April 30, 2012 to all stockholders entitled to vote at the Annual Meeting.

VOTING INFORMATION

Who can vote?

You may vote if you were a stockholder of record as of the close of business on April 13, 2012. This date is known as the record date. You are entitled to one vote for each share of common stock you held on that date on each matter presented at the Annual Meeting. As of April 13, 2012, approximately 119,617,356 shares of our common stock, par value \$0.0001 per share, were issued and outstanding.

How many votes are needed to hold the Annual Meeting?

To take any action at the Annual Meeting, a majority of our outstanding shares of common stock entitled to vote as of April 13, 2012, must be represented, in person or by proxy, at the Annual Meeting. This is called a quorum.

What is a proxy?

A proxy allows someone else to vote your shares on your behalf. Our Board of Directors is asking you to allow the people named on the proxy card (Christopher J. Reinhard and Tyler M. Dylan-Hyde) to vote your shares at the Annual Meeting.

How do I vote by proxy?

Whether you hold shares directly as a stockholder of record or beneficially in street name, you may vote without attending the Annual Meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. To vote by proxy, please follow the instructions on the enclosed proxy card. You may vote by telephone, by the Internet or by mail. Shares held in street name may be voted by telephone or by the Internet only if your broker or nominee makes those methods available. Your broker or nominee will enclose instructions for voting shares held in street name by telephone or by the Internet with this proxy statement if your broker or nominee has chosen to make those methods available.

If you vote by proxy, your shares will be voted at the Annual Meeting in the manner you indicate. If you vote by mail and return a signed proxy card with no specific instructions, your shares will be voted as the Board of Directors recommends.

Can I change my vote after I submit my proxy?

Yes. You can change or revoke your proxy at any time before it is voted by submitting another proxy with a later date (via the Internet, by telephone or by mail) or attending the meeting and voting in accordance with the

instructions below. You also may send a written notice of revocation to Cardium Therapeutics, Inc., 12255 El Camino Real, Suite 250, San Diego, California 92130, Attention: Tyler M. Dylan-Hyde, Secretary.

Can I vote in person at the Annual Meeting instead of voting by proxy?

Yes. However, we encourage you to vote your shares at your earliest convenience to ensure that your shares are represented and voted. If you vote your shares by proxy and later decide you would like to attend the meeting and vote your shares in person, you will need to provide a written notice of revocation to the secretary of the meeting before your proxy is voted. If the holder of record of your shares is a broker, bank or other nominee and you wish to vote in person at the meeting, you must request a legal proxy from your broker, bank or other nominee that holds your shares and present that proxy and proof of identification at the Annual Meeting. If you would like to obtain directions to be able to attend the meeting and vote in person, please contact the Company at (858) 436-1000.

How are votes counted?

Except as noted, all proxies received will be counted in determining whether a quorum exists and whether we have obtained the necessary number of votes to approve each proposal. An abstention from voting will be used for the purpose of establishing a quorum, but for purposes of determining the outcome of the proposal as to which the proxy is marked "abstain," the shares represented by such proxy will not be treated as affirmative votes. In other words, abstentions are not counted with respect to the proposal regarding the election of directors and are treated as votes cast against with respect to the other proposals. A broker non-vote will also be used for the purpose of establishing a quorum, but will not otherwise be counted in the voting process. Thus, broker non-votes will not affect the outcome of any of the matters being voted on at the Annual Meeting. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (i) the broker has not received voting instructions from the beneficial owner and (ii) the broker lacks discretionary voting power to vote such shares.

How many votes are required to approve each proposal?

For the election of the two Class III directors, a plurality of the votes is required. This means that the two candidates who receive the most votes will be elected to the two available Class III positions on the Board of Directors. Please note, that a bank, broker or nominee is not permitted to vote on behalf of beneficial owners with respect to uncontested elections of directors. If you wish your shares to be voted, you must instruct your bank, broker or nominee on how to vote your shares for the election of directors.

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. See, however, Proposal 2 Effect of Ratification.

As of April 13, 2012, our executive officers and directors held of record or beneficially owned approximately 10,445,972 shares, or 8.53%, of our issued and outstanding common stock. Our executive officers and directors have indicated their intention to vote FOR the election of each of the nominees for the Class III directors and FOR the ratification of the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

Who pays for this proxy solicitation?

The Company will pay the cost of soliciting proxies for the Annual Meeting, including the costs of preparing, assembling and mailing the proxy materials. We will provide copies of proxy materials to fiduciaries, custodians and brokerage houses to forward to the beneficial owners of shares held in their name. We may reimburse such fiduciaries, custodians and brokers for their costs in forwarding the proxy materials.

In addition to the solicitation of proxies by mail, certain of our officers and other employees may also solicit proxies personally or by telephone, facsimile, e-mail or other means. No additional compensation will be paid to these individuals for any such services.

OUR BOARD OF DIRECTORS

Board Members

Our Board of Directors is responsible for the overall management of the Company. The Board of Directors is divided into three classes, designated Class I, Class II and Class III. The Board of Directors currently includes two Class I directors, three Class II directors, and two Class III directors. The name, age and business experience of each of our directors are shown below.

CLASS I

Edward W. Gabrielson, M.D. (Age 59)

Director

Dr. Gabrielson has served as a director and a member of the Nominating Committee of the Board of Directors since January 2006. He has more than 25 years of experience as a physician and faculty member at Johns Hopkins University. Currently, Dr. Gabrielson is a Professor of Pathology and Oncology at Johns Hopkins University School of Medicine, and Professor of Environmental Health Sciences at the Johns Hopkins University Bloomberg School of Public Health. He is also an attending physician at the Johns Hopkins Hospital and Bayview Medical Center. Dr. Gabrielson received a Bachelor of Science in Biology and Chemistry from the University of Illinois and an M.D. from Northwestern University Medical School.

Lon E. Otremba (Age 55)

Director

Mr. Otremba has served as a director and a member of the Nominating Committee of the Board of Directors since January 2006. He is the Chief Executive Officer, and board director, of Tylted, which hosts one of the Mobile Web's largest communities of social, casual gamers. He is also Executive Chairman and a director of Professional Interactive Entertainment (July 2010-Present), a leading provider of Web-based services for video gamers worldwide. Previously he was Chairman and Chief Executive Officer (October 2006- December 2010) of Access 360 Media, a privately-held media company, where he remains a director and member of the Audit Committee. Previously, Mr. Otremba was Principal Managing Director (August 2005-October 2006) of Otremba Management Advisory, LLC, a management advisory firm; Chief Executive Officer (September 2003-August 2005) and a director (September 2003-July 2005) of Muzak, LLC; Executive Vice President (2001-2003) of Time Warner; and President and a director (1997-2000) of Mail.com (now Easy Link Services Corp.). He currently is a director of EEI Communications (since June 2006), a privately-held leading provider of outsourced new media, print publishing and staffing services, and DotMenu, Inc. (since 2008) and interactive commerce company. He is a past director (2006 - 2009) of Power Medical Interventions, a privately held medical technology company which was acquired by Covidien in September 2009, and Artes Medical, Inc., (from 2006 to 2008) a publicly traded medical technology company which has since filed for bankruptcy.

CLASS II

Tyler M. Dylan-Hyde, Ph.D., J.D. (Age 50)

Director, Chief Business Officer, General Counsel, Executive Vice President and Secretary

Dr. Dylan-Hyde is co-founder of Cardium and has served as a director and as the Company's General Counsel, Executive Vice President and Secretary since its inception in December 2003, and as its Chief Business

Officer since May 2005. Since August 2006, Dr. Dylan-Hyde has also served as a director and Chief Business Officer, General Counsel, Executive Vice President and Secretary of Tissue Repair Company, a wholly-owned subsidiary of Cardium. He served as a director and Chief Business Officer of Cardium's subsidiary, InnerCool Therapies, from its acquisition in March 2006 until its sale to Royal Philips Electronics in July 2009. Previously, he served as the Chief Business Officer, General Counsel, Executive Vice President and Secretary of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. Dr. Dylan-Hyde has focused on the development of biologics and devices for cardiovascular and ischemic diseases for more than a decade. He served as General Counsel and Vice President of Collateral Therapeutics, Inc. until its 2002 acquisition by the Schering Group, Germany (now part of Bayer HealthCare). Dr. Dylan-Hyde played a major role in developing Collateral's intellectual property portfolio, in furthering its business development efforts and in advancing the company toward and through its acquisition by Schering, and continued as an executive officer and later consultant until 2005. Dr. Dylan-Hyde has advised both privately-held and publicly-traded companies that are developing, partnering or commercializing technology-based products. Before joining Collateral, Dr. Dylan-Hyde was a partner of the law firm of Morrison & Foerster LLP. In his law firm practice, he focused on the development, acquisition and enforcement of intellectual property rights, as well as related business and transactional issues. He also has worked with both researchers and business management in the biotech and pharmaceutical industries. Dr. Dylan-Hyde received a B.Sc. in Molecular Biology from McGill University, Montreal, Canada, a Ph.D. in Biology from the University of California, San Diego, where he performed research at the Center for Molecular Genetics, and a J.D. from the University of California, Berkeley.

Andrew M. Leitch (Age 68)

Director

Mr. Leitch has served as a director and a member of the Audit Committee of the Board of Directors since August 2007, and was appointed Chairman of the Audit Committee and a member of the Compensation Committee in March 2011. Mr. Leitch is a financial industry veteran, having served 28 years in public accounting, including 20 years as a partner in Deloitte & Touche. He was deeply involved in international business, serving in various capacities throughout his career including Asian Regional Partner, Managing Partner of various offices in Asia, and Director of Mergers and Acquisitions for South East Asia. Mr. Leitch currently serves on the board of directors of two other publicly listed companies, Blackbaud, Inc. and STR Holdings, Inc. Mr. Leitch served as a director and the Chairman of the Audit Committee of Open Energy, Inc. (2006-2007), as a director and a member of the Audit Committee of Wireless Facilities, Inc. (2005-2006), and a director and member of the audit committee of Aldila Inc. (2004 - 2010), all publicly-traded companies. He is also a board member of certain private and portfolio companies within leading U.S. and International private equity groups. Mr. Leitch is a Certified Public Accountant.

Gerald J. Lewis (Age 78)

Director

Justice Lewis has served as a director, a member of the Audit Committee and the Chairman of the Compensation Committee of the Board of Directors since January 2006. He served on a number of courts in the California judicial system, and retired from the Court of Appeal in 1987. He has served as an arbitrator or mediator on a large number of cases and was Of Counsel to Latham & Watkins from 1987 to 1997. He has been a director of several publicly-traded companies, including Henley Manufacturing, Wheelabrator Technologies, Fisher Scientific International, California Coastal Properties and General Chemical Group, and was Chairman of the Audit Committee of several of these companies. Justice Lewis was a director of Invesco Mutual Funds from 2000 until 2003, when Invesco became the AIM Mutual Funds, and thereafter served as a director of the AIM Mutual Funds from 2003 to 2006. Since August 2006, Justice Lewis has served as a director and a member of the Audit and Compensation Committees of the Tennenbaum Opportunities Fund.

CLASS III

Murray H. Hutchison (Age 73)

Director

Mr. Hutchison has served as a director, a member of the Audit and Compensation Committees and the Chairman of the Nominating Committee of the Board of Directors since January 2006. He served 27 years as Chief Executive Officer and Chairman of International Technology Corp., a large publicly-traded diversified environmental engineering and construction firm, until his retirement in 1997. Since his retirement, Mr. Hutchison has been self-employed with his business activities involving primarily the management of an investment portfolio and consulting with corporate management on strategic issues. Mr. Hutchison currently serves as the Chairman (since 2005) of Texas Eastern Product Pipelines, a publicly-traded pipeline and distribution company, and The Huntington Hotel Corporation (since 1996), a privately-held company, and as a director of Jack in the Box, Inc. (since 1998), a publicly-traded fast food restaurant chain, Cadiz, Inc. (since 1998), a publicly-traded company focused on land acquisition and water development activities, and The Olson Company (since 1996), a privately-held home builder, and has served on the Audit and Compensation Committees of several publicly-traded companies. Previously, Mr. Hutchison served as Chairman and Chief Executive Officer (1999-2000) of Sunrise Medical, a publicly-traded medical equipment manufacturer, and as a member of the Board of Management of the University of California Berkeley Haas Graduate School of Business Administration. He also has served as a trustee or member of the board of managers of various foundations. Mr. Hutchison holds a B.S. in Economics and a B.B.A. in Foreign Trade.

Christopher J. Reinhard (Age 58)

Chairman of the Board, Chief Executive Officer, President and Treasurer

Mr. Reinhard is co-founder of Cardium and has served as a director and the Chief Executive Officer, President and Treasurer of Cardium since its inception in December 2003, and as the Chief Executive Officer and President of Tissue Repair Company, a wholly-owned subsidiary of Cardium, since August 2006. He served as a director and Chief Executive Officer and Treasurer of Cardium's subsidiary, InnerCool Therapies, from its acquisition in March 2006 until its sale to Royal Philips Electronics in July 2009. Previously, he served as a director and the Chief Executive Officer, President and Treasurer of Aries Ventures Inc. from October 20, 2005 through its merger with Cardium in January 2006. He also served as Chief Financial Officer of Aries Ventures Inc. from October 20, 2005 to November 16, 2005. For the past twelve years, Mr. Reinhard has focused on the commercial development of innovative therapeutics and medical devices. Before founding Cardium, he was a co-founder of Collateral Therapeutics, Inc., a former Nasdaq listed public company, and served as a director (from 1995) and President (from 1999) of Collateral Therapeutics until the completion of its acquisition by the Schering AG Group (now Bayer Schering Pharma) in 2002. He continued as Chief Executive of Collateral Therapeutics through December 2004. Mr. Reinhard played a major role in effecting Collateral Therapeutics' initial public offering in 1998, and the sale of Collateral Therapeutics to Schering. From 2004-2008, Mr. Reinhard was Executive Chairman of Artes Medical, Inc., a publicly-traded medical technology company which has since filed for bankruptcy. Previously, Mr. Reinhard was Vice President and Managing Director of the Henley Group, a publicly-traded diversified industrial and manufacturing group, and Vice President of various public and private companies created by the Henley Group through spin-out transactions, including Fisher Scientific Group, a leading international distributor of laboratory equipment and test apparatus for the scientific community, Instrumentation Laboratory and IMED Corporation, a medical device company. Mr. Reinhard received a B.S. in Finance and an M.B.A. from Babson College.

In addition to the information above regarding each director's business experience and service on the boards of directors of other companies, our Board of Directors considered the following experience, qualifications or skills of each of our directors in concluding that each director is qualified to serve as a director. The information below is not intended to be an exhaustive list of the qualifications that the Board of Directors considered with respect to our directors.

Dr. Gabrielson was selected to serve on our Board of Directors because of his medical and general industry experience gained as a practicing physician.

Mr. Otremba we selected to serve on our Board of Directors because of his experience as a management advisor and his media industry experience.

Dr. Dylan-Hyde is a co-founder and serves as an inside director of the Company. He has significant legal experience as well as industry and public company experience.

Mr. Leitch served as a licensed CPA for 28 years. He was recruited to join our Board of Directors, in particular, to serve the function of audit committee chairman and financial expert. Mr. Leitch has served as audit committee chair now for three other public companies at various times prior joining the Company.

Justice Lewis was asked to serve on our Board of Directors because of his extensive service on boards of directors of public companies. His experience as a director, and his prior experience as a judge and attorney, provides valuable insight and guidance on matters related to corporate governance.

Mr. Hutchinson was invited to serve as a member of our Board of Directors because of his strong background in managing business organizations and his experience serving as a director of publicly traded companies.

Mr. Reinhard is a co-founder and serves as an inside director and the Chairman of our Board of Directors. He has significant industry experience as well as public company experience.

Board Leadership

The Chairman of our Board of Directors also serves as our Chief Executive Officer. Our Board of Directors does not have a lead independent director. Our Board of Directors has determined that its leadership structure is appropriate and effective. Our Board of Directors believes that having a single individual serve as both chairman and chief executive officer provides clear leadership, accountability and promotes strategic development and execution. Our Board of Directors also believes that there is a high degree of transparency among directors and company management. Five of the seven members of our Board of Directors are independent directors and all of those individuals serve on the committees of our Board of Directors. Our Chairman and Chief Executive Officer does not serve on any committee, which our Board of Directors believes promotes appropriate independent leadership.

Independence

The rules of the stock exchange on which our common stock is currently listed, the NYSE Amex, require listed companies to have a board of directors with at least a majority of independent directors. Our Board of Directors, following the review and determination of the Nominating Committee, has determined that five of our seven directors are independent based on the definition of independence set forth in the NYSE Amex Company Guide. The members determined to be independent are Messrs. Gabrielson, Hutchison, Leitch, Lewis, and Otremba. In addition, Messrs. Hutchison, Leitch, and Lewis also have been determined by our Board of Directors to meet the independence standards for members of an audit committee set forth in the rules promulgated under the Securities Exchange Act of 1934.

Board Role in Risk Oversight

Our Board of Directors has an oversight role in managing our risk. Our Audit Committee receives reports from senior management on areas of material risk, including operational, financial, legal and strategic risks which enable the Audit Committee to understand management's views on risk identification, risk management

and risk mitigation strategies. The Audit Committee, or if appropriate, the full Board of Directors or another committee, will periodically request that management evaluate additional potential risks, provide additional information on identified risks, or implement risk remediation procedures.

Board Meetings

Our Board of Directors held four meetings during the fiscal year ended December 31, 2011 and took action by written consent on two occasions. Each of the seven current directors serving in 2011 attended at least 75% of the total number of meetings of the Board of Directors and applicable committees that each director was eligible to attend.

Board Committees

Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating Committee. The committees are comprised entirely of independent directors as defined under the rules of the NYSE Amex stock exchange. In addition, members of the Audit Committee also must meet the independence standards for audit committee members adopted by the United States Securities and Exchange Commission (SEC). The members of the committees of our Board of Directors are as follows:

Audit Committee	Compensation Committee	Nominating Committee
Murray H. Hutchison*	Murray H. Hutchison	Edward W. Gabrielson
Andrew M. Leitch (Chairman)*	Gerald J. Lewis (Chairman)	Murray H. Hutchison (Chairman)
Gerald J. Lewis	Andrew M. Leitch	Lon E. Otremba

* The Board of Directors has determined that Messrs. Hutchison and Leitch are each an audit committee financial expert as defined by applicable rules adopted by the SEC.

During the year ended December 31, 2011, the Audit Committee held four meetings, and the Nominating Committee held one meeting.

Audit Committee. The Audit Committee operates under a charter originally adopted by the committee in January 2006 and amended in March 2008. A copy of the Audit Committee's charter is available in the corporate governance section of our website at www.cardiumthx.com. The general function of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of its financial statements. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the accounting, reporting and financial practices of the Company, including the integrity of its financial statements and disclosures; the surveillance of administration and financial controls and the Company's compliance with legal and regulatory requirements; the qualification, independence and performance of the Company's independent registered public accounting firm; and the performance of the Company's internal audit function and control procedures. The Audit Committee has the sole authority to appoint, determine funding for, and oversee the Company's independent registered public accounting firm.

Compensation Committee. The Compensation Committee operates under a charter adopted by the committee in January 2006 and amended in March 2008. A copy of the Compensation Committee's charter is available in the corporate governance section of our website at www.cardiumthx.com. The primary purpose of the Compensation Committee is to oversee the Company's compensation and incentive programs for its executive officers and certain other key personnel. Among other things, the Compensation Committee recommends to the Board of Directors the amount of compensation to be paid or awarded to our executive officers and certain other personnel including salary, bonuses, other cash or stock awards under our incentive compensation plans as in effect from time to time, retirement and other compensation. In addition, the Board of Directors has delegated to the Compensation Committee the authority to administer the Company's 2005 Equity Incentive Plan, including the authority to consider and act upon recommendations from management to grant awards under the plan to employees and consultants of the Company and its subsidiaries, not including officers

and directors of the Company. The Compensation Committee may delegate its authority to subcommittees of the committee or to committees comprised of Company employees when legally permissible and when the Compensation Committee deems it appropriate or desirable to facilitate the operation or administration of the plans and programs that the committee oversees. The Compensation Committee also may engage the services of an independent compensation and benefits consulting company to conduct a survey and review of the Company's compensation programs as compared to other similarly situated companies taking into account, among others, industry, size and location when the Compensation Committee deems appropriate. It is anticipated that the Compensation Committee will engage such independent consultants from time to time to aid the committee in its evaluation of the Company's compensation programs for its executive officers.

Nominating Committee. The Nominating Committee operates under a charter adopted by the committee in January 2006 and amended in March 2008. A copy of the Nominating Committee's charter is available in the corporate governance section of our website at www.cardiumthx.com. The purpose of the Nominating Committee is to assist the Board of Directors in identifying qualified individuals to become members of the Board of Directors and in determining the composition of the Board of Directors and its various committees. The Nominating Committee periodically reviews the qualifications and independence of directors, selects candidates as nominees for election as directors, recommends directors to serve on the various committees of the Board of Directors, reviews director compensation and benefits, and oversees the self-assessment process of each of the committees of the Board of Directors.

The Nominating Committee considers nominee recommendations from a variety of sources, including nominees recommended by stockholders. Persons recommended by stockholders are evaluated on the same basis as persons suggested by others. Stockholder recommendations may be made in accordance with our Stockholder Communications Policy. See *Stockholder Communications with Directors* below. The Nominating Committee has the authority to retain a search firm to assist in the process of identifying and evaluating candidates.

The Nominating Committee has not established any specific minimum requirements for potential members of our Board of Directors. Instead, the Nominating Committee's evaluation process includes many factors and considerations including, but not limited to, a determination of whether a candidate meets the requirements of the NYSE Amex and the SEC relating to independence and/or financial expertise, as applicable, and whether the candidate meets the Company's desired qualifications in the context of the current make-up of the Board of Directors with respect to factors such as business experience, education, intelligence, leadership capabilities, integrity, competence, dedication, diversity, skills, and the overall ability to contribute in a meaningful way to the deliberations of the Board of Directors respecting the Company's business strategies, financial and operational performance and corporate governance practices. Our Board of Directors does not have a specific policy with regard to the consideration of diversity in the identification of director nominees. The Nominating Committee will generally select those nominees whose attributes it believes would be most beneficial to the Company in light of all the circumstances.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our employees and directors, including all of our officers and non-employee directors and all employees, officers and directors of our subsidiaries. The Audit Committee periodically reviews the Code of Ethics and the Company's compliance with its Code of Ethics. Our Code of Ethics has been posted in the corporate governance section of our website at www.cardiumthx.com. Any amendments to our Code of Ethics or any waivers from our Code of Ethics also will be posted on our website. Our Code of Ethics is not incorporated in, and is not a part of, this proxy statement and is not proxy-soliciting material.

Stockholder Communications with Directors

Our Board of Directors has adopted a Stockholder Communications Policy to provide a process by which our stockholders may communicate with our Board of Directors. Under the policy, stockholders may communicate with our Board of Directors as a whole, with the independent directors, with all members of a

committee of our Board of Directors, or with a particular director. Stockholders wishing to communicate directly with our Board of Directors may do so by mail addressed to the Company at 12255 El Camino Real, Suite 250, San Diego, California, 92130, Attn: Corporate Secretary. The envelope should contain a clear notation indicating that the enclosed letter is a Stockholder-Board Communication or Stockholder-Director Communication. All such letters must identify the author as a stockholder of the Company and clearly state whether the intended recipients are all members of the Board of Directors, all independent directors, all members of a committee of the Board of Directors, or certain specified individual directors.

Attendance at Annual Meetings

In recognition that it may not be possible or practicable, in light of other business commitments of the Company's directors, to attend the Company's annual meetings of stockholders, the members of the Board of Directors are invited, but not required, to attend each of the Company's annual meeting of stockholders. At the Company's last annual meeting of stockholders held on June 2, 2011, two members of the Board of Directors were present.

PROPOSAL 1

ELECTION OF CLASS III DIRECTORS

Members of each class of our Board of Directors are elected to serve for a three-year term. The three-year terms of the members of each class are staggered, so that each year the members of a different class are due to be elected at the annual meeting. The Class III directors currently are serving a term that is due to expire at the Annual Meeting. The Class I directors currently are serving a term that is due to expire at our 2013 annual meeting, and the Class II directors are serving a term that is due to expire at the 2014 annual meeting.

Nominees

At the Annual Meeting two Class III directors are to be elected, each to serve until the next annual meeting of stockholders held to elect Class III directors and until their respective successor is elected and qualified or until their respective death, resignation or removal. The Board of Directors proposes the election of the nominees named below, who currently are Class III members of our Board of Directors.

Unless authorization to do so is withheld, proxies received will be voted **FOR** the nominees named below. If any nominee should become unavailable for election before the Annual Meeting, the proxies will be voted for the election of such substitute nominee as the present Board of Directors may propose. The persons nominated for election have agreed to serve if elected, and the Board of Directors has no reason to believe that the nominees will be unable to serve.

Our Board of Directors proposes the election of the following nominees as Class III members of the Board of Directors:

Murray H. Hutchison Christopher J. Reinhard

**Our Board of Directors unanimously recommends that you vote FOR the election of each of the nominees
as a Class III director of the Company.**

PROPOSAL 2**RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our independent registered public accounting firm for the fiscal year ended December 31, 2011 was Marcum LLP. The Audit Committee of the Board of Directors has selected and approved Marcum LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2012. Representatives of Marcum LLP are not expected to be present at the Annual Meeting.

Audit Fees

The aggregate fees billed to the Company by Marcum LLP for professional services rendered for the audit of our annual financial statements, the reviews of the financial statements included in our Quarterly Reports on Form 10-Q and other services normally provided in connection with our statutory and regulatory filings during each of the last two fiscal years ended December 31, were:

2011	\$ 172,300
2010	\$ 143,500

Audit-Related Fees

There were no fees billed to the Company by Marcum LLP for assurance and related services reasonably related to the performance of the audit or review of our financial statements, and not included under **Audit Fees** above, during the fiscal years ended December 31, 2011 and December 31, 2010.

Tax Fees

There were no fees billed to the Company by Marcum LLP for professional services for tax compliance, tax advice or tax planning during the fiscal years ended December 31, 2011 and December 31, 2010.

All Other Fees

There were no other fees billed to the Company by Marcum LLP for products and services, other than those described above, provided during the fiscal years ended December 31, 2011 and December 31, 2010.

Pre-Approval Policies and Procedures

Committee Pre-Approval. On January 18, 2006, the Audit Committee approved certain pre-approval policies and procedures contained in its charter. Under these policies and procedures, the Audit Committee must approve in advance all auditing services and all permissible non-audit services to be provided by our independent registered public accounting firm. If the Audit Committee approves an audit service within the scope of the engagement of our independent registered public accounting firm, such audit service will be deemed to have been pre-approved.

Pre-Approval Exceptions. Notwithstanding the Audit Committee pre-approval policies described above, pre-approval is not required for permissible non-audit services if (i) the aggregate amount of all such non-audit services provided to the Company is not more than 5% of the total amount of revenues paid by the Company to its independent registered public accounting firm during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved before completion of the audit by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

Delegation of Pre-Approval Authority. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant the pre-approvals of audit and permissible non-audit services described above. The decision of any member of the Audit Committee to whom such authority is delegated shall be presented to the full Audit Committee at its next scheduled meeting. On May 9, 2006, the Audit Committee delegated the authority to grant the pre-approvals of audit and permissible non-audit services to the Chairman of the Audit Committee.

Effect of Ratification

Ratification by stockholders of the selection of Marcum LLP as our independent registered public accounting firm is not required by applicable law. However, as a matter of policy and sound corporate governance, we are submitting the selection to our stockholders for ratification at the Annual Meeting. If the stockholders fail to ratify the selection of Marcum LLP, the Board of Directors will reconsider the matter. Even if the selection is ratified by stockholders, the Board of Directors may select a different firm to serve as our independent registered public accounting firm at any time during the fiscal year if it believes a change would be in the best interests of the Company and its stockholders.

Our Board of Directors unanimously recommends that you vote FOR Proposal 2.

OUR EXECUTIVE OFFICERS

The Board of Directors appoints the executive officers of the Company who are responsible for administering our day-to-day operations. The names of our current executive officers, their ages as of March 31, 2012, and their positions are shown below. Biographical summaries of each of our executive officers who are not also members of our Board of Directors are included below.

Name of Executive Officer	Age	Position	Officer Since
Christopher J. Reinhard	58	Chairman of the Board, President, Chief Executive Officer and Treasurer	2003
Tyler M. Dylan-Hyde, Ph.D., J.D.	50	Chief Business Officer, General Counsel, Executive Vice President and Secretary	2003
Dennis M. Mulroy	57	Chief Financial Officer	2005
Gabor M. Rubanyi, M.D., Ph.D.	65	Chief Scientific Officer	2006

Dennis M. Mulroy (Age 57)

Chief Financial Officer

Mr. Mulroy has been the Chief Financial Officer of Cardium since November 2005. Since 2006, he has also served as a director, and as the Chief Financial Officer and Treasurer of Tissue Repair Company, a wholly-owned subsidiary of Cardium. He also served as a director and the Chief Financial Officer of InnerCool Therapies, Inc., since March 2006 until its sale to Royal Philips Electronics in July 2009. Previously, he served as the Chief Financial Officer of Aries Ventures Inc. from November 2005 through its merger with Cardium in January 2006. Before joining Cardium, Mr. Mulroy was Chief Financial Officer of Molecular Imaging Corporation, a publicly-traded diagnostic services company (January 2004 – November 2005), SeraCare Life Sciences, Inc., a publicly-traded company (November 2001 – June 2003), and Biocutix Inc. (January 2001 – November 2001). Mr. Mulroy was also employed with Ernst & Young in San Diego, California and is a Certified Public Accountant in the State of California (inactive). He received his degree in Business Administration with an emphasis in Accounting from the University of San Diego.

Gabor M. Rubanyi, M.D., Ph.D. (Age 65)

Chief Scientific Officer

Dr. Rubanyi has been the Chief Scientific Officer of Cardium since June 2006. From November 2005 until March 2006, he provided consulting services to Cardium. In March 2006, Dr. Rubanyi became an employee and a Scientific Advisor of Cardium. Before joining Cardium in March 2006, Dr. Rubanyi was Vice President of Gene Therapy at Berlex Biosciences (a subsidiary of Berlex Laboratories, the U.S. pharmaceutical affiliate of the Schering AG Group, now Bayer Schering Pharma), and Adjunct Professor at the University of California, Davis. He initiated and played a leading role in the Angiogenic Gene Therapy for Coronary Artery Disease project at Schering/Berlex. Formerly, Dr. Rubanyi was Director of Vascular and Endothelial Research at Berlex (1992-1999), Director of the Institute of Pharmacology at Schering AG, Research Center, Berlin, Germany (1990-1992), Director of Pharmacology at Berlex Laboratories (1987-1990), and Associate Professor at the Mayo Clinic Medical School (1983-1987). Since 2006, Dr. Rubanyi has served as a director of Hybrid Systems, Ltd., a private, United Kingdom biotech company. Dr. Rubanyi is the author or co-author of 22 books and over 325 research articles, serves as an editorial board member to several biomedical journals and is the founder of the biomedical journal Endothelium. He also is a member of numerous American and international scientific societies. His pioneering work on the nature and characterization of endothelium-derived relaxing factors (nitric oxide) and contracting factors (endothelin) contributed substantially to the Company's present knowledge about endothelial control of vascular function in health and disease, including angiogenesis.

STOCK HOLDINGS OF CERTAIN OWNERS AND MANAGEMENT

The following table sets forth information on the beneficial ownership of our common stock as of April 13, 2012 by (a) each director and nominee for director, (b) each of the named executive officers listed in the compensation tables included in this proxy statement, (c) all of our current directors and executive officers as a group, and (d) each person known to us who beneficially owns more than 5% of the outstanding shares of our common stock. Except as otherwise indicated, the address for each beneficial owner is 12255 El Camino Real, Suite 250, San Diego, California 92130.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership ¹	Percent of Common Stock Outstanding ²
Tyler M. Dylan-Hyde, Ph.D., J.D.	2,850,000 ³	3.42%
Director, Chief Business Officer, Executive Vice President, General Counsel and Secretary		
Edward W. Gabrielson, M.D.	214,584 ⁴	Less than 1%
Director		
Murray H. Hutchison	181,250 ⁴	Less than 1%
Director		
Andrew M. Leitch	193,150 ⁴	Less than 1%
Director		
Gerald J. Lewis	214,584 ⁴	Less than 1%
Director		
Lon E. Otremba	214,584 ⁴	Less than 1%
Director		
Christopher J. Reinhard	3,671,758 ⁵	4.38%
Chairman of the Board, Chief Executive Officer, President and Treasurer		
Gabor M. Rubanyi, M.D., Ph.D.	2,367,000 ⁶	2.84%
Chief Scientific Officer		
All directors and executive officers as a group (9 persons)	10,445,972 ⁷	8.53%
Sabby Management Ltd	8,928,571 ⁸	7.5%

10 Mountainview Road, Suite 205

Upper Saddle River, New Jersey 07458

¹ A person is considered to be a beneficial owner of shares if the person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting or investment power over the shares, or has the right to acquire beneficial ownership of the shares at any time within 60 days (such as through the exercise of stock options, warrants or other rights). Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner's spouse.

² The percentages shown are calculated based on the number of shares of our common stock outstanding plus, for each person or group, any shares that person or group has the right to acquire within 60 days of April 13, 2012 pursuant to options, warrants or other rights. As of April 13, 2012, there were 119,617,356 shares of our common stock outstanding.

Edgar Filing: Cardium Therapeutics, Inc. - Form DEF 14A

- ³ Includes 300,000 shares underlying warrants exercisable within 60 days of April 13, 2012.
- ⁴ Includes 181,250 shares underlying options exercisable within 60 days of April 13, 2012.
- ⁵ Includes 718,500 shares underlying warrants exercisable within 60 days of April 13, 2012.
- ⁶ Includes 367,000 shares underlying warrants exercisable within 60 days of April 13, 2012.
- ⁷ Includes 2,830,812 shares underlying options and warrants exercisable within 60 days of April 13, 2012.
- ⁸ Based on information contained in a Schedule 13G filed with the SEC on February 16, 2012.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and any person who owns more than 10% of our common stock, to file with the SEC initial reports of ownership of our common stock within 10 days of becoming a director, executive officer or greater than 10% stockholder, and reports of changes in ownership of our common stock before the end of the second business day following the day on which a transaction resulting in a change of ownership occurs. Directors, executive officers and greater than 10% stockholders are required by SEC regulations to provide us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on our review of the copies of such reports provided to us and written representations from our directors and executive officers that no other reports were required, during the year ended December 31, 2011, all required Section 16(a) reports applicable to our directors, executive officers and greater than 10% stockholders were timely filed.

EXECUTIVE OFFICER COMPENSATION

The following table shows the compensation earned by, or paid or awarded to, our chief executive officer and our two most highly compensated executive officers other than our chief executive officer who were serving as executive officers at December 31, 2011, for each of our three most recent fiscal years. Such officers are referred to as our named executive officers.

2011 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock	Option	Non-Equity	Nonqualified	All	Total
				Awards	Awards	Incentive	Deferred	Other	
				(\$)	(\$)	Plan	Earnings	Compensation	(\$)
Christopher Reinhard <i>Chief Executive Officer & President</i>	2011	385,875	62,500						448,375
	2010	378,422	62,500						440,922
	2009	279,776							279,776
Tyler Dylan-Hyde <i>Chief Business Officer, Exec. VP, & General Counsel</i>	2011	358,313	57,500						415,813
	2010	349,731	57,500						407,231
	2009	263,758							263,758
Gabor Rubanyi <i>Chief Scientific Officer</i>	2011	330,750	30,000						360,750
	2010	325,866	30,000						355,866
	2009	247,844							247,844

Narrative Disclosure to 2011 Summary Compensation Table

Our executive compensation programs are designed to attract and retain highly qualified executives and to motivate them to improve long-term stockholder returns by achieving both short- and long-term strategic Company goals. Our compensation programs are designed to link a significant portion of each executive's compensation directly to individual and Company performance and to align the financial interests of our executives with those of our stockholders. There are three basic components to our executive compensation program: salary and benefits; cash bonuses; and long-term incentive compensation in the form of stock options and other equity-based compensation. None of our named executive officers had an employment agreement with the Company for fiscal 2011.

Salary and Benefits.

Our executive salary structure is designed to be competitive, which we believe is important if we are to retain our executives and other key employees and attract highly qualified executives when needed. An individual executive's salary and benefits package will vary within our framework based on responsibilities, experience, leadership, potential future contribution, and demonstrated individual performance. Our executive benefits include vacation, medical, dental, term life and disability. We historically have not provided a substantial amount of compensation in the form of perquisites.

In 2010, our Board of Directors adopted a recommendation of the Compensation Committee of the Board of Directors to authorize the Company to increase the base salary of our named executive officers effective as of July 6, 2010. The following table sets out the amount to which the base salary was increased and the percentage of increase that such base salary represents compared to the base salary in effect immediately prior to such increase:

Named Executive Officer	Base Salary	Percent Increase
Christopher J. Reinhard, <i>Chief Executive Officer and President</i>	\$ 385,875	5%
Tyler Dylan-Hyde, <i>Chief Business Officer and General Counsel</i>	\$ 358,313	5%
Gabor Rubanyi, <i>Chief Scientific Officer</i>	\$ 330,750	5%

In establishing the base salaries of our named executive officers, the Compensation Committee considered various factors, including the executive's qualifications and relevant experience, the scope of the executive's job responsibilities, the executive's contributions and performance, the compensation levels of executives at similar companies with similar job responsibilities, and that it had been three years since the base salaries of our executives had been increased. No increase to base salaries of names executive officers has occurred since July 2010.

Cash Bonuses.

We currently do not have a formal cash bonus plan. Any bonuses paid have been in the discretion of the Compensation Committee and the Board of Directors. No bonuses were paid in 2009. A performance bonus was accrued during the second quarter of 2010 for performance during 2007, 2008 and 2009. Half of the accrued performance bonus was paid in the third quarter of 2010. The remainder was paid in 2011 upon our receipt of FDA 510(k) clearance for our Excellagen product.

As our business units are developing, the Compensation Committee is expected to give further consideration to plans that would seek to further align bonuses and other compensation with successful application of our business model by rewarding executive officers and other key personnel for significant contributions towards the development of our assets and portfolio of medical products and our efforts to monetize the economic value of that portfolio through strategic collaborations, selling businesses or assets, or completing other monetizing transactions at appropriate valuation inflection points.

Long-Term Incentive Compensation.

Each named executive officer is eligible to participate in our 2005 Equity Incentive Plan (the "Plan"). Under the Plan, the Compensation Committee, generally based on recommendations from our Chief Executive Officer, may grant incentive and nonqualified stock options, restricted stock, stock appreciation rights, and performance stock and units to executive officers and other personnel, non-employee directors and consultants. As of December 31, 2011, only incentive and nonqualified stock options have been granted under the Plan and none were granted to our named executive officers in 2011.

If outstanding stock options or stock appreciation rights are not assumed or substituted by a successor corporation or a parent or subsidiary of such successor corporation in the event of a change in control, then under the Plan, all outstanding stock options or stock appreciation rights become fully exercisable.

2010 Change in Control Severance Plan

In July 2010, the Board of Directors adopted a Change in Control Severance Plan that provides severance benefits to certain members of management and employees of the Company. The Company has entered into a severance agreement under the Change in Control Severance Plan with each of the named executive officers. Under the severance agreement, if the employment of any named executive officer is terminated within twelve months following a change in control by either such executive officer for good reason or by the Company for any reason other than cause, death or disability, then such executive officer is entitled to, subject to certain covenants and restrictions set forth in the severance agreement, (a) a cash payment equal to 1.5 times his base salary, (b) the continuation of certain employee benefits for no more than twelve months and (c) all accrued but unpaid salary and vacation, unreimbursed valid business expenses and other vested benefits pursuant to the express terms of any employee benefit plan.

Additionally, if the employment of a named executive officer is terminated within six months prior to an impending change in control and the Board of Directors determines, in good faith, that such termination was in connection with the impending change in control, then such executive officer will be entitled to the benefits set out in the paragraph above, subject to certain covenants and restrictions as set forth in the severance agreement.

For purposes of the severance agreements with the named executive officers, change in control generally means a merger or consolidation in which the Company is not the surviving entity the sale, transfer or other disposition of all or substantially all of the assets of the Company or the acquisition by any person or related group of persons of beneficial ownership of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities.

Other Employee Benefits and Arrangements.

Regardless of the manner in which the employment of a named executive officer is terminated, he is entitled to receive amounts earned during his term of employment. Such amounts include:

non-equity incentive compensation earned, to the extent vested;

equity awarded pursuant to the Plan, to the extent vested; and

unused vacation pay.

In the event of the death or disability of a named executive officer, no additional benefits other than those listed above will be paid to such executive officer.

During the fiscal year ended December 31, 2011, the Company did not have any pension or similar plans and not have any defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Outstanding Equity Awards at Fiscal Year-End 2011

The following table provides certain information about unexercised option awards and unvested restricted stock awards held by our named executive officers as of December 31, 2011. There were no other option or stock awards held by our named executive officers as of December 31, 2011.

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options - (#) Exercisable	Number of Securities Underlying Unexercised Options - (#) Un-Exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Unearned Shares, Units or Rights That Have Not Vested (#)
Christopher Reinhard								
Tyler Dylan-Hyde								
Gabor Rubanyi								

During the year ended December 31, 2011, there were no option exercises or vesting of stock awards to our named executive officers.

DIRECTOR COMPENSATION

Each non-employee director receives an annual retention fee of \$24,000, payable quarterly, and members of the Audit Committee receive an additional annual fee of \$10,000 for their service on the Audit Committee. Directors appointed during a term year may receive a proportional amount of the annual retention fee for that year. Options and other equity awards may be granted to directors on a discretionary basis. Upon joining the Board of Directors, each non-employee director receives an option under the Company's 2005 Equity Incentive Plan to acquire 100,000 shares of the Company's common stock, vesting over a four year period, with an exercise price equal to the last reported sale price of the Company's common stock on the date of grant, and a ten year term. Directors are reimbursed for travel and other expenses incurred in connection with attending board and committee meetings. Neither Mr. Reinhard nor Dr. Dylan-Hyde, each of whom serve as both our executive officers and on our Board of directors, received any additional compensation for serving as a director.

The following table shows the compensation earned by or paid or awarded to our non-employee directors for all services rendered by them in their capacity as a director of the Company during the year ended December 31, 2011.

Director Compensation for Fiscal Year 2011

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$) ¹	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Edward Gabrielson	\$ 24,000						\$ 24,000
Murray Hutchison	34,000						34,000
Andrew Leitch	34,000						34,000
Gerald Lewis	34,000						34,000
Lon Otremba	24,000						24,000

¹ As of December 31, 2011, each of our non-employee directors had options outstanding to purchase 200,000 shares of our common stock:
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity compensation plans approved by stockholders and equity compensation plans that were not approved by stockholders as of December 31, 2011.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by stockholders	3,199,686	\$ 1.61	2,461,483 ¹
Equity compensation plans not approved by stockholders		\$	
Total	3,199,686	\$ 1.61	2,461,483

¹ Under the terms of the plan in effect as of December 31, 2011, in addition to securities that may be issued upon the exercise of options, warrants or other rights granted under the plan, securities may also be issued under the plan in the form of shares of restricted stock of the Company issued with such restrictions on transfer, rights of first refusal, repurchase and/or forfeiture provisions and other provisions and

conditions as the Board of Directors or the Compensation Committee may determine from time to time.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to the terms of the Audit Committee's charter, the Audit Committee is responsible for reviewing all related party transactions for potential conflict of interest situations on an ongoing basis. The Company may not enter into a related party transaction unless it has been approved by the Audit Committee. A transaction is considered a related party transaction if the transaction would be required to be disclosed pursuant to Item 404 of Regulation S-K.

Since January 1, 2010, other than the transactions described under Executive Officer Compensation and Director Compensation above, there has not been, nor currently are there proposed, any transactions or series of similar transactions in which the Company was or is to be a participant and the amount involved exceeds or will exceed the lesser of \$120,000 or 1% of the average of our total assets as of December 31, 2010 and 2011, which is approximately \$85,077, and in which any of our directors, executive officers, holders of more than 5% of our common stock or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest.

AUDIT COMMITTEE REPORT*

The Audit Committee has reviewed and discussed the Company's audited financial statements for the year ended December 31, 2011 with the Company's management, and has discussed with Marcum LLP, the Company's independent registered public accounting firm, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from Marcum LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Marcum LLP's communications with the audit committee concerning independence, and has discussed with Marcum LLP its independence. Based on the Audit Committee's above described review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements for the year ended December 31, 2011, be included in the Company's Annual Report on Form 10-K for such year for filing with the SEC.

It is not the duty of the Audit Committee to plan or conduct audits, to determine that the Company's financial statements are presented fairly in all material respects in accordance with accounting principles generally accepted in the United States, to certify the Company's financial statements or to guarantee the report of the Company's independent registered public accounting firm. As the Audit Committee's primary function is oversight, the Audit Committee relies on the expertise, skills and knowledge of management and the Company's independent registered public accounting firm and the accuracy of information provided to the Audit Committee by such persons in carrying out its oversight responsibilities. In giving its recommendation to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K, the Audit Committee relied on (i) certain representations and reports of management concerning the preparation of the financial statements; and (ii) the reports of the Company's independent registered public accounting firm with respect to such financial statements.

Submitted by the members of the Audit Committee

Andrew M. Leitch, Chairman

Murray H. Hutchison

Gerald J. Lewis

* The Audit Committee Report above is not considered proxy-soliciting material, is not deemed to be filed with the SEC or subject to Regulation 14A or the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing with the SEC, except to the extent we specifically incorporate this information by reference.

ANNUAL REPORT

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (2011 Annual Report), as filed with the SEC, excluding exhibits, is being mailed to stockholders with this proxy statement. We will furnish any exhibit to our 2011 Annual Report free of charge to any stockholder upon written request to the Company at 12255 El Camino Real, Suite 250, San Diego, California 92130. The 2011 Annual Report is not incorporated in, and is not a part of, this proxy statement and is not proxy-soliciting material. We encourage you to review the 2011 Annual Report together with any later information that we file with the SEC and other publicly available information. Documents we file with the SEC may be reviewed and/or obtained through the SEC's Electronic Data Gathering Analysis and Retrieval System, or EDGAR, which is publicly available through the SEC's website at <http://www.sec.gov>.

STOCKHOLDER PROPOSALS

Stockholders who wish to submit a proposal for inclusion in our proxy materials to be distributed in connection with next year's annual meeting must submit their proposal so that we receive it no later than the close of business on February 1, 2013. If, however, we change the date of next year's annual meeting by more than 30 days from the date of this year's annual meeting, the deadline to submit a proposal for inclusion in our proxy materials would be within a reasonable time before we begin to print such materials. Any such proposal must be in accordance with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Pursuant to such rule, simply submitting a proposal does not guarantee that it will be included in our proxy materials.

In accordance with our Amended and Restated Bylaws, to be properly brought before a meeting, a stockholder must deliver timely notice of any matter the stockholder wishes to present to the attention of our Secretary. To be timely, we must receive the notice at our principal place of business not later than the close of business on the 15th day following the date on which notice of such meeting or the record date thereof is first publicly announced with respect to special meetings, or 120 days before the date that is one year from the date of the immediately preceding annual meeting of stockholders with respect to proposals to be considered at an annual meeting of stockholders. To be in proper form, the notice must be in writing and include the specified information set forth in Section 1.12 of Article I of our Amended and Restated Bylaws.

All proposals and notices should be sent by certified mail, return receipt requested, to Cardium Therapeutics, Inc., 12255 El Camino Real, Suite 250, San Diego, California 92130, Attn: Tyler M. Dylan-Hyde, Secretary. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal or matter that does not comply with these and other applicable requirements.

OTHER MATTERS

The Board of Directors does not know of any other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting or any adjournment thereof, the proxy holders named in the accompanying proxy card will have discretionary authority to vote all proxies in accordance with their best judgment with respect to any such matters.

San Diego, California

By Order of the Board of Directors

April 30, 2012

Christopher J. Reinhard

Chairman of the Board, Chief Executive Officer and President

PROXY CARDIUM THERAPEUTICS, INC.

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 31, 2012

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The stockholder whose signature appears on the reverse side hereby revokes all previous proxies, acknowledges receipt of the notice of annual meeting of stockholders to be held May 31, 2012 and the proxy statement, and appoints Christopher J. Reinhard and Tyler M. Dylan-Hyde or either of them the proxy of such stockholder, each with full power of substitution, to vote, as designated on the reverse side of this proxy card, all of the shares of common stock of Cardium Therapeutics, Inc. that the stockholder would be entitled to vote, if personally present, at the Annual Meeting of Stockholders to be held on Thursday, May 31, 2012, at 9:00 a.m. Pacific time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130, and at any adjournment or postponement thereof.

This proxy, when properly executed, will be voted as specified. If no choice is specified, then this proxy will be voted for the election of the nominees for the Board of Directors listed on the reverse side and for the other proposal.

The shares represented by this proxy when properly executed will be voted in the manner directed on the reverse side by the stockholder whose signature appears on the reverse side with respect to all shares of common stock of Cardium Therapeutics, Inc. that the stockholder would be entitled to vote, if personally present, at the Annual Meeting of Stockholders. **If no direction is made, this proxy will be voted FOR the election of each of the nominees for director in the class indicated and FOR Proposal 2.** If any other matters properly come before the meeting, the persons named will vote in their discretion.

If you vote your proxy by telephone or the Internet, please DO NOT mail back this proxy card. Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

THANK YOU FOR VOTING.

CARDIUM THERAPEUTICS

Electronic Voting Instructions

You can vote by Internet or telephone!

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central time, on May 31, 2012.

Vote by Internet

Log on to the Internet and go to www.envisionreports.com/CXM.

Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the United States, Canada & Puerto Rico any time on a touch tone telephone. There is NO CHARGE to you for the call.

Follow the instructions provided by the recorded message.

Using a blank ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. x

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A. Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.

Edgar Filing: Cardium Therapeutics, Inc. - Form DEF 14A

1. Election of Class III Directors:

01 MurrayH. Hutchison

For Withhold
" "

02 Christopher J. Reinhard

For Withhold
" "

2. To ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012

For Against Abstain

" " "

B. Non-Voting Items

Change of Address Please print new address below.

C. Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

This proxy card must be signed for your instructions to be executed. Each joint owner should sign. Signatures should correspond with the names printed on this proxy card. Attorneys, executors, administrators, guardians, trustees, corporate officers or others signing in a representative capacity should also give full title with their signature.

Date (mm/dd/yyyy) - Please print date below.

Signature 1 - Please keep signature within the box.

Signature 2 - Please keep signature within the box.