

MITEK SYSTEMS INC  
Form DEF 14A  
January 21, 2010

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (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 under ss. 240.14a-12

Mitek Systems, Inc.  
(Name of Registrant as Specified in Its Charter)

Not Applicable  
(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:

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:                                 |
| 4) | Date Filed:                                   |
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MITEK SYSTEMS, INC.  
8911 BALBOA AVE., SUITE B  
SAN DIEGO, CALIFORNIA 92123

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD FEBRUARY 24, 2010

TO ALL STOCKHOLDERS OF MITEK SYSTEMS, INC.

The Annual Meeting of Stockholders of Mitek Systems, Inc., will be held at 9:00 a.m., local time, Wednesday, February 24, 2010, at Mitek's executive offices located at 8911 Balboa Ave., Suite B, San Diego, California 92123, for the following purposes:

1. To elect a board of seven directors to hold the office during the ensuing year or until their respective successors are elected and qualified.
2. To adopt the Mitek Systems, Inc. 2010 Stock Option Plan.
3. To ratify the appointment of Mayer Hoffman McCann, P.C. as our independent registered public accounting firm for our 2010 fiscal year.
4. To transact such business as may properly come before the meeting and any adjournments thereof.

Our Board of Directors has fixed the close of business on January 11, 2010 as the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting and all adjournments thereof. A list of these stockholders will be open to examination by any stockholder at the meeting and for ten days prior thereto during normal business hours at our executive offices, 8911 Balboa Ave., Suite B, San Diego, California 92123.

Enclosed for your convenience is a form of proxy which may be used at the Annual Meeting and which, unless otherwise marked, authorizes the holders of the proxy to vote for the proposed slate of directors, to adopt the Mitek Systems, Inc. 2010 Stock Option Plan, to ratify the appointment of Mayer Hoffman McCann, P.C. as our independent registered public accounting firm for our 2010 fiscal year, and as the proxy holder deems appropriate on any other matter brought before the Annual Meeting.

You are invited to attend the meeting in person. Even if you expect to attend, it is important that you sign, date and return the enclosed proxy promptly in the business reply envelope which requires no postage if mailed in the United States. It is important that your shares be represented at the meeting to assure the presence of a quorum. If you sign and send in a proxy, you may revoke it before it is exercised (1) by executing a new proxy bearing a later date, (2) by filing with our Corporate Secretary an instrument revoking your proxy, or (3) by attending the meeting and voting in person.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting

This proxy statement, along with our 2009 Annual Report on Form 10-K and proxy card, are available online at [www.proxyvote.com](http://www.proxyvote.com).

By Order of the Board of Directors

San Diego, California  
January 21, 2010

John M. Thornton  
Chairman of the Board

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MITEK SYSTEMS, INC.  
8911 BALBOA AVE., SUITE B  
SAN DIEGO, CALIFORNIA 92123

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

February 24, 2010

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Mitek Systems, Inc. ("we," "us," "our," "Mitek," or the "Company") for use at its Annual Meeting of Stockholders (the "Annual Meeting") to be held at 9:00 a.m., local time, Wednesday, February 24, 2010, at the Company's executive offices at 8911 Balboa Ave., Suite B, San Diego, CA 92123, and at any adjournments thereof.

We will pay the expenses of soliciting proxies for the Annual Meeting including the cost of preparing, assembling and mailing the proxy materials. Proxies may be solicited personally, by mail, by telephone, by facsimile, or by telegram, by our regularly employed officers and employees. Our officers and employees will not receive additional compensation for soliciting proxies. We may request persons holding stock in their names for others, such as brokers and nominees, to forward proxy materials to their principals and request authority to execute the proxy. We will reimburse any such brokers and nominees for their expenses in connection therewith.

Our 2009 Annual Report to Stockholders is included in this Proxy Statement, but is not incorporated in, and is not part of, this Proxy Statement and is not proxy-soliciting material. We intend to mail this Proxy Statement and the accompanying material to stockholders of record on or about January 21, 2010.

VOTING

The holders of at least a majority of the voting power of our common stock outstanding on the record date must be present in person or by proxy at the Annual Meeting in order to obtain a quorum for the Annual Meeting. Abstentions and broker non-votes are counted in determining whether at least a majority of the voting power of the common stock outstanding on the record date are present at the Annual Meeting.

As of the close of business on January 11, 2010, the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting, we had a total of 16,751,137 shares of common stock issued and outstanding. Each stockholder of record on the record date is entitled to one vote for each share held on all matters to come before the Annual Meeting.

To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the Annual Meeting in person. Most stockholders have three options for submitting their votes: (i) via the Internet at the website address set forth on the accompanying ballot, (ii) by telephone at the phone number set forth on the accompanying ballot or (iii) by mail. If you have Internet access, we encourage you to record your vote on the Internet. It is convenient, and it saves us significant postage and processing costs. In addition, when you vote via the Internet or by phone prior to the Annual Meeting date, your vote is recorded immediately and there is no risk that postal delays will cause your vote to arrive late and therefore not be counted. If you attend the Annual Meeting and are a registered holder, you may also submit your vote in person, and any previous votes that you submitted, whether by Internet, telephone or mail, will be superseded by the vote that you cast at the Annual Meeting. The Annual Meeting's polls

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will close shortly after 9:00 a.m., local time, and no further votes will be accepted after that time. If you have any questions about submitting your vote, please call our Corporate Secretary, at (858) 503-7810.

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Most beneficial owners whose stock is held in street name will receive instructions for voting their shares from their broker, bank or other nominee, rather than our proxy card. A number of brokers and banks participate in a program provided through Broadridge Financial Solutions, Inc. that allows stockholders to grant their proxy to vote shares by means of the telephone or Internet. If your shares are held in an account with a broker or bank participating in the Broadridge program, then you may be able to vote your shares telephonically by calling the telephone number shown on the instruction form received from your broker or bank, or over the Internet at Broadridge's web site at <http://www.proxyvote.com>. If you hold your stock in street name and wish to vote in person at the Annual Meeting, then you must obtain a legal proxy issued in your name from the broker, bank or other nominee that holds your shares of record.

You may revoke your proxy at any time prior to the close of the polls at the Annual Meeting by: (i) submitting a later-dated proxy, in person at the Annual Meeting, via the Internet, by telephone or by mail, (ii) voting in person at the Annual Meeting or (iii) delivering instructions to our Corporate Secretary, prior to the Annual Meeting by mail to Mitek Systems, Inc. at 8911 Balboa Avenue, Suite B, San Diego, CA 92123. If you hold shares through a bank or brokerage firm, you must contact that firm to revoke any prior voting instructions. Unless revoked, the proxy will be voted as specified.

The election of directors is decided by a plurality of the votes cast by holders of all shares represented and entitled to vote at the Annual Meeting. The adoption of the Mitek Systems, Inc. 2010 Stock Option Plan requires the approval by a majority of the votes cast by holders of all shares represented and entitled to vote at the Annual Meeting.

With respect to the election of directors, the enclosed form of proxy provides a method for stockholders to withhold authority to vote for any one or more of the nominees for director while granting authority to vote for the remaining nominees. The names of all nominees are listed on the proxy card. If you wish to grant authority to vote for all nominees, check the box marked "FOR." If you wish to withhold authority to vote for all nominees, check the box marked "WITHHOLD." If you wish your shares to be voted for some nominees and not for one or more of the others, check the box marked "FOR" and indicate the nominee(s) for whom you are withholding the authority to vote by listing such nominee(s) in the space provided. If you check the box marked "WITHHOLD" your vote will be treated as an abstention and accordingly, your shares will neither be voted for nor against a director but will be counted for quorum purposes. Accordingly, withheld votes will not affect the outcome of the election of directors.

The enclosed form of proxy also provides a method for stockholders to vote for or against or to abstain from voting with respect to the adoption of the Mitek Systems, Inc. 2010 Stock Option Plan and the ratification of the appointment of Mayer Hoffman McCann, P.C. as our independent registered public accounting firm for our 2010 fiscal year. By abstaining from voting for such matters, shares would not be voted either for or against, but would be counted for quorum purposes. While there may be instances in which a stockholder will wish to abstain, our Board of Directors encourages all stockholders to vote their shares in their best judgment and to participate in the voting process to the fullest extent possible.

Brokers who hold shares in street name for customers who are beneficial owners of such shares are prohibited from giving a proxy to vote such customers' shares on "non-routine" matters in the absence of specific instructions from such customers. Proposals 1 and 2 are "non-routine" matters. Accordingly, if your broker holds shares that you own in "street name," the broker may not vote your shares on either Proposal 1 or 2 without receiving receive instructions from you. The broker may vote your shares on Proposal 3 even if the broker does not receive instructions from you. If your broker does not vote on one or more of the proposals, this is commonly referred to as a "broker non-vote." A broker non-vote will be treated in the same manner as an abstention for voting and quorum purposes. Accordingly, a broker non-vote will not be counted as having voted in person or by proxy and will have no effect on the outcome of the election of directors or the ratification of the appointment of our independent registered public accounting firm.

The shares represented by proxies that are returned properly signed will be voted in accordance with the stockholder's directions. If the proxy card is signed and returned without direction as to how the shares are to be voted, the shares will be voted as recommended by our Board of Directors. The persons named as proxies were selected by our Board of Directors.

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PROPOSAL NO. 1  
TO ELECT SEVEN DIRECTORS

Generally

Pursuant to our Bylaws, our Board of Directors has fixed the number of authorized directors at seven. All seven directors are to be elected at the Annual Meeting, to hold office until the next annual meeting or until their successors are duly elected and qualified. The seven nominees receiving the highest number of votes will be elected.

Unless authorization to do so is withheld, it is intended that the persons named in the enclosed proxy will vote for the election of the nominees proposed by our Board of Directors, all of whom are presently members of our Board of Directors. If any of the nominees should become unavailable for election before the Annual Meeting, the proxy will be voted for a substitute nominee or nominees, if any, designated by our Board of Directors.

The following table includes the names and certain information about our directors. All of the nominees named below have consented to being named herein and to serve, if elected.

Name	Age	Position
John M. Thornton	77	Chairman of the Board
James B. DeBello	51	Chief Executive Officer, Chief Financial Officer and Director
Michael W. Bealmear (1) (2) (3)	62	Director
Vinton P. Cunningham (2)	73	Director
Gerald I. Farmer, Ph. D. (1) (2) (3)	75	Director
Sally B. Thornton	75	Director
William P. Tudor (1)	64	Director

(1) Member of the Compensation Committee of the Board of Directors

(2) Member of the Audit Committee of the Board of Directors

(3) Member of the Nominating & Corporate Governance Committee of the Board of Directors

John M. Thornton - Mr. Thornton has been a director of Mitek since March 1986. He was appointed Chairman of the Board as of October 1, 1987 and served as President from May 1991 to July 1991, as Chief Executive Officer from May 1991 to February 1992 and again as Chief Executive Officer and Chief Financial Officer from September 1998 to May 2003, when he resigned from his positions as President and Chief Executive Officer. He resigned from his position as Chief Financial Officer in May 2005. He continues to serve as Chairman of the Board. From 1976 through 1988, Mr. Thornton served as Chairman and Vice Chairman of the Board at Micom Systems, Inc. Mr. Thornton is also Chairman of the Board of Thornton Winery Corporation in Temecula, California.



James B. DeBello - Mr. DeBello has been a director of Mitek since November 1994. He has been President and Chief Executive Officer of Mitek since May 2003. In January 2009, Mr. DeBello was appointed Mitek's Chief Financial Officer and Secretary, in addition to his other positions. Prior to joining Mitek, he was Chief Executive Officer of AsiaCorp Communications, Inc., a wireless data infrastructure and software company, from July 2001 to May 2003. He was Venture Chief Executive Officer for IdeaEdge Ventures, Inc., a venture capital company, from June 2000 to June 2001. From May 1999 to May 2000 he was President, Chief Operating Officer and a member of the Board of Directors of CollegeClub.com, an Internet company. From November 1998 to April 1999 he was Chief Operating Officer of WirelessKnowledge, Inc., a joint venture company formed between Microsoft and Qualcomm, Inc. Before that, from November 1996 to November 1998, Mr. DeBello held positions as Vice President, Assistant General Manager and General Manager of Qualcomm, Inc.'s Eudora Internet Software Division, and Vice President of Product Management of Qualcomm, Inc.'s Subscriber Equipment Division. Mr. DeBello holds a B.A., magna cum laude and MBA from Harvard Business School and was a Rotary Scholar at the University of Singapore where he studied economics and Chinese.

Michael W. Bealmear - Mr. Bealmear has been a director of Mitek since April 2004. He has been President and Chief Executive Officer of Hyperroll since 2004. He was EVP and President of Worldwide Operations at Sybase, Inc. from 2002 to 2004. From 2001 to 2000 he was CEO at Convansys, Inc., from 1999 to 2000 he was CEO at Spear Technologies, and from 1997 to 1998 he was EVP at Cadence Design Systems.

Vinton P. Cunningham - Mr. Cunningham has been a director of Mitek since May 2005. Retired since 2002, he served as Sr. Vice-President-Finance of EdVision Corporation from 1993 to 2002. Mr. Cunningham was Chief Operating Officer and Chief Financial Officer of Founders Club Golf Company from 1990 to 1993. He was Vice President-Finance of Amcor Capital, Inc. from 1985 to 1990. Mr. Cunningham was Chief Financial Officer and Treasurer of Superior Farming Company, a wholly owned subsidiary of Superior Oil Company, from 1981 to 1985.

Gerald I. Farmer - Dr. Farmer has been a director of Mitek since May 1994. He was Executive Vice President of Mitek from November 1992 until June 1997. Before joining Mitek, from January 1987 to November 1992, Dr. Farmer was Executive Vice President of HNC Software, Inc. He has held senior management positions with IBM Corporation, Xerox, SAIC and Gould Imaging and Graphics.

Sally B. Thornton - Ms. Thornton has been a director of Mitek since April 1988. She has been a private investor for more than 40 years. She served as a director of Micom Systems, Inc. from 1976 to 1988. From 1987 until 1996 she served as Chairman of Medical Materials, Inc, a composite plastics manufacturer. Ms. Thornton is on the Board of Directors of Thornton Winery Corporation in Temecula, California. She has been a Trustee of the Sjorgren's Syndrome Foundation in New York and Stephens College in Missouri. Ms. Thornton is also a Life Trustee of the San Diego Museum of Art. Ms. Thornton is the spouse of John M. Thornton, Chairman of the Board.

William P. Tudor - Mr. Tudor has been a director of Mitek since September 2004. He is President of International Learning Corporation. Prior to that, he was Executive Vice President of Scantron Corporation from July 2002 to July 2005. He was Chief Executive Officer of EdVision from June 1990 to July 2002.

#### Required Vote

The election of directors is decided by a plurality of the votes cast by holders of all shares represented and entitled to vote at the Annual Meeting. As a result, abstentions and broker non-votes will not have any effect on this proposal.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES DISCUSSED ABOVE TO OUR BOARD OF DIRECTORS.**



PROPOSAL NO. 2

ADOPTION OF THE MITEK SYSTEMS, INC. 2010 STOCK OPTION PLAN

Our Board of Directors believes that attracting and retaining highly qualified key employees and directors is essential to our growth and success. In this regard, stock options have been and will continue to be an important element of our compensation program because options enable our directors, employees and providers of services to acquire or increase their proprietary interest in Mitek, thereby promoting a close identity of interests between such individuals and our stockholders. Options also provide an increased incentive to option holders to expend their maximum efforts for the success of our business.

Our Board of Directors believes it is in the interests our company and our stockholders that we continue to have the ability to grant stock option awards. Accordingly, on November 11, 2009, our Board of Directors adopted, subject to stockholder approval, the Mitek Systems, Inc. 2010 Stock Option Plan (the "2010 Plan").

Summary of Material Terms

The following discussion of the material features of the 2010 Plan is qualified by reference to the text of the 2010 Plan, a copy of which is set forth in Appendix A hereto and incorporated herein by reference.

**Administration.** The 2010 Plan will be administered by our Board of Directors, or a committee of two or more members appointed by our Board of Directors (the "Committee") who are Non-Employee Directors as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934 and an outside director as defined in Treasury Regulation § 1.162-27(e)(3). For purposes of this summary of the 2010 Plan, our Board of Directors or the Committee, if one is appointed, shall be referred to as the "Administrator."

Subject to the terms and conditions of the 2010 Plan, the Administrator is authorized to designate participants who are employees, directors or consultants of the Company and its subsidiaries, determine the number of options to be granted, set terms and conditions of such options, interpret the 2010 Plan, specify rules and regulations relating to the 2010 Plan, and make all other determinations which may be necessary or advisable for the administration of the 2010 Plan.

**Stock Options.** The Administrator is authorized to grant stock options, including both incentive stock options ("ISOs"), which can result in potentially favorable tax treatment to the participant, and nonstatutory stock options ("NSOs"). Except as provided in the 2010 Plan, generally the exercise price per share of common stock subject to an option is determined by the Administrator, provided that the exercise price of an ISO may not be less than the fair market value of the common stock on the date of grant. The term of each such option and the times at which each such option shall be exercisable generally will be fixed by the Administrator, except no option will have a term exceeding 10 years. Upon the termination of an option holder's employment with us other than for cause, all the unvested options will immediately expire and the vested options will expire three months after the occurrence giving rise to termination. Upon the termination of an option holder's employment for cause, all of his options will expire on the date of the occurrence giving rise to the termination. Options may be exercised by payment of the exercise price in cash, stock or promissory note, or as the Administrator may determine from time to time in accordance with applicable law.

**Shares Subject to the Plan.** Under the 2010 Plan, 2,000,000 shares of our common stock will be available for issuance of options. The maximum number of shares of common stock which may be granted to any individual under the 2010 Plan in any one-year period shall not exceed 500,000 shares, subject to the adjustments described in the next paragraph.

Adjustments Upon Changes in Capitalization. The 2010 Plan provides that, in the event of any change in our capital structure that effects an increase or decrease in the number of outstanding shares of our common stock without receipt of consideration, the number of shares of common stock covered by each outstanding option, and the exercise price thereof, shall be proportionately adjusted by the Administrator. The 2010 Plan provides that, in the event of certain capital transactions, all outstanding options will terminate upon such capital transaction unless they are assumed by a successor corporation, provided that all vested options may be exercised during the 15 days prior to the capital transaction. The Administrator may choose to accelerate the vesting of any option.

**Eligibility.** Any officer, director or employee of, and certain persons rendering services to Mitek or its subsidiaries is eligible to receive awards under the 2010 Plan. Only employees may receive ISO's under the 2010 Plan.

**Other Terms of Options.** The flexible terms of the 2010 Plan will permit the Administrator to impose performance conditions with respect to any option. Performance conditions may require that an option be forfeited, in whole or in part, if performance objectives are not met, or require that the time of exercisability of an option be linked to achievement of performance conditions.

In the event that the fair market value of the price of our common stock declines below the price at which the option is granted, the Administrator has the discretion and authority to cancel, reduce, or otherwise modify the price of any unexercised option, including, but not limited to, a regrant of the option at a new price more commensurate with the fair market value of our common stock, subject, in each case, to approval of our Board of Directors before any such action is taken.

No options may be granted under the 2010 Plan after November 11, 2019.

The exercise of an option is conditioned on the withholding of taxes. Options granted under the 2010 Plan may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of intestate succession.

Our Board of Directors may, subject to any stockholder approval required by applicable law, amend the 2010 Plan with respect to any shares of common stock at that time not subject to options.

**Federal Tax Consequences of the 2010 Plan.** The following is a general summary as of January 2010 of the federal income tax consequences to us and to U.S. participants to awards granted under the 2010 Plan and does not attempt to describe all possible federal or other tax consequences of such participation or tax consequences based on particular circumstances. The federal tax laws may change and the federal, state and local tax consequences for any participant will depend upon his or her individual circumstances. Tax consequences for any particular individual may be different. This summary is not intended to be exhaustive and does not discuss the tax consequences of a participant's death or provisions of income tax laws of any municipality, state or other country. Each participant is advised to consult his or her individual tax advisor concerning their personal tax consequences.

**Incentive Stock Options.** For federal income tax purposes, the holder of an ISO has no taxable income at the time of the grant or exercise of the ISO. If such person retains the common stock for a period of at least two years after the stock option is granted and one year after the stock option is exercised, any gain upon the subsequent sale of the common stock will be taxed as a long-term capital gain. A participant who disposes of shares acquired by exercise of an ISO prior to the expiration of two years after the stock option is granted or before one year after the stock option is exercised will realize ordinary income as of the date of exercise equal to the difference between the exercise price and fair market value of the stock. Any additional gain or loss recognized upon any later disposition of the shares would be short or long term capital gain or loss depending on whether the shares had been held by the participant for one year or more. The difference between the option exercise price and the fair market value of the shares on the exercise date of an ISO is an adjustment in computing the holder's alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the participant's regular income tax for the year.

**Nonstatutory Stock Options.** A participant who receives an NSO generally will not realize taxable income on the grant of such option, but will realize ordinary income at the time of exercise of the stock option equal to the difference between the option exercise price and the fair market value of the stock on the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would be short or long term capital gain or loss depending on whether the shares had been held by the participant for one year or more.





Income Tax Effects for our Company. We generally will be entitled to a tax deduction in connection with an award under the 2010 Plan in an amount equal to the ordinary income realized by a participant at the time the participant recognizes such income (for example, upon the exercise of an NSO).

#### New Benefit Plans

All awards under the 2010 Plan will be granted at the Administrator's discretion. Therefore, the benefits and amounts that will be received or allocated under the 2010 Plan are not presently determinable. The following table sets forth the number of shares subject to awards granted under our 1999 Stock Option Plan, 2000 Stock Option Plan, 2002 Stock Option Plan and 2006 Stock Option Plan to the below individuals and groups during fiscal year 2009. However, this is not necessarily indicative of future grants under the 2010 Plan.

Name and Position	Dollar Value (\$)	Number of Units
James B. DeBello, CEO and CFO	Not applicable	Options for 249,000 shares
Tesfaye Hailemichael, Former CFO (1)	—	—
Executive Group	Not applicable	Options for 249,000 shares
Non-Executive Director Group	Not applicable	Options for 150,000 shares
Non-Executive Officer Employee Group	Not applicable	Options for 540,000 shares

(1) On January 13, 2009, Tesfaye Hailemichael tendered his resignation from all offices with the Company to pursue other interests, effective January 14, 2009.

#### Required Vote

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to adopt the 2010 Plan. Abstentions and broker non-votes will be counted toward the tabulation of votes cast on this proposal and will have the same effect as negative votes.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ADOPTION OF THE MITEK SYSTEMS, INC. 2010 STOCK OPTION PLAN.**

PROPOSAL NO. 3

RATIFICATION OF SELECTION OF AUDITORS

The Audit Committee of our Board of Directors has selected the firm of Mayer Hoffman McCann, P.C ("Mayer Hoffman"), independent certified public accountants, to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2010. Representatives of Mayer Hoffman have been invited to attend the Annual Meeting and, if they attend, will have the opportunity to make a statement and respond to appropriate questions.

During our two most recent fiscal years and any subsequent interim period prior to the engagement of Mayer Hoffman, we did not consult with Mayer Hoffman with respect to any of the matters enumerated in Item 304(a)(2)(i) or Item 304(a)(2)(ii) of Regulation S-K.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the selection of Mayer Hoffman as our independent registered public accounting firm. However, the Audit Committee of our Board of Directors is submitting the appointment of Mayer Hoffman to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the appointment of Mayer Hoffman, the Audit Committee of our Board of Directors will reconsider whether or not to retain Mayer Hoffman. Even if the selection is ratified, the Audit Committee of our Board of Directors in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of our company and our stockholders.

During our two most recent fiscal years and any subsequent interim period, there were no disagreements on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Mayer Hoffman, would have caused it to make reference to the subject matter of the disagreements in connection with its report and there occurred no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K as promulgated by the SEC.

Audit Fees

The fees for professional services rendered for the audit of our financial statements for each of the fiscal years ended September 30, 2009 and September 30, 2008, and the reviews of our interim financial statements included in our Quarterly Reports on Form 10-Q (or 10-QSB) or services normally provided by Mayer Hoffman, in connection with statutory or regulatory filings or engagements were approximately \$129,300 and \$140,500 for the fiscal years ended September 30, 2009 and 2008, respectively.

Audit Related Fees

There were no audit related fees for the fiscal years ended September 30, 2009 or September 30, 2008.

Tax Fees

There were no fees for tax compliance, tax advice or tax planning billed or expected to be billed by our independent auditors for the fiscal years ended September 30, 2009 or September 30, 2008.

All Other Fees

Other than described above, there were no other fees paid to our independent auditors.

Independence

The Audit Committee of our Board of Directors believes there were no services provided by our Mayer Hoffman which would affect their independence.

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### Pre-Approval Policies

In accordance with the Audit Committee Charter, the Audit Committee of our Board of Directors has established policies and procedures by which it approves in advance any audit and permissible non-audit services to be provided by our independent auditors. Under these procedures, prior to the engagement of the independent auditor for pre-approved services, requests or applications for the auditors to provide services must be submitted to the Audit Committee and must include a detailed description of the services to be rendered. Our chief financial officer and the independent auditors must ensure that the independent auditors are not engaged to perform the proposed services unless those services are within the list of services that have received the Audit Committee's pre-approval and must cause the Audit Committee to be informed in a timely manner of all services rendered by the independent auditors and the related fees.

Each request or application must include:

- a recommendation by our chief financial officer as to whether the Audit Committee should approve the request or application; and
- a joint statement of our chief financial officer and the independent auditors as to whether, in their view, the request or application is consistent with the SEC's and the requirements for auditor independence of the Public Company Accounting Oversight Board ("PCAOB").

The Audit Committee also will not permit the independent auditors to be engaged to provide any services to the extent that the SEC has prohibited the provision of those services by independent auditors, which generally include:

- bookkeeping or other services related to accounting records or financial statements;