

OMNI ENERGY SERVICES CORP  
Form DEF 14A  
April 30, 2010  
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**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**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**OMNI Energy Services Corp.**

(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)(4) 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):
  
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(1) Amount Previously Paid:

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(3) Filing Party:

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*ENERGY SERVICES CORP.*

4500 NE EVANGELINE THRUWAY

CARENCRO, LOUISIANA 70520

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To Shareholders of OMNI Energy Services Corp.:

The annual meeting of shareholders of OMNI Energy Services Corp. (the Company) will be held at the Company's principal executive offices at 4500 NE Evangeline Thruway, Carencro, Louisiana 70520 on June 9, 2010 at 10:00 a.m., local time, for the following proposals:

1. To elect to the Board four directors to serve until the next annual meeting of the shareholders or until their successors are elected and qualified.
2. To ratify the appointment of Grant Thornton L.L.P. as the Company's independent registered public accounting firm for the year ending December 31, 2010.

The Company will also attend to other business as may properly come before the annual meeting or any adjournments thereof or any adjournments or postponements that may take place.

Only holders of record of the Company's Common Stock and the Series C 9% Convertible Preferred Stock at the close of business on April 30, 2010, are entitled to notice of, and to vote at, the annual meeting. The Board of Directors is not aware of any other matters to be presented at the annual meeting.

**PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ACCOMPANYING ENVELOPE AS PROMPTLY AS POSSIBLE. A PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE VOTING THEREOF.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
SHAREHOLDER MEETING TO BE HELD ON JUNE 9, 2010**

**THE COMPANY'S PROXY STATEMENT AND THE 2009 ANNUAL REPORT ON FORM 10-K ARE ALSO AVAILABLE AT [www.omnienergy.com](http://www.omnienergy.com).**

By Order of the Board of Directors

Staci L. Marcelissen, Secretary

Carencro, Louisiana

April 30, 2010

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**OMNI ENERGY SERVICES CORP.**

**4500 NE EVANGELINE THRUWAY**

**CARENCRO, LOUISIANA 70520**

**GENERAL INFORMATION**

**Proxy Statement**

This Proxy Statement is furnished to shareholders of OMNI Energy Services Corp. (the Company) in connection with the solicitation on behalf of its Board of Directors (the Board) of proxies for use at the annual meeting of shareholders of the Company to be held on June 9, 2010, at the time and place set forth in the accompanying notice and at any adjournments thereof (the Annual Meeting).

Holders of record of the Company's common stock, par value \$0.01 per share (Common Stock), and holders of the Company's Series C 9% Convertible Preferred Stock (Series C Preferred Stock), at the close of business on April 30, 2010, are entitled to notice of, and to vote at, the Annual Meeting. On April 30, 2010, there were 24,146,492 shares of Common Stock outstanding and entitled to vote at the meeting, including 2,767,179 shares of Common Stock issuable upon conversion of the Series C Preferred Stock. Each share of Common Stock is entitled to one vote and the holders of the Series C Preferred Stock are entitled to one vote for each share of Common Stock into which their Series C Preferred Stock may be converted; provided however, that the holders of the Series C Preferred Stock will not be entitled to vote on Proposal No. 1.

The enclosed proxy may be revoked at any time prior to the Annual Meeting by filing with the Secretary of the Company a written revocation or duly executed proxy bearing a later date. The proxy will also be deemed revoked with respect to any matter on which the shareholder votes in person at the Annual Meeting. Attendance at the Annual Meeting will not, in and of itself, constitute a revocation of a proxy.

This Proxy Statement is first being mailed to shareholders on or about April 30, 2010.

**Quorum; Vote Required and Voting of Proxies**

The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock, including shares of Common Stock issuable upon conversion of the Series C Preferred Stock, is necessary to constitute a quorum. Shareholders voting or abstaining from voting by proxy on any issue will be counted as present for purposes of constituting a quorum. If a quorum is present, the election of directors is determined by plurality vote. Shareholders may not cumulate their votes for the election of directors. The affirmative vote of a majority of the votes present and entitled to vote at the Annual Meeting is required to ratify Proposal No. 2 and is generally required to approve other proposals that may properly be brought before the Annual Meeting. Abstentions will be counted as votes **AGAINST** a proposal.

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If a shareholder holds its shares in street name and does not provide voting instructions to its broker, bank or nominee, such shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. Brokers generally have discretionary authority to vote shares held in street name on routine matters but not on non-routine matters. The proposal to ratify the retention of the independent registered public accounting firm is generally considered a routine matter. The proposal to elect directors is generally considered a non-routine matter; therefore, if a shareholder whose shares are held in street name does not provide voting instructions on Proposal No. 1, such shares will not be voted on the proposal. The broker non-vote occurs when a broker holding shares for a shareholder in street name submits a proxy that votes such shares on one or more matters, but does not vote (the broker non-vote) on non-routine matters with respect to which the shareholder has not given voting instructions. Broker non-votes will be counted as present for purposes of a quorum but not cast with respect to such proposal.



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Unless otherwise marked, properly executed proxies in the form of the accompanying proxy card will be voted (i) **FOR** the election of the four nominees listed below to the Board, (ii) **FOR** ratification of Grant Thornton L.L.P to serve as the Company's independent registered accounting firm for the year ending December 31, 2010, and (iii) in the discretion of the persons named in the proxy in connection with any other business that may properly come before the Annual Meeting. The Company does not know of any matters to be presented at the Annual Meeting other than those described herein. However, if any other matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote the shares represented by them in accordance with their best judgment.

**Table of Contents****PROPOSAL NO. 1****ELECTION OF DIRECTORS****General**

The Company's By-laws state that the Board may be comprised of up to eight members, with the exact number to be set by the Board. The Board has currently set the number of directors at six. The Articles of Incorporation provide that so long as at least 2,000 shares of Series C Preferred Stock remain outstanding, the holders of a majority of the Series C Preferred Stock, voting as a separate class to the exclusion of all other classes of the Company's capital stock, shall be entitled to elect two directors to the Board to serve on the Board until their successors are duly elected by the holders of the Series C Preferred Stock or they are removed from office (with or without cause) by the holders of the Series C Preferred Stock. The holders of Series C Preferred Stock have elected Dennis R. Sciotto and Edward E. Colson, III to serve on the Board until the 2011 annual meeting of shareholders. You are being asked to elect the remaining four directors. Each director elected at the Annual Meeting and the two directors elected by the holders of the Series C Preferred Stock will serve a term expiring at the 2011 annual meeting of shareholders. Four of the Company's current directors have been nominated for re-election to the Board and were recommended by the Corporate Governance and Nominating Committee for election to the Board of Directors by the shareholders.

Unless authority to vote for the election of directors is withheld, the proxies solicited hereby will be voted **FOR** the election of the Company's four nominees named below. If any nominee should decline or be unable to serve for any reason, votes will instead be cast for a substitute nominee designated by the Board. The Board has no reason to believe that any nominee will decline to be a candidate or, if elected, will be unable or unwilling to serve.

**The Board has nominated and urges you to vote FOR the election of the Company's four nominees named below.**

**Information About the Company's Directors and Director Nominees**

The following table sets forth, as of April 30, 2010, certain information about the Company's nominees for director and the two directors who were elected by the holders of the Series C Preferred Stock. Pursuant to the Securities Purchase Agreement executed in connection with the issuance of our Series C Preferred Stock in May 2005, the holders of the Series C Preferred Stock elected Messrs. Sciotto and Colson to serve as directors. Each director elected at the Annual Meeting and Messrs. Sciotto and Colson will serve a term expiring at the 2011 annual meeting of shareholders. There are no other arrangements or understandings between the Company and any person, pursuant to which such person has been elected a director, and no director is related to any other director or executive officer of the Company.

<b>Directors</b>	<b>Age</b>	<b>Position</b>	<b>Committees</b>
Edward E. Colson, III	60	Director	Audit, Compensation
Ronald E. Gerevas	70	Director (1)	Compensation, Corporate Governance and Nominating (Chair)
Barry E. Kaufman	71	Director (1)	Audit (Chair), Corporate Governance and Nominating

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Brian J. Recatto	45	President, Chief Executive Officer, Director (1)	
Dennis R. Sciotto	57	Chairman of the Board	Corporate Governance and Nominating
Richard C. White	55	Director (1)	Audit, Compensation (Chair)

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 (1) Nominee for director

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**Edward E. Colson, III** is a real estate investor/developer who specializes in the acquisition of commercial properties which are suitable for drive through restaurants. Currently his portfolio consists of over 100 properties which are located throughout the western United States. Mr. Colson received a Bachelor of Science degree in Business Management from Long Beach State University in 1972. He is a past Director and founder of Pacific Mortgage Exchange, Inc. and is a past Director of Vista Sol High School in Torremolinos, Spain. Mr. Colson originally was elected to the Board by the holders of the Series C Preferred Stock in June 2005. Mr. Colson's qualifications to serve on the Board include his extensive accounting, finance and investment experience.

**Ronald E. Gerevas** is a former Partner in the Los Angeles office of Heidrick & Struggles, a leading global executive search firm. Mr. Gerevas had previously served as President and Chief Executive Officer of Heidrick & Struggles from 1987 to 1991, before rejoining the firm in 1998 after serving as Vice Chairman and West Coast Managing Partner for another global executive search firm. Mr. Gerevas also served as President and Chief Operating Officer of Jenny Craig International during its initial public offering on the New York Stock Exchange. Prior to entering the executive search business, Mr. Gerevas spent five years in the federal government, where he served as a Presidential Appointee of the Ford Administration and was confirmed by the U.S. Senate to provide leadership to our country's volunteer programs including the Peace Corps, Vista, and Foster Grandparents. Mr. Gerevas began his career in advertising with the J. Walter Thompson Company in New York and Los Angeles, where he spent eight years in various roles, including Director of Training, Personnel Manager, and Account Manager. He is a graduate of San Jose State University, where he was Outstanding Senior and earned a B.S. in Public Administration and a M.S. in Business Administration. Mr. Gerevas was appointed to the Board in March 2008 upon recommendation by the Corporate Governance and Nominating Committee. Mr. Gerevas's qualifications to serve on the Board include his wide-ranging background and experience in business, public policy and management.

**Barry E. Kaufman** is a former member of Silver Fox Advisors, Houston, Texas and a certified public accountant. He serves on the board of directors of the Chantal Corp., a privately-owned company in Houston, Texas. In 1999, Mr. Kaufman retired as a partner from the Houston office of Grant Thornton L.L.P. Prior to joining Grant Thornton, he was the managing director of Kaufman/Kalman P.C., Certified Public Accountants, and prior to that he was a partner and served as an associate regional director with Deloitte (formerly Touché Ross and Company). Mr. Kaufman graduated from the University of Texas at Austin in 1960 with a Bachelors of Business Administration degree with concentration in accounting. Mr. Kaufman was appointed to the Board in October 2005. Mr. Kaufman's qualifications to serve on the Board include his extensive financial knowledge and experience in accounting and disclosure compliance, including public accounting rules and regulations.

**Brian J. Recatto** was appointed President and Chief Executive Officer effective July 1, 2008, and was elected to the Board at the 2008 annual shareholder meeting. Prior to that appointment, Mr. Recatto served as Chief Operating Officer since December 2007. Mr. Recatto joined the Company in March 2007 in connection with the acquisition of Charles Holston, Inc. ( CHI ) where he was the President and one of the owner/principals since 2004. Prior to arriving at CHI, he held various positions with Philip Services Corporation in Houston, Texas from 1997 until 2004 ranging from General Manager of the Gulf Coast Waste Operations to President of the Industrial services Division. He has nearly twenty years of experience in the environmental consulting and services sector. He received a Bachelor of Science in Finance from Louisiana State University in 1987. Mr. Recatto's qualifications to serve on the Board include his valuable industry and operational knowledge and experience in the environmental consulting and services sector, and his extensive knowledge of the Company's business organization and business units.

**Dennis R. Sciotto** is a real estate investor/developer who specializes in the acquisition of commercial properties which are suitable for drive through restaurants. Currently, his portfolio consists of over 100 properties which are located in the western United States. Prior to 1988, Mr. Sciotto was a restaurateur catering to the military installations in San Diego. Mr. Sciotto attended San Diego State University. Mr. Sciotto originally was elected to the Board by the holders of the Series C Preferred Stock in June 2005 and was appointed Chairman of

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the Board upon James Eckert's retirement effective June 30, 2008. Mr. Sciotto's qualifications to serve on the Board include his wide-ranging background and experience in business and investments.

**Richard C. White** is the former President and Chief Executive Officer of NuTec Energy Services Inc. He held that position from October 2001, until his retirement from NuTec in September 2002. He was Chief Executive Officer of Veritas DGC, Inc. from January 2000 through June 2000. From 1995 until his retirement in October 1999, Mr. White served as President of Western Geophysical Company, as well as Senior Vice President of Western Atlas Inc. He also served as Vice President of Baker Hughes Incorporated from August 1998 until October 1999. Prior to 1995, he held various other executive positions with Western Geophysical Company, including Chief Operating Officer. Mr. White graduated from Bloomsburg University in 1978 and has been a director of the Company since March 2001. Mr. White's qualifications to serve on the Board include his extensive knowledge in oilfield services, strategic planning, leadership of complex organizations and other areas related to the operation of a large company. Mr. White served on the board of directors of VGS Seismic Canada Inc. (Toronto Stock Exchange: VGS) from 2005 through 2009 when it was subsequently sold to a private equity firm. Since 2008, Mr. White has served on the board of directors of OYO Geospace Corporation (NASDAQ: OYOG).

## **Advisory Board**

James C. Eckert, retired as the Company's President and Chief Executive Officer effective June 30, 2008. He served as Chairman of the Board of the Company from March 2001 until the 2008 annual meeting of the shareholders. Mr. Eckert decided not to stand for re-election to the Board at that annual meeting but remains an active and significant contributor to the Company as a consultant to the Company and an advisory director to the Board. In his capacity as an Advisory Board member, Mr. Eckert is invited to meetings of the Board and advises the Board on matters brought before them. From 1998 to 2000, Mr. Eckert served as Vice-President for Business Development of Veritas DGC Land, Inc. From 1992 to 1998, he supervised the highland and transition seismic acquisitions of Veritas DGC Land, Inc. He served as President of GFS Company, a company that he co-founded in 1985, until its acquisition in 1992 by Digiton, Inc., a predecessor by merger to Veritas, Inc. Mr. Eckert graduated from the University of Southern Mississippi in 1971. As the Company's former Chief Executive Officer and Chairman of the Board, Mr. Eckert possess particular knowledge and experience as a chief executive officer of a public company and in providing leadership of large organizations. Mr. Eckert also has extensive operational knowledge and experience in integrated oilfield services, strategic planning in a complex industry, and all aspects of operating a large business.

In addition, the Board may from time to time appoint additional advisory directors to the Board. At this time, Mr. Eckert is the only advisory director to the Board.

**Table of Contents****INFORMATION ABOUT THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD****Director Compensation**

For 2009, the non-employee directors of the Company received an annual retainer of \$50,000, paid quarterly. Each non-employee director who serves as a member of the Audit Committee received an additional annual retainer of \$7,500, paid quarterly, while the Chairman of the Audit Committee received an additional annual retainer of \$12,500, paid quarterly. Each non-employee director who serves as a member of the Compensation Committee received an additional annual retainer of \$3,000, paid quarterly while the Chairman of the Compensation Committee received an additional annual retainer of \$10,000, paid quarterly. Each non-employee director who serves as a member of the Corporate Governance Committee received an additional annual retainer of \$2,000 while the Chairman of the Corporate Governance Committee received an additional annual retainer of \$3,000, paid quarterly. Each non-employee director of the Company also received a meeting fee for board meetings of \$2,500 for each meeting attended in person and \$1,000 for meetings attended via conference call. Each non-employee director also received a \$500 meeting fee for Committee meetings attended whether in person or by conference call. The Company reimburses the directors for their travel expenses for attending meetings. Each non-employee director is granted an option to purchase 10,000 shares of Common Stock upon initial appointment to the Board at an exercise price equal to the fair market value of the Common Stock on the date such person becomes a director. Additionally, each non-employee director on the day following the annual meeting of the Company's shareholders is granted an option to purchase 5,000 shares of the Common Stock at an exercise price equal to the fair market value of the Common Stock on such date. All such options become fully exercisable on the first anniversary of their date of grant and expire on the tenth anniversary thereof, unless the director ceases to be a director of the Company, in which case the exercise periods will be shortened.

The Company's Eighth Amended and Restated Stock Incentive Plan (the Incentive Plan) allows for the discretionary grant of incentive awards to the Company's directors. There were no discretionary grants to directors in 2009.

The following table sets forth information regarding the compensation paid to the Board for the 2009 fiscal year:

NAME	FEES EARNED OR PAID IN		OPTION	TOTAL
	CASH		AWARDS (1)	
Edward Colson, III (2)	\$ 62,800		\$ 5,850	\$ 68,650
Ronald E. Gerevas (3)	\$ 59,200		\$ 5,850	\$ 65,050
Barry Kaufman (4)	\$ 67,300		\$ 5,850	\$ 73,150
Dennis R. Sciotto (5)	\$ 52,000		\$ 5,850	\$ 57,850
Richard C. White (6)	\$ 70,200		\$ 5,850	\$ 76,050

- (1) The amounts in this column reflect the grant date fair value of the award as calculated in accordance with the provisions of FASB Accounting Standard Codification (ASC) Topic 718. The value ultimately realized by the director may or may not be equal to the FASB ASC Topic 718 determined value.

At the 2008 annual shareholder meeting, the Company's shareholders approved, on an advisory basis, the Company's decision to conduct an option replacement and repricing program pursuant to Section 10.10B of the Incentive Plan which allows the Compensation Committee of the Board to cancel any incentive award granted under the Incentive Plan in consideration of a cash payment or an alternative award made to the participant of the cancelled award in an amount equal in value to the cancelled award. Accordingly, on May 29, 2009, the Compensation Committee replaced currently outstanding options to purchase shares of the Company's common stock issued under the Incentive Plan with exercise prices higher than the Company's closing stock price on May 29, 2009 (\$2.28) and previously granted to the Company's current employees, officers, consultants and directors (the Subject Options) with new stock options (the New Options) having a value equal to the value

of the Subject Options (determined using the Black-Scholes

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option pricing model), based on the closing price of the Company's stock on May 29, 2009 (the Replacement Program). Under the Replacement Program, the Compensation Committee replaced and repriced 1,487,465 Subject Options, including options to purchase 165,000 shares held by the Company's directors. The vesting period of the New Options remained unchanged from the vesting period of the Subject Options.

- (2) 25,000 options to purchase common shares were repriced under the Replacement Program resulting in the issuance of 20,124 replacement options at no incremental increase in value to the holder.
- (3) 25,000 options to purchase common shares were repriced under the Replacement Program resulting in the issuance of 22,049 replacement options at no incremental increase in value to the holder.
- (4) 35,000 options to purchase common shares were repriced under the Replacement Program resulting in the issuance of 27,886 replacement options at no incremental increase in value to the holder.
- (5) 25,000 options to purchase common shares were repriced under the Replacement Program resulting in the issuance of 20,124 replacement options at no incremental increase in value to the holder.
- (6) 55,000 options to purchase common shares were repriced under the Replacement Program resulting in the issuance of 41,664 replacement options at no incremental increase in value to the holder.

In light of the economic climate in 2009, on March 10, 2009, the Board unanimously resolved to reduce its director's fees for fiscal year 2009 by 20% beginning with the first quarter of 2009. Beginning in the second quarter of 2010, the Board unanimously approved that the director's fees be restored to their original levels.

### ***Fees paid to the Advisory Director***

Each advisory director is paid a meeting fee of \$1,500 for each meeting attended in person and \$500 for meetings attended via conference call. Mr. James C. Eckert received \$4,000 in advisory director fees during 2009 for his service as an advisory director. Additionally, the Company and Mr. Eckert entered into a Consulting Agreement effective December 31, 2007 (the Consulting Agreement), pursuant to which, effective July 1, 2008 until June 30, 2009, Mr. Eckert served as an independent contractor performing consulting services for the Company. The Consulting Agreement also contains a non-compete for a period of two years after the expiration of the Consulting Agreement. Pursuant to the Consulting Agreement, Mr. Eckert will be paid an aggregate of \$1.2 million in quarterly payments of \$100,000 each after an initial payment of \$300,000 on January 1, 2009. Mr. Eckert received \$600,000 under the Consulting Agreement in fiscal year 2009.

### **Board of Directors Leadership Structure**

The Company separates the roles of Chief Executive Officer and Chairman of the Board of Directors in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the Chairman of the Board provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board. The Company's Chief Executive Officer serves on the Board, which the Company believes helps the Chief Executive Officer serve as a bridge between management and the Board, ensuring that both groups act with a common purpose. The Company believes that the Chief Executive Officer's presence on the Board enhances his ability to provide insight and direction on important strategic initiatives to both management and the independent directors and, at the same time, ensures that the appropriate level of independent oversight is applied to all decisions by the Board.

### **Board Meeting and Committees**



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The Board met five times during 2009. The standing committees of the Board consist of an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. During 2009, the Audit Committee met eight times, the Compensation Committee met six times, and the Corporate Governance and Nominating Committee met four times. Each director attended 75 percent or more of the aggregate number of meetings of the Board and committees of which he was a member that were held during the period in which he served.

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It is the Company's policy to invite all non-employee directors and nominees for director to attend the annual meeting of the shareholders. Mr. Sciotto, on behalf of all of the directors, attended the 2009 annual meeting of the shareholders.

The Board has adopted written charters for each of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. Each charter is available on the Company's corporate website at [www.omnienergy.com](http://www.omnienergy.com) under "About OMNI" and then under "Charters" or by writing to the Company at OMNI Energy Services Corp., 4500 N.E. Evangeline, Carencro, Louisiana 70520.

### ***Audit Committee***

The Audit Committee reviews the Company's quarterly financial statements and annual audited financial statements and meets with the Company's independent public accountants to review the Company's internal controls and financial management practices. The current members of the Audit Committee are Messrs. Colson, Kaufman (Chair) and White. Mr. Kaufman is designated as the financial expert of the Audit Committee. After reviewing the qualifications of the current members of the Audit Committee, and any relationships that they may have with the Company that might affect their independence, the Board has determined that (i) all current members of the Audit Committee are independent as independence is defined by Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act) and by Rule 4200(a)(15) of the NASDAQ Marketplace Rules for issuers whose securities are listed on the NASDAQ Stock Market, (ii) all current committee members are financially literate, and (iii) Mr. Kaufman qualifies as an audit committee financial expert under the applicable rules promulgated to the Exchange Act. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

The responsibilities of the Audit Committee include:

engaging an independent audit firm to audit our financial statements and to perform services related to the audit;

reviewing the scope and results of the audit with our independent auditors;

considering the adequacy of the Company's internal accounting control procedures;

considering auditors' independence; and

approving all audit and non-audit services with the Company's independent auditors.

### ***Compensation Committee***

The Compensation Committee recommends to the Board compensation for the Company's executive officers and other key employees, administers the Incentive Plan and performs such similar functions as may be prescribed by the Board. Currently, the members of the Compensation Committee are Messrs. Colson, Gerevas and White (Chair). The Board has determined that each of the members of the Compensation Committee is independent as independence is defined by Rule 10A-3 under the Exchange Act and by Rule 4200(a)(15) of the

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NASDAQ Marketplace Rules for issuers whose securities are listed on the NASDAQ Stock Market.

The responsibilities of the Compensation Committee include:

review and make recommendations to the Board with respect to compensation plans, including incentive compensation plans and equity based plans;

recommend to the Board, salary and compensation levels, including fringe benefits for officers of the Company and its subsidiaries;

review management's resources and development with the Chief Executive Officer and recommend to the Board succession plans for senior management; and

Review the Company's active operating performance relative to the bonus and incentive programs.

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### ***Corporate Governance and Nominating Committee***

The Corporate Governance and Nominating Committee provides assistance to the Board in fulfilling its responsibilities by identifying individuals qualified to become directors and recommending to the Board candidates for all directorships to be filled by the Board or by the shareholders of the Company. The Corporate Governance and Nominating Committee assists the Board in identifying directors qualified to serve on the committees established by the Board and recommends to the Board members for each committee to be filled by the Board. In addition, the Corporate Governance and Nominating Committee develops and recommends to the Board a set of corporate governance principles appropriate for the Company and consistent with the applicable laws, regulations and listing standards. The Corporate Governance and Nominating Committee periodically reviews the Company's governance principles, keeps abreast of developments with regard to corporate governance, and makes recommendations to the Board for changes in the principles as in its judgment may be appropriate. In addition, the Corporate Governance and Nominating Committee reviews and makes recommendations to the Board regarding shareholders' proposals that relate to corporate governance and, at least annually, oversees evaluations of the Board and its committees. Currently, the members of the Corporate Governance and Nominating Committee are Messrs. Gerevas (Chair), Kaufman and Sciotto. The Board has determined that each member of the Corporate Governance and Nominating Committee currently is independent as independence is defined by Rule 10A-3 under the Exchange Act and by Rule 4200(a)(15) of the NASDAQ Marketplace Rules for issuers whose securities are listed on the NASDAQ Stock Market.

The responsibilities of the Corporate Governance and Nominating Committee include:

establish criteria for selection of potential directors and identify and select individuals believed to be qualified as candidates to serve on the Board and recommend candidates to stand for election as directors at the annual meeting of shareholders;

conduct or authorize studies and investigations into any matter of interest or concern within the scope of its responsibilities that the Committee deems appropriate;

recommend members of the Board to serve on the committees of the Board;

evaluate and ensure the independence of each member of each committee of the Board required to be composed of independent directors;

develop and recommend to the Board a set of corporate governance principles and shall keep abreast of developments with regard to corporate governance make recommendations to the Board for changes in the principles as in its judgment may be appropriate; and

review and make recommendations to the Board regarding shareholders' proposals that relate to corporate governance.

### **Risk Oversight**

#### ***Board's Role in Risk Oversight***

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The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic risks. The Audit Committee is responsible for oversight of risks relating to the Company's accounting matters, financial reporting and legal and regulatory compliance. As part of this process, the Audit Committee meets regularly with management and Grant Thornton L.L.P. The Compensation Committee is responsible for overseeing risks relating to employment policies and the Company's compensation and benefits programs and senior management succession planning. As part of this process, the Compensation Committee meets regularly with management to understand the implications of compensation decisions, and particularly risks the Company's compensation policies pose to the Company's finances, human resources and shareholders. The Corporate Governance and Nominating Committee is responsible for overseeing risks relating to overall corporate governance. As part of this process, the Corporate Governance and Nominating Committee

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annually reviews board composition and board and committee performance and periodically reports to the Board on corporate governance matters. Company management is responsible for day-to-day management of risks the Company faces.

### ***Risks Related to Compensation Policies and Practices***

As part of its oversight of the Company's executive and non-executive compensation programs, the Compensation Committee considers the impact of the Company's compensation programs, and the incentives created by the compensation awards that it administers, on the Company's risk profile. In addition, the Compensation Committee reviews all of its compensation policies and procedures, including the incentives that they create and factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to the Company. The Compensation Committee also considered the following risk mitigating factors:

Use of long-term equity-based incentive compensation;

Time vesting periods for equity-based compensation awards that encourage executives and other key employees to focus on sustained stock price appreciation;

The Company's internal control over financial reporting and other financial, operational and compliance policies and practices currently in place;

Base salaries consistent with executives' responsibilities so that they are not motivated to take excessive risks to achieve a reasonable level of financial security; and

Design of long-term compensation to reward executives and other key employees for driving sustainable, profitable, growth for shareholders and clients.

Based on this review, the Company has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company.

### **Board Independence**

The Board has determined that except for Mr. Recatto, the Company's President and Chief Executive Officer, all of the directors are independent as defined by Rule 4200(a)(15) of the NASDAQ Marketplace Rules. In making this determination, the Board considered transactions and relationships between each director or his immediate family and the Company and its subsidiaries, including those reported under Compensation Committee Interlocks and Insider Participation and Transactions with Related Persons below, and in the case of Mr. Kaufman, his past employment with Grant Thornton, L.L.P. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that the director is independent. There are no family relationships between any nominees, directors and executive officers, and the Board determined that Mr. Kaufman's prior employment with Grant Thornton L.L.P. did not change his status as an independent director.

Mr. Recatto is not an independent director because of his employment as President and Chief Executive Officer of the Company.

**Nomination Policy**

While the Board has not adopted a formal policy regarding diversity, the Board evaluates each candidate in the context of the Board's membership as a whole and seeks to achieve a mix of members that represent a diversity of background and experience in order to promote the representation of a diverse view on the Board. The Corporate Governance and Nominating Committee does not set minimum qualifications that nominees must meet in order for the Corporate Governance and Nominating Committee to recommend them to the Board, but

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rather the Corporate Governance and Nominating Committee will take into account the judgment, skill, diversity, experiences with business and other organizations of comparable size, the interplay of the nominees experiences with the experience of other directors, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. Our Board believes that backgrounds and qualifications of its directors, considered as a group, should provide a mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

The Corporate Governance and Nominating Committee discusses and evaluates possible candidates and has the authority to engage consultants. Once a candidate is identified whom the Corporate Governance and Nominating Committee believes to be qualified to serve on the Board, the Corporate Governance and Nominating Committee will recommend that candidate to the Board to stand for election as a director at the next annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. The Corporate Governance and Nominating Committee may consider candidates proposed by management, but is not required to do so. The Committee will consider nominees properly submitted by shareholders of the Company (as described below under Shareholder Nomination Policy ).

## **Shareholder Nomination Policy**

Article IV E of the Company's Articles of Incorporation provides certain procedures that shareholders must follow in making director nominations. For any person other than a person nominated by the Board to be eligible for nomination for election as a director, advance notice must be provided to the Secretary of the Company at the Company's principal office, not more than 90 days and not less than 45 days, in advance of the annual meeting of shareholders; provided, however, that in the event that less than 55 days notice or prior public disclosure of the date of the meeting is given or made to shareholders, such notice will be deemed timely if received at the Company's principal office no later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or such public disclosure was made. This notice must state (a) for each nominating shareholder, such shareholder's name and business and residential addresses, the number of shares of Common Stock beneficially owned by such shareholder, and, if requested by the Secretary of the Company, whether such shareholder is the sole beneficial owner of such Common Stock and, if not, the name and address of any other beneficial owner of such Common Stock, and (b) for each proposed nominee, the proposed nominee's name, age and business and residential addresses, the proposed nominee's principal occupation or employment and the number of shares of Common Stock beneficially owned by the proposed nominee, and the proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, along with such other information regarding the proposed nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been proposed by the Board. No such shareholder nominations have been received for the Annual Meeting.

## **Communication with Directors**

The Board provides a process for shareholders to send communications to the Board or any of the directors. Shareholders may send written communications to the Board or any of the directors addressed to the Secretary of the Company at the address listed on the first page of this Proxy Statement. All communications will be compiled by the Secretary of the Company and submitted to the Board or the individual directors on a periodic basis.

## **AUDIT COMMITTEE REPORT**

The duties and responsibilities of the Audit Committee are set forth in a written charter adopted by the Board of Directors. Each of the members of the Audit Committee is independent, as defined by Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and in Rule 4200(a)(15) of the NASDAQ Marketplace Rules for issuers whose securities are listed on the NASDAQ Stock Market.





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Management is responsible for the Company's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an audit of the Company's consolidated financial statements and management's assessment on internal control over financial reporting in accordance with standards of the Public Company Accounting Oversight Board (United States) and issuing a report thereon. It is the Audit Committee's responsibility to monitor these processes. The Audit Committee reviewed and discussed with management the Company's audited financial statements and management's report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act.

In this context, the Audit Committee has reviewed and discussed with the Company's independent public accounting firm the overall scope and plans for the independent audit. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles. Discussions with the Company's independent public accounting firm about the Company's audited financial statements included the independent registered public accountants' judgments about the quality, not just the acceptability of the application of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with the independent registered public accountants other matters required by Statement on Auditing Standards (SAS) 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 Company's independent registered public accounting firm provided to the Audit Committee the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with the independent registered public accounting firm and management the independent registered public accounting firm's independence. In addition, the Audit Committee considered whether the other non-audit consulting services provided by the independent registered public accounting firm could impair the auditor's independence and concluded that such services have not impaired the independent registered public accountants' independence.

Based on the Audit Committee's discussion with management and the independent registered public accounting firm and the Audit Committee's review of the representations of management and the report of the independent registered public accounting firm to the Audit Committee, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC.

The Audit Committee

Edward E. Colson III

Barry E. Kaufman (Chair)

Richard C. White

*This report by the Audit Committee shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended (the Securities Act) or the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates this information by reference.*

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Executive officers of the Company generally serve at the pleasure of the Board and are subject to annual appointment by the Board at its first meeting following the annual meeting of the shareholders. There are no arrangements or understandings between the Company and any executive officers pursuant to which such person has been selected as an officer, and no officer is related to any other officer or director of the Company. Information regarding Mr. Recatto is contained above under Proposal 1. Election of Directors Information About the Company's Directors and Director Nominees. The name, age and offices of the Company's other executive officers and key managers as of April 30, 2010 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Ronald D. Mogel	58	Senior Vice President and Chief Financial Officer
Gregory B. Milton	48	Vice President and Chief Accounting Officer
Andy J. Dufrene	43	Vice President of OMNI Offshore Operations
John A. Harris	51	Vice President of OMNI Seismic Services
Steven P. Sellers	59	Vice President of Health Safety and Environmental
Lawrence J. Shaw	48	Vice President of Sales Land and Offshore
Mark E. Stipe	47	