

INDUSTRIAL SERVICES OF AMERICA INC
Form DEF 14A
August 27, 2014

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. _____)

Filed by the Registrant [X]
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))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to Section 240.14a-12

INDUSTRIAL SERVICES OF AMERICA, 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):

[X] 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:

(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:

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

(3) Filing Party: _____

(4) Date Filed: _____



INDUSTRIAL SERVICES OF AMERICA, INC.

Notice of Annual Meeting of Shareholders
To Be Held on October 15, 2014

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of INDUSTRIAL SERVICES OF AMERICA, INC. will be held at Building No. 1, 7100 Grade Lane, Louisville, Kentucky 40213, on Wednesday, October 15, 2014 at 10:00 A.M. (Eastern Daylight Time), for the following purposes:

- (1) To elect seven (7) directors for a term expiring in 2015;
- (2) To ratify the selection of Mountjoy Chilton Medley LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014;
- (3) To approve the issuance of options to purchase 1,500,000 shares of our Common Stock to Algar, Inc. (the "Manager"), pursuant to the Stock Option Agreement with the Manager;
- (4) To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors of Industrial Services of America, Inc. recommends voting for the above proposals (1) - (3).

By signing the enclosed proxy, you are appointing Orson Oliver and Francesca Scarito as proxies, with full power of substitution, to vote all shares of Industrial Services of America, Inc. common stock held by you as of August 11, 2014 at the annual meeting on October 15, 2014, or at any adjournment or postponement of such meeting.

Only shareholders of record at close of business on August 11, 2014 are entitled to notice of and to vote at the annual meeting. The transfer books will not be closed.

This proxy statement, notice of annual meeting and form of proxy are first being mailed or made available to shareholders on or about August 27, 2014.

By Order of the Board of Directors

/s/ Michael P. Shannonhouse
Michael P. Shannonhouse
Secretary

7100 Grade Lane
Louisville, Kentucky 40213
August 27, 2014

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE, WHICH DOES NOT REQUIRE ANY POSTAGE IF MAILED IN THE UNITED STATES, OR VOTE OVER THE INTERNET OR BY TELEPHONE. IF YOU ARE ABLE TO ATTEND THE MEETING AND WISH TO VOTE YOUR SHARES PERSONALLY, YOU MAY DO SO AT ANY TIME BEFORE THE PROXY IS EXERCISED.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2014 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 15, 2014

Our Proxy Statement related to our 2014 Annual Meeting of Shareholders and our Annual Report on Form 10-K, as amended, for the fiscal year ended on December 31, 2013 are available on our website at <http://www.cfpproxy.com/4877>.

INDUSTRIAL SERVICES OF AMERICA, INC.
7100 GRADE LANE
LOUISVILLE, KENTUCKY 40213
PROXY STATEMENT

We are furnishing this proxy statement in connection with the solicitation of proxies by our Board of Directors for use at the 2014 annual meeting of shareholders of Industrial Services of America, Inc. ("ISA" or the "Company"), which we are holding at Building No. 1, 7100 Grade Lane, Louisville, KY 40213 at 10:00 A.M. (Eastern Daylight Time) on Wednesday, October 15, 2014 and at any and all adjournments thereof, for the purposes set forth in the accompanying notice of the meeting.

We will vote shares represented by duly executed proxies in the accompanying form received prior to the meeting and not revoked at the meeting or at any adjournments within 120 days thereof in accordance with the choices specified on the ballot. If you do not specify a choice, it is the intention of the persons named as proxies in the accompanying form of proxy to vote for (i) the nominees for election as directors, (ii) the ratification of the independent registered public accounting firm for the 2014 fiscal year, and (iii) the issuance of options to purchase 1,500,000 shares of ISA Common Stock to Algar, Inc. The person executing the proxy may revoke it at any time before the proxy holder exercises the authority thereby granted by giving written notice to our Secretary, by delivery of a duly executed proxy bearing a later date or by voting in person at the meeting. Attendance at the meeting will not have the effect of revoking a proxy unless the shareholder notifies the Secretary of the meeting in writing prior to voting of the proxy.

We will bear the expenses of soliciting proxies for the annual meeting, including the cost of preparing, assembling and mailing this proxy statement and the accompanying form of proxy. Such expenses, however, do not include any salaries and wages of our officers and employees who participated in the preparation, assembling and mailing of the proxy statement. In addition to the solicitation of proxies by mail, certain of our officers and regular employees, without additional compensation, may use their personal efforts, by telephone or otherwise, to obtain proxies. We will also request persons, firms and corporations holding shares in their names, or in the names of their nominees, which shares are beneficially owned by others, to send this proxy material to and obtain proxies from such beneficial owners, and will reimburse such holders for their reasonable expenses in so doing.

The presence in person or by proxy of shareholders holding a majority of the issued and outstanding shares of our Common Stock entitled to vote will constitute a quorum for the transaction of all business at the annual meeting. A shareholder voting for the election of directors may withhold authority to vote for all nominees for directors or may withhold authority to vote for certain nominees for directors. A shareholder may also vote for, vote against or abstain from voting on (i) the proposal to ratify the selection of the independent registered public accounting firm for the 2014 fiscal year and (ii) the proposal to issue options to purchase 1,500,000 shares of ISA Common Stock to Algar, Inc. We will treat votes withheld from the election of any nominee for director and abstentions from any other proposal as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but we will not count in the number of votes cast on any matter any withheld votes or abstentions. If a broker does not receive voting instructions from the beneficial owner of shares on a particular matter and indicates on the proxy that it does not have discretionary authority to vote on that matter, we will not consider those shares as present and entitled to vote with respect to that matter.

This proxy statement, notice of annual meeting and form of proxy are first being mailed or made available to shareholders on or about August 27, 2014.

INDUSTRIAL SERVICES OF AMERICA, INC.
PROXY STATEMENT
For the Annual Meeting on October 15, 2014

TABLE OF CONTENTS

Proxy Statement	<u>1</u>
Voting Securities	<u>3</u>
Item I. Election of Directors	<u>7</u>
Section 16(a) Beneficial Ownership Reporting Compliance	<u>13</u>
Item II. Ratification of the Independent Registered Public Accounting Firm	<u>14</u>
Item III. Approval of the Issuance of 1,500,000 Stock Options	<u>15</u>
Executive Compensation Discussion and Analysis	<u>17</u>
Certain Relationships and Related Transactions	<u>26</u>
Report of the Audit Committee	<u>31</u>
Independent Registered Public Accounting Fees	<u>32</u>
Shareholder Proposals	<u>33</u>
Other Matters	<u>33</u>

VOTING SECURITIES

Only shareholders of record at the close of business on August 11, 2014 are entitled to vote at the annual meeting or any adjournments within one hundred twenty (120) days thereof. As of the record date there were 7,956,410 shares of our Common Stock outstanding and entitled to vote. Each share of common stock entitles the holder to one vote on all matters presented at the annual meeting.

The following table sets forth information regarding beneficial ownership of our Common Stock as of August 15, 2014 for (i) each of our Named Executive Officers, directors and nominees for director, (ii) each person known to management to own of record or beneficially more than five percent of our outstanding shares, and (iii) all of our executive officers and directors as a group.

Name and Address	Amount and Nature of Beneficial Ownership (1)(2)(3)		Percentage of Class (1)	
Orson Oliver 7100 Grade Lane Louisville, KY 40213	1,951,705	(4)	23.53	% (4)
Sean Garber 7100 Grade Lane Louisville, KY 40213	1,816,956	(5)	22.84	% (5)
The Estate of Harry Kletter 7100 Grade Lane Louisville, KY 40213	517,788	(6)	6.51	% (6)
Harry Kletter Family Ltd Ptnsp 7100 Grade Lane Louisville, KY 40213	750,000		9.43	%
David Russell P.O.Box 280481 Northridge, CA 91328	673,712	(7)	8.12	% (7)
K&R, LLC 7100 Grade Lane Louisville, KY 40213	549,168		6.90	%
Albert Cozzi 7100 Grade Lane Louisville, KY 40213	215,991	(8)	2.60	% (8)
Francesca Scarito 7100 Grade Lane Louisville, KY 40213	113,500	(9)	1.37	% (9)
Recycling Capital Partners, LLC 295 S Commerce Drive Waterloo, IN 46793	857,143	(10)	10.77	%
Ronald Strecker 7100 Grade Lane Louisville, KY 40213	49,000	(11)	0.59	% (11)

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Alan Schroering 7100 Grade Lane Louisville, KY 40213	20,800	(12)	0.26	%
James Wiseman III 511 Penny Royal Way Louisville, KY 40223	7,500		0.09	%
Brian Donaghy 18719 Weatherford Circle Louisville, KY 40245	—		—	%
William Yarmuth 7100 Grade Lane Louisville, KY 40213	3,953		0.05	%
Vince Tyra 7100 Grade Lane Louisville, KY 40213	—		—	%
All directors and executive officers as a group	2,354,949	(13)	28.50	%

