

MULTIBAND CORP
Form PRE 14A
July 13, 2010

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

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
- Solicitation Material Pursuant to Rule 14a-11(c) or rule 14a-12

MULTIBAND CORPORATION

(Name of Registrant As Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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(3) Filing Party: _____

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MULTIBAND CORPORATION
AND SUBSIDIARIES

9449 Science Center Drive
New Hope, Minnesota 55428

NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS

To be held August 18, 2010

The Annual Meeting of the Shareholders of Multiband Corporation and Subsidiaries (Multiband or the Company) will be held at 9449 Science Center Drive, New Hope, MN 55428 on August 18, 2010 at 3:00 p.m. Minneapolis time, for the following purposes, as more fully described in the accompanying Proxy Statement.

1. To elect six Directors for a term of one year.
2. To ratify the election of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm of the Company for fiscal year 2010.
3. To transact such business as may properly come before the meeting or any adjournment thereof.

Only Shareholders of record at the close of business June 30, 2010 will be entitled to receive notice of and vote at the meeting. The Company's Board of Directors recommends a vote in favor of all the proposals.

All shareholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the meeting, you are urged to mark, sign, date and return the enclosed proxy as promptly as possible in the postage-paid envelope enclosed for that purpose. Returning your proxy will help the Company ensure a quorum and avoid the additional expense of duplicate proxy solicitations. Any shareholder attending the meeting may vote in person even if he or she has returned the proxy.

By Order of the Board of Directors

Steven M. Bell
Secretary

MULTIBAND CORPORATION
9449 Science Center Drive
New Hope, Minnesota 55428

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
AUGUST 18, 2010
SOLICITATION, EXECUTION AND REVOCATION OF PROXIES

The mailing address of the principal corporate office of the Company is 9449 Science Center Drive, New Hope, MN 55428. This Proxy Statement and the form of proxy, which is enclosed, are being mailed to the Company's shareholders commencing on or about July 20, 2010.

Proxies in the accompanying form are solicited on behalf, and at the direction, of the Board of Directors of the Company. All shares of common stock represented by properly executed proxies, unless such proxies have previously been revoked, will be voted in accordance with the direction of the proxies. If no direction is indicated, the shares will be voted in accordance with the direction of the proxies. If any other matters are properly presented at the meeting for action, including a question of adjourning the meeting from time to time, the persons named in the proxies and acting there under will have discretion to vote on such matters in accordance with their best judgment.

When stock is in the name of more than one person, each such person must sign the proxy. If the shareholder is a corporation, an executive or other authorized officer must sign the proxy in the name of such corporation. If signed as attorney, executor, administrator, trustee, and guardian or in any other representative capacity, the signer's full title should be given and, if not previously furnished, a certificate or other evidence of appointment must be furnished.

A shareholder executing and returning a proxy has the power to revoke it at any time before it is voted. A shareholder who wishes to revoke a proxy can do so by executing a later dated proxy relating to the same shares and delivering it to the Secretary of the Company prior to the vote at the Annual Meeting, by written notice of revocation received by the Secretary prior to the vote at the Annual Meeting, or by appearing in person at the Annual Meeting and voting in person the shares to which the proxy relates.

In addition to the use of the mail, proxies may be solicited by personal interview, telephone and telegram by the Directors, officers and regular employees of the Company. Such persons will receive no additional compensation for such services. Arrangements will also be made with certain brokerage firms and certain other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of common stock held of record by such persons, and such brokers, custodians, nominees and fiduciaries will be reimbursed by the Company for their reasonable out-of-pocket expenses incurred by them in connection therewith. All expenses incurred in connection with this solicitation will be borne by the Company.

The Company is including with this Proxy Statement its Annual Report to shareholders for the year ended December 31, 2009, which includes a copy of the Company's Form 10-K, as filed with the Securities and Exchange Commission. Shareholders may receive, without charge, additional copies of the Form 10-K, by writing to Multiband Corporation at its principal corporate office.

The presence at the Annual Meeting in person or by proxy of the holders of 34% of the outstanding shares of the Company's common stock entitled to vote shall constitute a quorum for the transaction of business. If a broker returns a "non-vote" proxy, indicating a lack of voting instructions by the beneficial holder of the shares and a lack of discretionary authority on the part of the broker to vote on a particular matter, then the shares covered by such non-vote shall be deemed present at the meeting for purposes of determining a quorum but shall not be deemed to be represented at the meeting for purposes of calculating the vote required for approval of such matter. If a shareholder abstains from voting as to any matter, then the shares held by such shareholder shall be deemed present at the meeting for purposes of determining a quorum and for purposes of calculating the vote with respect to such matter, but shall not be deemed to have been voted in favor of such matter. An abstention as to any proposal will therefore have the same effect as a vote against the proposal.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Only shareholders of record at the close of business on June 30, 2010 (the Record Date) will be entitled to vote at this meeting. On the Record Date, there were 9,995,768 shares of common stock issued and outstanding. Each holder of common stock is entitled to one vote, exercisable in person or by proxy, for each share of common stock held of record on the Record Date. The affirmative vote of holders of a majority of shares of common stock outstanding on the Record Date is required for approval of the proposals to be voted upon at the Annual Meeting.

The following tables set forth information with respect to the beneficial ownership of our outstanding common stock as of June 30, 2010 by (1) each of our directors, (2) each named executive officer, (3) all of our directors and executive officers as a group, and (4) each stockholder known to us as beneficially owning greater than 5% of our outstanding shares of common stock. Beneficial ownership means sole or shared voting power or investment power with respect to a security. We have been informed that all shares shown are held of record with sole voting and investment power, except as otherwise indicated. To our knowledge, none of the shares reported below are pledged as security.

Name and Address of Beneficial Owners	Number of Shares Beneficially Owned	Percent of Common Shares Outstanding
Steven Bell 9449 Science Center Drive New Hope, MN 55428	244,0632	2.44%
Frank Bennett 301 Carlson Parkway – Suite 120 Minnetonka, Minnesota 55305	320,6523	3.21%
Jonathan Dodge 715 Florida Avenue South – Suite 402 Golden Valley, MN 55426	81,1004	*
David Ekman 200 44 th Street SW Fargo, ND 58103	403,9175	4.04%
Eugene Harris 7773 Forsyth Blvd Clayton, MO 63105	159,4516	1.60%
James L. Mandel 9449 Science Center Drive New Hope, MN 55428	341,2037	3.41%
Donald Miller 1924 Cocoplum Way Naples, FL 34105	362,0218	3.62%
Henry Block 2185 E. Remus Road,	-	*

Mount Pleasant, MI 48622

Kent Whitney

9449 Science Center Drive

New Hope, MN 55428

95,500

*

Special Situations Fund II QP, LP

527 Madison Avenue

New York, NY 10022

547,336

5.48%

DirecTECH Holding Company, Inc.

33 West Second Street, Suite 504

Maysville, KY 41056-1166

1,605,068

16.06%

All Directors and executive officers as a group (nine persons)

2,007,907

20.09%

*Less than one percent

1 Each person has sole voting and sole dispositive power with respect to all outstanding shares, except as noted. Based on 9,995,768 of common shares outstanding at June 30, 2010, shares of common stock not outstanding but deemed beneficially owned by virtue of the individual's right to acquire them as of June 30, 2010 or within 60 days of such date are treated as outstanding when determining the number of shares beneficially owned by each person and the group and the percent of the class owned by each individual and the group. Unless otherwise indicated, each person named or included in the group has sole vesting and investment power with respect to the shares of common stock set forth opposite his or her name. Unless otherwise indicated, the information in the table does not include any stock options and/or warrants outstanding that cannot be exercised within 60 days of June 30, 2010.

2 Includes vested options to acquire 125,850 shares of common stock. Mr. Bell's beneficial ownership does include 6,250 shares of common stock owned by his spouse as to which Mr. Bell disclaims his beneficial ownership.

3 Includes warrants and vested options to purchase 100,349 shares of common stock. Mr. Bennett also owns 155,000 shares of the Company's Class E preferred stock, however, these shares are not convertible into Multiband common stock.

4 Includes vested options to acquire 63,500 shares of common stock.

5 Includes vested options to purchase 40,100 shares of common stock and preferred shares convertible into 43,600 shares of common stock.

6 Includes warrants and vested options to purchase 73,801 shares of common stock. Mr. Harris also owns 55,000 shares of the Company's Class E preferred stock, however, these shares are not convertible into Multiband common stock.

7 Includes and vested options to purchase 234,725 shares of common stock.

8 Includes warrants and vested options to purchase 149,900 shares of common stock.

1. ELECTION OF DIRECTORS

The Nominating Committee has nominated six persons for election at the 2010 Annual Meeting as Directors for a one-year term expiring at the 2011 Annual Meeting. The Directors will hold office for the term for which elected and will serve until their successors have been duly elected and qualified.

It is intended that votes will be cast pursuant to the enclosed proxy for the election of the nominees in the table below, except for those proxies that withhold such authority. In the event that any of the nominees of the Company is unable or declines to serve as a Director at the time of the Annual Meeting, the proxy will be voted for the election of such other individual as the Nominating Committee shall designate in the place of such nominee. Management has no reason to believe that any of the nominees will not be a candidate or will be unable to serve.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE NOMINEES LISTED BELOW.

Information About Nominees

The following information has been furnished to the Company by the respective nominees for Director.

Name	Age	Position	Director Since
Steven M. Bell	51	General Counsel & Chief Financial Officer, Multiband Corporation	1994
Frank Bennett	53	President, Artesian Management, Inc.	2002
Jonathan Dodge	59	Senior Partner, Brunberg, Blatt and Company	1997
Eugene Harris	45	Managing Member, Step Change Advisors, LLC.	2004
James L. Mandel	53	Chief Executive Officer, Multiband Corporation	1998
Donald Miller	70	Chairman, Multiband Corporation	2001

Steven M. Bell was general counsel of the Company from June 1985 through October 1994, at which time he also became Chief Financial Officer. He is a graduate of the University of Minnesota and William Mitchell College of Law.

Frank Bennett has been a Director of Multiband Corporation since 2002 and is currently the Chairman of Multiband's Audit Committee and the Nominating Committees. Mr. Bennett is President of Artesian Management, Inc., a private equity investment firm based in Minneapolis. Prior to founding Artesian Management in 1989, he was a Vice President of Mayfield Corporation, and a Vice President of Corporate Finance of Piper Jaffray & Hopwood and a Vice President of Piper Jaffray Ventures, Inc.

Jonathan Dodge is a senior partner in the firm of Brunberg, Blatt and Company. Prior to that, he was a partner with McGladrey and Pullen and Dodge & Fox C.P.A. firm. Mr. Dodge is a member of both the AICPA and the Minnesota Society of CPA's where he has served on both the ethics and the tax conference committees. He currently serves on four other boards in the Twin Cities. Mr. Dodge is a member of the Audit and Compensation Committee.

Eugene Harris is the Managing Member of Step Change Advisors, LLC. Step Change Advisors, LLC, provides portfolio management services and financial consulting to individuals and small businesses. Prior to forming Step Change Advisors, LLC, Mr. Harris was Chief Operating Officer of Fulcrum Securities and President of Fulcrum Advisory Services. Mr. Harris joined Fulcrum in 2007 after spending 4 years at Flagstone Securities running their private equity practice. Mr. Harris joined Flagstone after 10 years as the majority shareholder of Eidelman, Finger,

Harris & Co., a registered investment advisor. Prior to joining Eidelman, Finger, Harris & Co., Mr. Harris held positions in general management and new business development for the Monsanto Company from 1990 to 1994. He also was an Associate Consultant with Bain and Co. from 1986 to 1988. Mr. Harris received a B.S. in Industrial Engineering from Stanford University in 1986 and an M.S. in Management from the Sloan School of Management at the Massachusetts Institute of Technology in 1990. He is a Chartered Financial Analyst, holds series 24, 63, 65 and 7 securities licenses and is a member of the Financial Analysts Federation. He is currently also on the Board of Directors at the Business Bank of St. Louis and Fulcrum Capital Corp. Mr. Harris was appointed to the Company's Board of Directors in April 2004. Mr. Harris is Chairman of the Company's Compensation Committee and a member of the Nominating Committee.

James Mandel has been the Chief Executive Officer and a Director of the Company since October 1, 1998. From October 1991 to October 1996, he was Vice President of Systems for Grand Casinos, Inc., where his duties included managing the design, development, installation and on-going maintenance for the 2,000 room, \$507 million Stratosphere Hotel, Casino and Tower in Las Vegas. Mr. Mandel also managed the systems development of Grand Casino Mille Lacs, in Onamia, Minnesota, Grand Casino Hinckley in Hinckley, Minnesota and six other casinos nationwide. Mr. Mandel is currently on the Board of Directors at New Market Technologies, GeoSpan Corporation, Independent Multi-Family Council and Western Capital Resources, Inc.

Donald Miller was appointed to the Company's Board of Directors in September 2001 and was elected Chairman of the Board in April 2002. Mr. Miller is also a member of the Audit and Compensation Committees. Mr. Miller worked for Schwan's Enterprises from 1962 to 2007, primarily as Chief Financial Officer. He was appointed to the Board of Directors on January 1, 2008. He is currently the Chairman of the Finance Committee and a member of the Audit and Risk Committees at Schwan's Enterprises. Mr. Miller is also on the Board of Directors of FoodShacks, Inc., Enable Holdings, Inc. and Webdigs, Inc. and on their Audit Committee.

The Company knows of no arrangements or understandings between a Director or nominee and any other person pursuant to which any person has been selected as a Director or nominee. There is no family relationship between any of the nominees, Directors or executive officers of the company.

Board of Directors and its Committees