

RUBICON FINANCIAL INC  
Form PRE 14A  
June 17, 2011

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

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SCHEDULE 14A INFORMATION

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

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

RUBICON FINANCIAL INCORPORATED  
(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.

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

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2. Aggregate number of securities to which transaction applies:

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

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4. Proposed maximum aggregate value of transaction:

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5. Total fee paid:

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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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18872 MacArthur Boulevard, First Floor  
Irvine, California 92612

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To be held on August 12, 2011

Dear Rubicon Financial Incorporated Shareholders:

We will hold the Annual meeting of Shareholders of Rubicon Financial Incorporated (“Rubicon”) on August 12, 2011, at 10:00 a.m., local time, at 18872 MacArthur Boulevard, First Floor, Irvine, California 92612 for the following purposes:

1. To elect a new Board of Directors for Rubicon to hold office until the next annual Shareholder’s meeting, (current nominations are for Joseph Mangiapane, Jr. and Kathleen McPherson);
2. To approve the reincorporation by merger of Rubicon into a newly-formed, wholly-owned Nevada subsidiary that would survive the merger. This merger is intended to change Rubicon’s state of incorporation from Delaware to Nevada; and
3. To affirm Weaver & Martin, LLC as auditors for the next year.

The Board of Directors has determined that the Proposals are fair to, and in the best interests of Rubicon Shareholders and unanimously recommends that you vote “FOR” the Proposals.

Only Rubicon Shareholders of record at the close of business on June 15, 2011 are entitled to notice of and to vote at the Annual meeting or any adjournment or postponement thereof. A complete list of the Shareholders entitled to vote at the Annual meeting or any adjournments or postponements of the Annual meeting will be available at and during the Annual meeting.

The information contained in this letter is only a summary of the actions to be voted on at the Annual Meeting and is not meant to be complete and exhaustive. You are encouraged to read the attached proxy statement, including its exhibits, in its entirety for further information regarding the proposals.

By Order of the Board of Directors

/s/ Joseph Mangiapane, Jr.  
Joseph Mangiapane, Jr.  
Chairman

Irvine, California  
July \_\_, 2011

IMPORTANT

Whether or not you expect to attend the annual meeting in person, Rubicon urges you to please vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares by signing, dating and mailing the enclosed proxy will save Rubicon the expenses and extra time of additional solicitation. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option.



18872 MacArthur Boulevard, First Floor  
Irvine, California 92612

PROXY STATEMENT  
FOR ANNUAL MEETING OF SHAREHOLDERS  
August 12, 2011

This proxy statement is furnished in connection with the solicitation by the board of directors of Rubicon Financial Incorporated ("Rubicon") of proxies in the accompanying form for the annual meeting of shareholders to be held on Friday, August 12, 2011 at 10:00 a.m., local time, at 18872 MacArthur Boulevard, First Floor, Irvine, California 92612 and at any adjournment thereof.

This proxy statement and the enclosed form of proxy were first sent to shareholders on or before July \_\_, 2011.

If the form of proxy enclosed herewith is executed and returned as requested, it may nevertheless be revoked at any time prior to exercise by filing an instrument revoking it or a duly executed proxy bearing a later date.

Solicitation of proxies will be made by mail and by Rubicon's Board of Directors. Rubicon will bear the costs of such solicitation and will reimburse brokerage firms, banks, trustees and others for their actual out-of-pocket expenses in forwarding proxy material to the beneficial owners of its common stock.

As of the close of business on June 15, 2011, the record date for the annual meeting, Rubicon had outstanding and entitled to vote 14,898,023 shares of common stock. Each share of common stock is entitled to one vote per share on all matters submitted to a vote of Rubicon's shareholders. Only shareholders of record at the close of business on June 15, 2011 are entitled to vote at the annual meeting or at any adjournment thereof.

The presence at the meeting, in person or by proxy, of the holders of common stock holding in the aggregate a majority of the common stock entitled to vote shall constitute a quorum for the transaction of business.

Shareholders who send in proxies but attend the meeting in person may vote directly if they prefer and withdraw their proxies or may allow their proxies to be voted with the similar proxies sent in by other shareholders.

VOTING PROCEDURES AND TABULATION

Rubicon will appoint an election inspector to act at the meeting and to make a written report thereof. Prior to the meeting, the inspector will sign an oath to perform its duties in an impartial manner and to the best of its ability. The inspector will ascertain the number of shares outstanding and the voting power of each of such shares, determine the shares represented at the meeting and the validity of proxies and ballots, count all votes and ballots and perform certain other duties as required by law. The inspector will tabulate the number of votes cast for, against or abstained from the proposal described in the foregoing notice.

If a shareholder abstains from voting on the proposal presented at the meeting, it will have the same effect as a vote cast "AGAINST" such proposal.

If Rubicon receives a signed proxy card with no indication of the manner in which shares are to be voted on the proposal, such shares will be voted in accordance with the recommendation of the board of directors for such proposal.

Brokers who hold shares in street name only have the authority to vote on certain items when they have not received instructions from beneficial owners. Any “broker non-votes” will be counted for the purposes of determining whether a quorum is present for the meeting, but will not be counted as votes cast regarding the proposal. Therefore, all “broker non-votes” will have the same effect as a vote cast “AGAINST” the proposal.

#### QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS, PROPOSALS AND THE ANNUAL MEETING

Q. Why am I receiving these materials?

A. Rubicon’s board of directors is providing these proxy materials to you in connection with the annual meeting of shareholders, which will take place on Friday, August 12, 2011 at 10:00 a.m., local time, at 18872 MacArthur Boulevard, First Floor, Irvine, California 92612. As a shareholder, you are invited to attend the annual meeting and are requested to vote on the items of business described in this Proxy Statement.

Q. How may I obtain Rubicon’s annual report for the year ended December 31, 2010?

A. Shareholders may request a free copy of Rubicon’s annual report by writing to: Rubicon Financial Incorporated, 18872 MacArthur Boulevard, First Floor, Irvine, California 92612. Current and prospective investors can also access or order free copies of Rubicon’s annual report, this Proxy Statement, and other financial information and reports from the SEC website at <http://www.sec.gov>.

Q. What proposals are shareholders being asked to consider at the upcoming annual meeting?

A. Rubicon is (i) seeking approval for the election of two directors, (ii) seeking approval for the reincorporation from Delaware to Nevada, and (iii) seeking ratification of Weaver & Martin, LLC as its independent auditor for the next year.

Q: Why is Rubicon reincorporating to Nevada?

A: We believe that reincorporating in Nevada will save Rubicon money because of reduced annual fees and taxes. In addition, reincorporation in Nevada may also help us attract and retain qualified management by reducing the risk of lawsuits against Rubicon and our directors and limiting the personal liability of directors. For a more detailed discussion of why we think we should reincorporate, please turn to “Principal Reasons for Reincorporating in Nevada” on page 13.

Q: What vote is required to approve the reincorporation?

A: The reincorporation must be approved by a majority of our outstanding common shares as of June 15, 2011, the Record Date. As of that date, there were 14,898,023 shares outstanding and each share is entitled to one vote.

Q: What are the principal features of the reincorporation?

A: The reincorporation will be accomplished by a merger of Rubicon with and into our wholly-owned subsidiary, Rubicon Financial, Inc. (“RUBICON NV”), a Nevada corporation. One share of RUBICON NV will be issued for

each outstanding share of our common stock that is held by our shareholders. RUBICON NV's shares will continue to be traded on the Pink Sheets under the symbol "RBCF".

Q: How will the reincorporation affect the owners, officers, directors and employees of Rubicon?

A: After the effective date of the reincorporation, you will own the same class and the same percentage of Rubicon that you held prior to the reincorporation. Our officers, directors and employees will become the officers, directors and employees of RUBICON NV after the effective date of the reincorporation. RUBICON NV will continue our business at the same locations and with the same assets.

Q: Can I require Rubicon to purchase my stock?

A: No. Under the General Corporation Law of Delaware, you are not entitled to appraisal rights and purchase of your stock as a result of the reincorporation. For additional information about appraisal rights, please turn to “Appraisal Rights” on page 16.

Q: Who will pay the costs of reincorporation?

A: Rubicon will pay all of the costs of reincorporation in Nevada, including distributing this proxy statement. We may also reimburse brokerage firms and other custodians for their reasonable expenses for forwarding materials to the beneficial owners of our common stock. We do not anticipate contracting for other services in connection with the reincorporation.

Q: What do I do with my stock certificates after the reincorporation?

A: It will not be necessary for shareholders to exchange their existing stock certificates for post-reincorporation certificates. Outstanding stock certificates should not be destroyed. Delivery of your certificates issued prior to the effective date of the reincorporation will constitute “good delivery” of shares in transactions subsequent to the reincorporation. Certificates representing Rubicon NV shares will be issued with respect to transfers completed after the reincorporation. New certificates will also be issued upon the request of any shareholder, subject to normal requirements as to proper endorsement, signature guarantee, if required, and payment of applicable taxes and fees.

Q: What if I have lost my certificate?

A: If you have lost your certificate, you can contact Rubicon’s transfer agent to have a new certificate issued. You may be required to post a bond or other security to reimburse Rubicon for any damages or costs if the certificate is later delivered for sale of transfer. Rubicon’s transfer agent may be reached at:

Colonial Stock Transfer  
66 Exchange Place, Suite 100  
Salt Lake City, UT 84111  
Tel: 801-355-5740  
Fax: 801-355-6505

Q: How does the board of directors recommend that I vote?

A: Rubicon’s board of directors recommends that you vote your shares “FOR” the proposals at the annual meeting.

Q: What shares can I vote?

A:



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Each share of Rubicon common stock outstanding as of the close of business on June 15, 2011 (the record date) is entitled to one vote on all proposals being voted on at the annual meeting. You may vote all shares owned by you as of the record date, including (i) shares held directly in your name as the shareholder of record and (ii) shares held for you as the beneficial owner through a broker, trustee or other nominee, such as a bank.

Q. What is the difference between holding shares as a “shareholder of record” and as a “beneficial owner?”

A. Many Rubicon common shareholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between common shares held of record and those owned beneficially.

- **Shareholder of Record:** If your common shares are registered directly in your name with Rubicon’s common stock transfer agent (Colonial Stock Transfer), you are considered the shareholder of record with respect to those shares. As the shareholder of record, you have the right to grant your voting proxy directly to Rubicon or to vote in person at the annual meeting. A proxy card is enclosed for you to use.
- **Beneficial Owner:** If your shares are held in a brokerage account or by another nominee (often referred to as being held in “street name”), you are considered the beneficial owner of such shares, and these proxy materials are being forwarded to you together with a voting instruction card by your broker, trustee or nominee, as the case may be. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote, and you are also invited to attend the annual meeting.

Since a beneficial owner is not the shareholder of record, you may not vote your shares in person at the annual meeting unless you obtain a “legal proxy” from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee should have enclosed or provided voting instructions for you to use in directing the broker, trustee or other nominee how to vote your shares.

Q. How can I attend the annual meeting?

A. Because seating is limited, admission to the meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a shareholder of record as of the record date but held your shares in street name, you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to June 15, 2011, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you may not be admitted to the annual meeting.

Please let Rubicon know if you plan to attend the meeting by marking the box on the enclosed proxy card. The meeting will begin promptly at 10:00 a.m. local time. Check-in will begin at 9:30 a.m. local time, and you should allow ample time for the check-in procedures.

Q. How can I vote my shares in person at the annual meeting?

A. Shares held in your name as the shareholder of record may be voted by you in person at the annual meeting. Shares held in street name may be voted by you in person at the annual meeting only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, Rubicon recommends that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

Q. How can I vote my shares without attending the annual meeting?

A. Whether you hold shares as the shareholder of record or in street name, you may direct how your shares are voted without attending the annual meeting. If you are a shareholder of record, you may vote by submitting a proxy. If you hold shares in street name, you may vote by submitting voting instructions to your broker, trustee or nominee. For directions on how to vote, please refer to the instructions included on your proxy card or, for shares held in

street name, the voting instruction card provided by your broker, trustee or nominee.

Q. Can I change my vote?

A. You may change your vote at any time prior to the vote at the annual meeting. If you are the shareholder of record, you may change your vote by (i) granting a new proxy bearing a later date (which automatically revokes the earlier proxy), (ii) providing a written notice of revocation of your proxy to Rubicon's corporate Secretary prior to your shares being voted, or (iii) attending the annual meeting and voting in person. Mere attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. If you hold shares in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

### VOTING SECURITIES

The following table presents information, to the best of Rubicon's knowledge, about the ownership of Rubicon's common stock on June 15, 2011 relating to those persons known to beneficially own more than 5% of Rubicon's capital stock and by Rubicon's directors and executive officers. The percentage of beneficial ownership for the following table is based on 14,898,023 shares of common stock outstanding.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the shareholder has sole or shared voting or investment power. It also includes shares of common stock that the shareholder has a right to acquire within 60 days after June 15, 2011 pursuant to options, warrants, conversion privileges or other right. The percentage ownership of the outstanding common stock, however, is based on the assumption, expressly required by the rules of the Securities and Exchange Commission, that only the person or entity whose ownership is being reported has converted options or warrants into shares of Rubicon's common stock.

Name of Beneficial Owner, Officer or Director(1)	Number of Shares		Percent of Outstanding Shares of Common Stock(2)	
Joseph Mangiapane, Jr., Chief Executive Officer and Chairman(3)	2,784,222	(4)	18.7	%
Kathleen McPherson, Director(3)	1,102,500	(5)	7.4	%
Directors and Officers as a Group	3,886,722		26.1	%
The Bettingen 1999 Trust U/D/T October 8, 1999 4100 Newport Place, Suite 630 Newport Beach, CA 92660	1,200,000		8.0	%
American International Industries, Inc. 601 Cien Street, Suite 235 Kemah, TX 77565	1,066,900		7.2	%
Timothy McDermott 4100 Newport Place, Suite 630 Newport Beach, CA 92660	900,100		6.0	%

Total Beneficial Owners as a group	3,167,000	21.2	%
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(1) As used in this table, “beneficial ownership” means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security).

(2) Figures are rounded to the nearest tenth of a percent.

(3) The address of each person is care of Rubicon: 18872 MacArthur Boulevard, First Floor, Irvine, California 92612.

(4) Includes 500,000 options, exercisable at \$1.00 per share through December 31, 2011, and 300,000 shares held by Mr. Mangiapane’s spouse and children.

(5) Includes 25,000 shares of preferred stock that are convertible into 100,000 shares of common stock.

## PROPOSAL 1. ELECTION OF DIRECTORS

Rubicon Shareholders elect the members of the Board of Directors annually. Current nominations are for Joseph Mangiapane, Jr. and Kathleen McPherson. The election of Rubicon directors requires a majority of the votes cast in person or by proxy at the meeting. The nominees have consented to their nomination to the Board of Directors, and will serve if elected. However, if any nominee should become unavailable for election, the accompanying proxy will be voted for the election of Rubicon current directors as shall be recommended by the Board of Directors, or will be voted in favor of holding a vacancy to be filled by the director. Rubicon has no reason to believe that any of the nominees will be unavailable to serve if elected.

The following information is provided regarding the nominees for election to the Board of Directors.

Joseph Mangiapane, Jr. is the Chief Executive Officer, President and Principal Financial Officer and has been the Chairman of the Rubicon's Board of Directors since September 2006. In 2009, Mr. Mangiapane began to operate as a FINRA registered broker/dealer for Newport Coast Securities, Inc., a wholly owned subsidiary of Rubicon. Further, Mr. Mangiapane was a senior registered options principal, compliance registered options principal, and a registered representative with Advantage Investment Strategies, Inc., and a FINRA registered broker/dealer from 2005 to 2007. From 1992 to 2000, Mr. Mangiapane was a stockholder, senior registered options principal, compliance registered options principal, and a registered representative with Tradeway Securities Group in Irvine, California. From 1987 to 1989, Mr. Mangiapane was employed with Paine Webber's Sexton Group, and from 1986 to 1987 at Drexel Burnham Lambert. Mr. Mangiapane owned and managed a restaurant in Orange County California from 2000 to 2004. Mr. Mangiapane's father was a founder of Dial-A-Cup, a wholly owned subsidiary of Rubicon.

Kathleen McPherson has been a consultant for us since September 11, 2007 and NCS, providing services in the area of corporate structure, marketing, strategic alliances, and other matters relating to our management and growth. In November of 2009, Ms. McPherson became the chief executive officer of NCS. Ms. McPherson has 33 years experience in the securities industry and has been involved in the start-up of a broker-dealer in 1991 (Brookstreet Securities Corporation), and formed a Registered Investment Advisor in 1993, growing the firm from 15 to over 650 account executives with over \$120,000,000 in annual revenues. At this same company, the Alternative Investment area under Ms. McPherson's direction grew to approximately \$300,000,000 in gross annual sales over a six year period. Ms. McPherson left Brookstreet in June of 2007. Ms. McPherson also has investment banking experience in the formation, marketing and distribution of securities offerings through both public and private placements since 1978. From 1984 to 1990, she was the sole principal responsible for operating the Syndication Division and Broker-Dealer arm of Keystone Mortgage Company in Los Angeles, California, which structured public and private placement real estate investments distributed through the broker-dealer channel. Ms. McPherson graduated from San Diego State University in 1979 with a B.S. in Business and holds ten separate securities and principal licenses.

The Board of Directors has analyzed the independence of each director and has concluded that none of the directors are considered independent Directors in accordance with the director independence standards of the American Stock Exchange.

When the accompanying proxy is properly executed and returned, the shares it represents will be voted in accordance with the directions indicated thereon or, if no direction is indicated, the shares will be voted in favor of the election of the seven nominees identified above. Rubicon expects each nominee to be able to serve if elected, but if any nominee notifies Rubicon before this meeting that he or she is unable to do so, then the proxies will be voted for the remainder of those nominated and, as designated by the Directors, may be voted (i) for a substitute nominee or nominees, or (ii) to elect such lesser number to constitute the whole Board as equals the number of nominees who are able to serve.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL NOMINEES.



## Director Nomination Procedures

The Board of Directors determines nominees for directors.

Generally, nominees for directors are identified and suggested by the members of the board or management using their business networks. The board has not retained any executive search firms or other third parties to identify or evaluate director candidates in the past and does not intend to in the near future. In selecting a nominee for director, the board will consider the following criteria:

1. whether the nominee has the personal attributes for successful service on the board, such as demonstrated character and integrity; experience at a strategy/policy setting level; managerial experience dealing with complex problems; an ability to work effectively with others; and sufficient time to devote to the affairs of Rubicon;
2. whether the nominee has been the chief executive officer or senior executive of a public company or a leader of a similar organization, including industry groups, universities or governmental organizations;
  3. whether the nominee, by virtue of particular experience, technical expertise or specialized skills or contacts relevant to Rubicon's current or future business, will add specific value as a board member; and
4. whether there are any other factors related to the ability and willingness of a new nominee to serve, or an existing board member to continue his service.

The board has not established any specific minimum qualifications that a candidate for director must meet in order to be recommended for board membership. Rather the board will evaluate the mix of skills and experience that the candidate offers, consider how a given candidate meets the board's current expectations with respect to each such criterion and make a determination regarding whether a candidate should be recommended to the shareholders for election as a director. The board did not nominate nor did it receive any nominations for board members during 2010.

Rubicon will consider for inclusion in its nominations of new board of director nominees proposed by shareholders who have held at least 1% of the outstanding voting securities of Rubicon for at least one year. Board candidates referred by such shareholders will be considered on the same basis as board candidates referred from other sources. Any shareholder who wishes to recommend for Rubicon's consideration a prospective nominee to serve on the board of directors may do so by giving the candidate's name and qualifications in writing to Rubicon's Secretary at the following address: 18872 MacArthur Boulevard, First Floor, Irvine, California 92612.

## Shareholder Communications with the Board of Directors

Shareholders who wish to communicate with the Board or a particular director may send a letter to the Secretary of Rubicon at 18872 MacArthur Boulevard, First Floor, Irvine, California 92612. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Shareholder-Board Communication" or "Shareholder-Director Communication." All such letters must identify the author as a shareholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual Directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or Directors.

## Audit Committee

We do not have an Audit Committee, our Board of Directors, performs some of the same functions of an Audit Committee, such as: recommending a firm of independent certified public accountants to audit the annual financial statements; reviewing the independent auditors independence, the financial statements and their audit report; and reviewing management's administration of the system of internal accounting controls.

We have no financial expert. We believe the cost related to retaining a financial expert at this time is prohibitive.





Current Officers and Directors

The following table sets forth the names and positions of Rubicon's executive officers and directors.

Name	Age	Title(s)
Joseph Mangiapane, Jr.	45	Chief Executive Officer, President, Secretary and Chairman
Kathleen McPherson	53	Director

Joseph Mangiapane, Jr. (See Resumé on Page 2 above).

Kathleen McPherson (See Resumé on Page 3 above).

Limitation of Liability of Directors

Pursuant to our Certificate of Incorporation, we have agreed to indemnify our directors to the fullest extent permitted by Delaware General Corporate Law. Under General Delaware Corporate Law, other than in actions brought by or in the right of the corporation, such indemnification would apply if it were determined in the specific case that the proposed indemnitee acted in good faith and in a manner such person reasonably believed in or not opposed to be in the best interests of the corporation and, with respect to any criminal proceeding, if such person had no reasonable cause to believe that the conduct was unlawful. To the extent that any director has been successful on the merits or otherwise in defense of any action, suit, proceeding, as discussed herein, whether civil, criminal, administrative, or investigative, such person must be indemnified against reasonable expenses incurred by such person in connection therewith. A Certificate of Incorporation does not eliminate or limit the liability of a director for acts or omissions that involve intentional misconduct or a knowing violation of law by a director. Additionally, General Delaware Corporate Law does not affect the availability of equitable remedies such as an injunction or rescission based upon a director's breach of his duty of care.

Election of Directors and Officers

Directors are elected to serve until the next annual meeting of shareholders and until their successors have been elected and qualified. Officers are