PAC-WEST TELECOMM INC
Form DEF 14A
April 28, 2003

SCHEDULE 14A INFORMATION

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

(Amendment No. 1)

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 §240.14a-12

PAC-WEST TELECOMM, 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)(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):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

1776 W. March Lane, Suite 250

Stockton, California 95207

April 29, 2003

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Pac-West Telecomm, Inc., which will be held on June 9, 2003, at 3:00 p.m., Pacific time, at our principal executive offices, 1776 W. March Lane, Suite 250, Stockton, California, 95207. A Notice of Meeting, Proxy Statement, Proxy Form and our 2002 Annual Report are included with this letter.

At this year's annual meeting, you will be asked to consider and take action with respect to the election of three directors to our board of directors, the approval of an amendment to our articles of incorporation giving effect to a reverse share split, the ratification of our selection of independent auditors and any other business properly presented at the annual meeting. These matters are described more fully in the enclosed Notice of Meeting and Proxy Statement.

It is important that your shares are represented and voted at the annual meeting regardless of the size of your share holdings or whether or not you plan to attend the meeting in person. Accordingly, please mark, sign and date the enclosed Proxy Form and return it promptly in the enclosed envelope. If you attend the annual meeting, you may, of course, withdraw your proxy should you wish to vote in person.

We hope that you will be able to attend the annual meeting and we look forward to seeing you.

Sincerely,

/s/ WALLACE W. GRIFFIN

WALLACE W. GRIFFIN
Chairman and Chief Executive Officer

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1776 W. March Lane, Suite 250

Stockton, California 95207

NOTICE OF MEETING

The annual meeting of shareholders of Pac-West Telecomm, Inc. (the "Annual Meeting") will be held on June 9, 2003, at 3:00 p.m., Pacific time, at our principal executive offices, 1776 W. March Lane, Suite 250, Stockton, California, 95207, to consider and take action with respect to the following matters:

1. the election of three directors to our board of directors to hold office for a term of three years;

2. the approval of (a) an amendment to our articles of incorporation giving effect to a reverse split of our common shares as set forth in Section 3 of Article III of the Restated Articles of Incorporation included as Appendix A to this Proxy Statement and (b) all ministerial actions required in connection with effecting such reverse share split;

3. the ratification of our selection of KPMG LLP as our independent accountants for the fiscal year ending December 31, 2003; and

4. the transaction of such other business as may properly come before the annual meeting and any adjournments or postponements thereof.

These matters are described more fully in the Proxy Statement that accompanies this Notice of Meeting and the enclosed Proxy Form and Annual Report.

Holders of record of our common shares at the close of business on April 11, 2003 are entitled to receive notice of and to vote on all matters presented at the Annual Meeting and at any adjournments or postponements thereof. A list of such shareholders will be available for examination by any shareholder for any purpose germane to the Annual Meeting during normal business hours at our principal executive offices, which are located at 1776 W. March Lane, Suite 250, Stockton, California 95207.

By Order of the Board of Directors

/s/ ROBERT C. MORRISON

ROBERT C. MORRISON

Secretary

April 29, 2003

Your vote is important whether or not you plan to attend the Annual Meeting in person and regardless of the number of common shares you own, please mark, sign and date the enclosed Proxy Form and mail it promptly in the envelope provided to help ensure that your common shares will be represented at the Annual Meeting. If you attend the Annual Meeting, you may, of course, withdraw your proxy and vote in person. In addition, you may revoke your proxy before it is voted by delivering written notice to our Corporate Secretary at our principal executive offices at the address above or by submission of a later-dated Proxy Form.

1776 W. March Lane, Suite 250

Stockton, California 95207

PROXY STATEMENT

Annual Meeting of Shareholders

To Be Held on June 9, 2003

This proxy statement (this "Proxy Statement") is being furnished to the holders of common shares, par value $0.001 per share, of Pac-West Telecomm, Inc. ("Pac-West" or the "Company") in connection with the solicitation of proxies by and on behalf of our board of directors for use at the annual meeting of shareholders (the "Annual Meeting") to be held on June 9, 2003, at 3:00 p.m., Pacific time, and at any adjournments or postponements thereof. The purpose of the Annual Meeting is to consider and take action with respect to the following matters:

(1) the election of three directors to our board of directors to hold office for three years;

(2) the approval of (a) an amendment to our articles of incorporation giving effect to a reverse split of our common shares as set forth in Section 3 of Article III of the Restated Articles of Incorporation included as Appendix A to this Proxy Statement, and (b) all ministerial actions required in connection with effecting such reverse share split; and

(3) ratify our selection of KPMG LLP as our independent accountants for the fiscal year ending December 31, 2003.

This Proxy Statement, the Notice of Meeting, the Proxy Form and our 2002 Annual Report are being mailed on or about April 29, 2003 to holders of record of our common shares at the close of business on April 11, 2003.

If the enclosed Proxy Form is properly signed, dated and returned to us, the individuals identified as proxies thereon will vote the shares represented by the Proxy Form in accordance with the directions noted thereon. If no direction is indicated, the proxies will vote **FOR** the nominees named herein as directors, **FOR** the amendment to our articles of incorporation giving effect to a reverse split of our common shares and related ministerial actions and **FOR** the ratification of our selection of KPMG LLP as our independent accountants. At this time, our management is not aware of any matters other than those discussed in this Proxy Statement that will be presented at the Annual Meeting. If other matters are presented, all proxies will be voted in accordance with the recommendations of our management.

Returning your completed Proxy Form will not prevent you from voting in person at the Annual Meeting if you are present and wish to vote. In addition, you may revoke your proxy before it is voted by delivering written notice to our Corporate Secretary prior to the beginning of the Annual Meeting at our principal executive offices at the address above or by submission of a later-dated proxy.

Only record holders of our common shares at the close of business on April 11, 2003 will be entitled to vote at the Annual Meeting. Each outstanding common share entitles the holder thereof to one vote on each matter submitted to a vote of the holders of our common stock at the Annual Meeting. As of March 31, 2003, we had 36,450,444 common shares outstanding. The presence in person or by proxy of a majority of the shares of our common stock outstanding will constitute a quorum for the purpose of transacting business at the Annual Meeting. Abstentions will be treated as present and entitled to vote, and therefore will be counted in determining the existence of a quorum and will have the effect of a vote against any proposition that requires the affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting in order to be approved or adopted. In addition, broker "non-votes" will be considered present but not entitled to vote, and thus will be counted in determining the existence of a quorum but will not be counted in determining whether a proposition requiring the approval of a majority of the shares present and entitled to vote has been approved or adopted, or whether a majority of the vote of the shares present and entitled to vote has been cast.

We will bear the entire cost of this solicitation, including the preparation, assembly, printing and mailing of this Proxy Statement, the Notice of Meeting, the Proxy Form, and our 2002 Annual Report. We intend to provide copies of such solicitation materials to brokerage houses, fiduciaries, custodians and other persons or entities holding our common shares on behalf of the beneficial owner so that the solicitation materials may be forwarded to such beneficial owners. This solicitation, which is being conducted by mail, may be supplemented by a solicitation by telephone, telegram, or other permissible means by our directors, officers or employees. No additional compensation will be paid to these individuals for conducting such a solicitation.

PROPOSITION 1

ELECTION OF DIRECTORS

Our bylaws provide that the authorized number of members of our board of directors is nine. After giving effect to the recent resignations of Mark S. Fowler and Robert C. Morrison as directors, as well as the appointment of Tom Munro and Henry R. Carabelli, our President and Chief Operating Officer, as directors to serve out the remainder of Mr. Fowler's and Mr. Morrison's terms, our board of directors currently consists of nine members. Our board of directors is divided into three classes of directors, with each class of directors serving staggered three-year terms. The following table indicates which directors serve in each class and the annual meeting at which each such director's term expires:

Class	Name of Directors	Annual Meeting at which Term Expires
Class I	A. Gary Ames, Samuel A. Plum and David G. Chandler	2005
Class II	Dr. Jagdish N. Sheth, Henry R. Carabelli and Tom Munro	2004
Class III	Wallace W. Griffin, Jerry L. Johnson and John K. La Rue	2003

As described above, our board of directors recently appointed Tom Munro as a director to serve out the remainder of a directorship in Class II that was vacant as a result of the resignation of one of our former directors. Mr. Munro's appointment became effective on April 24, 2003. We believe that Mr. Munro is "independent" within the meaning given such term by the rules of the Nasdaq Stock Market.

Each director, including any director appointed to fill a vacancy, shall hold office until the expiration of the term for which elected or appointed and until a successor has been elected or appointed and qualified except in the case of the death, removal or resignation of such director. Pursuant to our bylaws, vacancies on the board of directors and newly created directorships resulting from any increase in the authorized number of directors, which is currently not anticipated, are filled by a majority vote of the incumbent directors

Messrs. Griffin, Johnson and La Rue have been nominated by our board of directors for re-election at the Annual Meeting as Class III directors. See "Management - Nominees for Director" and "Management - Continuing Directors" for information with respect to Messrs. Griffin, Johnson and La Rue, as well as our continuing directors. We believe that each nominee is willing to be elected and to serve on our board of directors. In the event that any nominee is unable to serve or is otherwise unavailable for election, which is not now contemplated, the incumbent directors may or may not select a substitute nominee. If a substituted nominee is selected, all proxies will be voted for the person selected.

Directors will be elected at the Annual Meeting by a majority of the votes cast at the Annual Meeting by the holders of shares represented in person or by proxy. There is no cumulative voting as to any matter, including the election of directors.

The board of directors has carefully considered and approved the nominees and recommends that you vote *"FOR"* the election of Messrs. Griffin, Johnson and La Rue.

DIRECTORS AND EXECUTIVE OFFICERS

The table below sets forth certain information as of March 31, 2003 with respect to our current directors and executive officers:

Name	Age	Position(s)
Executive Officers:		
Wallace W. Griffin	64	Chief Executive Officer and Chairman of the Board
Henry R. Carabelli	47	President, Chief Operating Officer and Director
H. Ravi Brar	34	Chief Financial Officer
Michael B. Hawn	39	Vice President Customer Network Services
Wayne Bell	31	Vice President Marketing and Service Provider Sales
Christine Ruane	39	Vice President Sales - SME Markets
John F. Sumpter	55	Vice President Regulatory and Human Resources
Robert C. Morrison	56	Vice President and General Counsel
Directors:		
Wallace W. Griffin	64	Chief Executive Officer and Chairman of the Board
Henry R. Carabelli	47	President, Chief Operating Officer and Director
Jerry L. Johnson	55	Director
John K. La Rue	53	Director
A. Gary Ames	58	Director
David G. Chandler	45	Director
Samuel A. Plum	58	Director
Dr. Jagdish N. Sheth	64	Director
Tom Munro	46	Director

The present principal occupations and recent employment history of each of our current directors and executive officers listed above are set forth below.

Nominees for Director

Wallace W. Griffin was appointed President, CEO, and a Director of Pac-West in September of 1998 when an investor group he was part of purchased and recapitalized the company. In June of 2001, he was appointed CEO and Chairman. He has over 40 years experience in telecommunications, cable television, publishing and advertising. Prior to joining Pac-West, Mr. Griffin served as a Group President for a number of Jones International companies from 1994 to 1997, including Jones Lightwave, Ltd., a CLEC, and Jones Education Company, a leader in using technology to deliver education. Concurrently, he was co-owner of a consulting and business development company, Griffin Enterprises, Inc. From 1987 through 1992, he served as the President and CEO of U S West Marketing Resources Group, where he managed the $1 billion publishing, media software and advertising services division. Mr. Griffin currently serves on the Advisory Board for the University of the Pacific Eberhardt School of Business and the Board of Trustees for the University of California, Merced. He is also an Advisor for Delta College Learning Center and a Director on the San Joaquin Business Council.

Jerry L. Johnson

is President of e Money Advisor, Founder and Chairman of Axum Partners and served as Chairman of Pac-West's Board of Directors from September of 1998 to June of 2001. From 1995 until December 2001, Mr. Johnson was employed by Safeguard Scientifics Inc., where he was the Executive Vice President overseeing the partner companies in the E- Communications group. From 1985 to 1995, he worked at U S West in various positions, including Vice President, Network and Technology Services, which included managing U S West's largest division, and supervising 21,000 management, engineering, technical and clerical employees. From 1983 to 1985, Mr. Johnson was President and CEO of Northwestern Bell Information Technologies.

John K. La Rue founded the company's predecessor (also known as Pac-West Telecomm, Inc.) in 1980 and served as its President until September of 1998. From September of 1998 until July of 2001, Mr. La Rue served as Pac-West's Executive Vice President. Currently, Mr. La Rue is semi-retired and employed on a part-time basis serving as an advisor to Mr. Carabelli, Pac-West's President and COO. Mr. La Rue has over 34 years of experience in the telecommunications industry.

Continuing Directors

A. Gary Ames

has served as a Director of Pac-West since July of 2000. Mr. Ames served as President and Chief Executive Officer of MediaOne International, a provider of broadband and wireless communications from 1995 until his retirement in June of 2000. From 1989 to 1995, he served as President and Chief Executive Officer of U S West Communications, a regional provider of residential and business telephone services, and operator and carrier services. Mr. Ames also serves as a director of Albertsons, Inc., Tektronix, Inc., AT&T-Latin America and iPass, Inc.

Henry R. Carabelli

joined Pac-West as President and COO in June of 2001. Effective January 1, 2003, Mr. Carabelli became a Director of Pac-West. Formerly the COO of ICG, a Colorado-based CLEC, and President of @Link Networks, a broadband service provider, Mr. Carabelli brings over 24 years of telecom experience to Pac-West. He joined ICG in 1996 as Executive Vice President of network operations, and served as COO from 1998 to 1999 with responsibility over network engineering, customer care, sales, and installation. Prior to ICG, Mr. Carabelli spent 19 years in management with Ameritech and Michigan Bell. In 1986, he was chosen for a technology internship program at Bellcore to expand exposure to new broadband technologies.

David G. Chandler

has served as a Director of Pac-West since September of 1998. Mr. Chandler is a Managing Director of William Blair Capital Partners, L.L.C., a Chicago-based private equity firm. In addition, Mr. Chandler is a Principal of William Blair & Company where he has been employed since 1987. Prior to joining William Blair & Company, Mr. Chandler was an investment banker with Morgan Stanley & Co. Inc. from 1984 to 1987. Mr. Chandler serves as a director of the following companies: Morton Grove Pharmaceuticals, Inc., Pharma Research Corporation, Engineering Materials Corp., U.S. Education Corporation, The Plastics Group and American Civil Constructors, Inc.

Tom Munro

was appointed as a director by our board of directors effective as of April 24, 2003. He has been the President of Wireless Facilities, Inc., a publicly-traded company that builds and services wireless telecom networks, since September of 2000. He joined Wireless Facilities, Inc. in 1997 as the company's first Chief Financial Officer. From 1996 to 1997, Mr. Munro served as the Chief Executive Officer of @Market, an online sporting goods retailer that he founded. From 1994 through 1995, Mr. Munro served as the Chief Financial Officer of Precision Digital Images, Inc., a high technology company targeting the image processing market for a wide range of machine tools and instruments.

Samuel A. Plum

has served as a Director of Pac-West since September of 1998. Mr. Plum has been a Managing General Partner of the general partner of SCP Private Equity Partners, L.P. since its commencement in August of 1996, and was employed by Safeguard Scientifics from 1993 to 1996. From February 1989 to January 1993, Mr. Plum served as President of Charterhouse, Inc. and Charterhouse North American Securities, Inc., the U.S. investment banking and broker-dealer divisions of Charterhouse PLC, a merchant bank located in the United Kingdom. From 1973 to 1989, Mr. Plum served in various capacities at the investment banking divisions of PaineWebber, Inc. and Blyth Eastman Dillon & Co., Inc. Mr. Plum has 30 years of investment banking, mergers and acquisitions, and private equity investment experience. Mr. Plum also serves as a director of Index Stock Photography, Inc., Metallurg Holdings, Inc. and Pentech Financial Services Inc.

Dr. Jagdish N. Sheth has served as a Director of Pac-West since July of 1999. Dr. Sheth has also been the Charles H. Kellstadt Professor of Marketing in the Goizueta Business School since 1991 and is the founder of the Center for Relationship Marketing at Emory University. From 1984 to 1991, Dr. Sheth was the Robert E. Brookner Professor of Marketing at the University of Southern California and is the founder of its Center for Telecommunications Management. Dr. Sheth also serves as a director of Norstan, Inc., Wipro Limited and Cryo-Cell, Inc.

Officers (Other than Officers Serving as a Director)

Wayne Bell

joined Pac-West as Vice President of Marketing in August of 2001. He assumed additional responsibility as Vice President of Service Provider Sales in February of 2003. Mr. Bell has over 10 years of telecommunications management experience, including product marketing, product and process development, network planning, engineering, sales, and operations. His former positions include Vice President of Marketing and Channel Development for @Link Networks, Inc. in Louisville, CO and Senior Director of Product and Process Development for ICG Communications, Inc. in Englewood, CO. He also served in a Director capacity in the Program Office for U S WEST Communications, Inc. in Englewood, CO. Mr. Bell has responsibility over product management and development, strategic marketing, business analysis, program management, corporate communications, channel development and support, and service provider sales and account management.

H. Ravi Brar

joined Pac-West in July of 1999 as Vice President of Business Development. He was appointed Vice President of Customer Operations in October of 2000, Vice President of Finance and Treasurer in August of 2001, Acting Chief Financial Officer in February of 2002, and Chief Financial Officer in September of 2002. Prior to joining Pac-West, Mr. Brar was employed with Xerox Corporation from 1991 to 1999, where he held several senior level business development and financial management positions, including Business Development Manager of Developing Markets Operations in China and Russia, and Area General Manager and Controller of Xerox's Business Services division in Pittsburgh, PA. Mr. Brar has responsibility for our financial and accounting operations, public reporting, and evaluating strategic growth opportunities.

Michael B. Hawn

joined Pac-West as Vice President of Customer Network Services in August of 2001. He has over 15 years of telecommunications management experience, including network planning, engineering, service delivery, provisioning, and software development. His former positions include Vice President of National Operations and Vice President of Program Management for @Link Networks, Inc. in Louisville, CO, Vice President of Planning and Engineering for ICG Communications, Inc. in Englewood, CO, and Technical Manager for Lucent Technologies' Regional Technical Assistance Center (RTAC) in Lisle, IL and Cockeysville, MD. Mr. Hawn has end-to-end responsibility over service delivery, maintenance, field operations, information technologies, customer service, and reliability.

John F. Sumpter

joined Pac-West as Vice President of Regulatory in July of 1999. He assumed additional responsibility as Vice President of Human Resources in January of 2003. Mr. Sumpter has over 30 years of experience in the telecommunications industry. Prior to Pac-West, he was employed with AT&T from 1984-1999, where he held several executive level regulatory and marketing positions, including Division Manager of Law and Government Affairs, District Manager of Switched Services Product Management, and District Manager of Marketing. He is responsible for Pac-West's relations with government regulatory agencies, regulatory compliance, intercarrier relations, and human resources. He currently serves as Chairman of the Board of CALTEL, the California Association of Competitive Telecommunications Companies and of CACE, the California Alliance for Consumer Education.

Christine Ruane

joined Pac-West in January of 2000 as a Branch Manager in Napa, California, and was promoted to Regional Manager for Northern California in April of 2002. In July of 2002, she was appointed Vice President of Sales-SME Markets. Prior to joining Pac-West, Ms. Ruane was employed with Ameritel from 1995 to 1999 as Director of Enhanced Network and Agency Services. From 1987 to 1991, Ms. Ruane was employed with R.H. Macy and Co., where she held several executive management positions in sales and human resources. Ms. Ruane has responsibility over our small and medium enterprise (SME) sales channels.

Robert C. Morrison

joined Pac-West as Vice President and General Counsel in January of 2003. He served on Pac-West's Board of Directors from 2001 through December 31, 2002. He has served as our Corporate Secretary since February 2001. Prior to joining Pac-West, Mr. Morrison was an attorney with Neumiller and Beardslee, P.C. in Stockton, California from 1972-2002. He served as Managing Director from 1983-1990. In July of 2002, he completed a term on the Board of Regents of the University of California. He is a past president of the Greater Stockton Chamber of Commerce, the San Joaquin County Economic Development Association, and the alumni association for UC Davis, and is a member of the Board of Directors and Executive Committee of the Lassen Volcanic National Park Foundation.

Information About Our Board of Directors

General

Our board of directors met six times during the fiscal year ended December 31, 2002. Our board of directors has standing audit, compensation, executive, nominating and risk management committees. Each of our directors attended 75% or more of the meetings of the board of directors and any committees on which such director served during the fiscal year ended December 31, 2002. Our executive officers are elected by and serve at the discretion of the board of directors.

Classes of the Board

Our board of directors is divided into three classes of directors, with each class serving staggered three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The following table indicates which directors serve in each class and the annual meeting at which each such director's term expires:

Class	Name of Directors	Annual Meeting at which Term Expires
Class I	A. Gary Ames, Samuel A. Plum and David G. Chandler	2005
Class II	Dr. Jagdish N. Sheth, Henry R. Carabelli and Tom Munro	2004
Class III	Wallace W. Griffin, Jerry L. Johnson and John K. La Rue	2003

Our board of directors recently appointed Tom Munro as a director to serve out the remainder of a directorship in Class II that was vacant as a result of the resignation of one of our former directors. Mr. Munro's appointment became effective on April 24, 2003. We believe that Mr. Munro is "independent" within the meaning given such term by the rules of the Nasdaq Stock Market.

Compensation of Directors

Directors who are employed by us, including Mr. Griffin and Mr. Carabelli, and directors who are affiliated with certain of our principal shareholders, including Messrs. Chandler and Plum, are not currently entitled to receive any compensation for serving on our board of directors. Our outside directors, Messrs. Ames, Johnson, La Rue, Munro and Dr. Sheth, receive $5,000 per quarter as compensation for serving on our board of directors.

In 2000, Messrs. Ames, Fowler and Dr. Sheth each received 10,500 additional stock options with an exercise price of $4.06. These options vest over a three-year period with 33 1/3% vesting at the end of each year from the date of grant. Mr. Morrison was granted stock options to purchase 35,000 shares of our common stock on June 12, 2001. The options vest over a three-year period with 33 1/3% vesting at the end of each year from the date of grant, and have an exercise price of $2.53. In December, 2001, we granted stock options to purchase an additional 45,500, 10,500, 70,000, 35,000 and 10,500 shares of our common stock to Messrs. Ames, Fowler, La Rue, Morrison and Sheth, respectively. These options vest over a three-year period, with 33 1/3% vesting at the end of each year from the date of grant, and have an exercise price of $0.79. We did not grant any options to our directors in 2002. We currently expect that we will grant stock options to Mr. Munro on substantially similar terms and conditions as those stock options granted to other independent directors in a quantity and with an exercise price as may be determined by the compensation committee of our board of directors.

In addition, we pay for the reasonable out-of-pocket expenses incurred by each director in connection with attending board and committee meetings.

Committees of the Board of Directors

Our board of directors has standing executive, compensation, audit, nominating and risk management committees, as follows:

- *Audit Committee.*

The audit committee is currently composed of three independent directors: Messrs. Ames and Johnson and Dr. Sheth. We believe that all members of the audit committee are "independent," within the meaning of the listing requirements of the Nasdaq Stock Market. Among other functions, the purpose of the audit committee is to assist our board of directors generally in its oversight of the integrity of our financial reporting process and systems of internal controls regarding finance, accounting and legal compliance, the independence and performance of our independent accountants and the performance of our internal audit function, the hiring and firing of our independent accountants and any non-audit work performed by our independent accountants and our legal compliance and ethics policies and procedures. The audit committee met seven times during the fiscal year ended December 31, 2002.

On February 25, 2003, the audit committee of the board of directors adopted an amended and restated charter for the audit committee. A copy of the Pac-West Telecomm, Inc. Amended and Restated Charter of the Audit Committee of the Board of Directors is attached as Appendix B to this Proxy Statement.

- *Compensation Committee.*
  The compensation committee is currently composed of three independent directors: Messrs. Chandler, Ames and Plum. Among other functions, the compensation committee makes recommendations to the board of directors regarding the compensation of our officers, awards under our compensation and benefit plans and compensation policies and practices. The compensation committee met four times during the fiscal year ended December 31, 2002.
- *Executive Committee.*
  The executive committee is currently composed of four directors: Messrs. Chandler, Griffin, Johnson and Plum. Among other functions, the executive committee makes recommendations to our board of directors regarding matters that arise when the full board is unable to meet. The executive board met four times during the fiscal year ended December 31, 2002.
- *Nominating Committee*
  . The nominating committee is currently composed of three directors: Messrs. Johnson and Chandler and Dr. Sheth. Among other functions, the nominating committee establishes criteria for selecting new directors and senior executive officers, identifies individuals qualified to become members of the board of directors and senior executive officers and recommends to the board of directors such individuals as nominees for the consideration of the board of directors. As the nominating committee was constituted by the board of directors in 2003 it did not meet during the fiscal year ended December 31, 2002.
- *Risk Management Committee*

. The risk management committee is currently composed of two directors: Messrs. Carabelli and La Rue. Among other functions, the risk management committee reviews and consults with management regarding proposals for insurance coverage for the corporation, as well as oversees the development of procedures and policies to assess the risk profile of the corporation, vulnerabilities of operating systems and capital facilities to risk of damage or destruction and or service interruptions and preventative and remedial plans. As the risk management committee was constituted by the board of directors in 2003 it did not meet during the fiscal year ended December 31, 2002.

Reports by Board Committees

The following report of the audit committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement or any portion hereof into any filing under the Securities Act of 1933 ("Securities Act"), as amended, or the Securities Exchange Act of 1934 ("Exchange Act"), as amended, and shall not otherwise be deemed filed under such Acts.

Report of the Audit Committee

The audit committee of our board of directors consists entirely of directors who we believe are "independent," within the meaning of the rules of the Nasdaq Stock Market. The audit committee operates under a written charter adopted by the board of directors, which charter was last reviewed and revised by the audit committee on February 25, 2003. As described above, a copy of the Pac-West Telecomm, Inc. Amended and Restated Charter of the Audit Committee of the Board of Directors is attached as Appendix B to this Proxy Statement.

The audit committee oversees the financial reporting process, the systems of internal accounting and financial controls, the performance and independence of the independent auditor, the annual audit of Pac-West's financial statements, and related matters. Management is responsible for our financial reporting processes including its system of internal control and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. Pac-West's independent accountants are responsible for auditing those financial statements. Our responsibility is to monitor and review these processes. Therefore, we have relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles, and on the representations of the independent accountants included in their report on our financial statements.

On June 4, 2002, Pac-West dismissed our independent accountants, Arthur Andersen LLP and engaged the services of KPMG LLP as its new independent accountants for its current fiscal year ending December 31, 2002. The board of directors authorized the dismissal of Arthur Andersen and the engagement of KPMG.

Arthur Andersen's reports on the Company's consolidated financial statements for the years ended December 31, 2000 and 2001 did not contain an adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles. During 2000 and 2001 and through the date of Arthur Andersen's dismissal, there were: (i) no disagreements with Arthur Andersen on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure which, if not resolved to Arthur Andersen's satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its report on Pac-West's consolidated financial statements for such years; and (ii) there were no "reportable events" (as such term is defined in the regulations to the Securities Act and the Exchange Act).

During 2000 and 2001 and through the date of Arthur Andersen's resignation, we did not consult KPMG with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, or any matter or reportable event.

The audit committee has reviewed and discussed with management and KPMG the audited financial statements contained in Pac-West's Annual Report on Form 10-K for the year ended December 31, 2002. The audit committee reviewed KPMG's independence and, as part of that review, received the written disclosures and letter required by the Independence Standards Board No. 1 (Independence Discussions with Audit Committees), as may be modified or supplemented, relating to KPMG's independence from us. The audit committee also discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees), as may be modified or supplemented, and had the opportunity to ask KPMG questions relating to such matters.

In reliance on the reviews and discussions referred to above, the audit committee recommended to the board of directors, and the board of directors has approved, a resolution that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, for filing with the Securities and Exchange Commission. The audit committee and the board of directors have also recommended that the shareholders ratify the appointment of KPMG as our independent accountants for the fiscal year ending December 31, 2003.

AUDIT COMMITTEE

A. Gary Ames

Jerry L. Johnson

Dr. Jagdish N. Sheth

Audit Fees

The following summarizes certain fees paid to our current independent accountants, KPMG LLP, as well as our former independent accountants, Arthur Andersen, LLP. The audit committee has considered whether the provision of the services described below is compatible with maintaining the independence of KPMG and has concluded that such services are compatible with maintaining the independence of our principal auditor.

- *Audit Fees.*
  KPMG billed us $210,310 for professional services rendered for the audit of our annual financial statements for the fiscal year ended December 31, 2002 and for the reviews of the financial statements included in our Reports on Form 10-Q for the periods ending June 30 and September 30, 2002. In addition, our former independent auditor, Arthur Andersen LLP billed us $31,000 for professional services rendered for the review of our financial statements included in our quarterly report on Form 10-Q for the quarter ended March 31, 2002.
- *Financial Information Systems Design and Implementation Fees.*
  Neither KPMG nor Arthur Andersen rendered any such professional services to us during the fiscal year ended December 31, 2002.
- *All Other Fees.*

Prior to their dismissal, Arthur Andersen billed us $112,079, primarily related to research and consultation concerning various local, state and federal tax matters and preparation of federal and state income tax returns between January 1, 2002 and April 30, 2002.

Compensation Committee Report on Executive Compensation

The compensation committee of the board of directors is composed entirely of independent directors. No member of the compensation committee is a former or current officer of the Company. The compensation committee sets and administers the policies governing annual compensation of executive officers, including cash compensation and stock ownership programs.

The Company's compensation program for executive officers is administered and reviewed by the compensation committee. The key elements of the total annual compensation for executive officers consist of fixed compensation in the form of base salary and variable compensation in the form of annual and quarterly incentive compensation. It is the compensation committee's objective to help ensure that a significant portion of an executive's total annual compensation be contingent upon the attainment of one or more performance objectives. Beginning in 2002, the compensation structure for executive officers (except for the chief executive officer who will continue to be paid annually) was modified to issue quarterly variable incentive payments for corporate performance and annual payments for individual performance.

Historically, annual incentive payments were based upon various factors, including corporate, operating unit and individual performance during the preceding calendar year. An operating plan is established annually which sets goals for overall corporate performance relating to earnings (before interest and taxes). The chief executive officer's annual incentive compensation is based on the overall corporate performance plus specific milestones set by the board of directors for markets in operation, access lines in service and capital raising.

The variable pay program for executive officers was comprised of two elements based on corporate performance and individual performance. The corporate performance equated to fifty percent of the total variable pay target and was paid out as approved each quarter. The corporate performance goals were based on two primary financial measurements, including earnings before interest, taxes, depreciation and amortization ("EBITDA") as a percentage of expenses, and EBITDA as a percentage of assets for the quarter being evaluated. The individual performance equated to 50% of the annual target and was based on each executive's performance and success in meeting the business imperatives.

The chief executive officer's compensation in 2002 consisted of fixed compensation in the form of base salary as specified in his employment contract with the company. In addition, the chief executive officer is entitled to an annual bonus as determined based on the Company's overall performance. In setting the amount of the annual bonus, the compensation committee establishes with the assistance of the chief executive officer a set of financial, operating and regulatory objectives and, where appropriate, specific performance metrics based upon the annual budget or industry comparables to serve as a guideline. These metrics include revenue, operating income, cash flow, plant performance, balance sheet, business growth and relative industry performance measurements. The compensation committee reviews the performance of the chief executive officer with him or her annually and based thereon determines the appropriate bonus amount.

On November 14, 2001, Pac-West initiated a tender offer to exchange options granted under our 1999 Stock Incentive Plan to certain eligible employees. Directors and officers required to report transactions in our common stock pursuant to Section 16 of the Securities Exchange Act of 1934, which included all executive management, were not deemed to be eligible employees and therefore did not participate in the tender offer.

COMPENSATION COMMITTEE

Samuel A. Plum
A. Gary Ames
David G. Chandler

Equity Compensation Plan Information

The table below provides information regarding securities authorized for issuance under our equity compensation plans as of December 31, 2002.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(1)
Approved Plans			
1999 Stock Incentive Plan	4,456,881	$2.06	1,294,869
2000 Employee Stock Purchase Plan(2)	--	--	772,805
Non-Approved Plans			
1998 Griffin Non-Qualified Stock Incentive Plan	350,000	$0.48	--
2000 Napa Valley Non-Qualified Stock Incentive Plan	18,750	$10.00	36,250

(1) Excludes securities reflected in Column A.

(2) Amounts withheld from employees to purchase stock at June 30, 2003 are not included.

Compensation Committee Interlocks and Insider Participation

There are no family relationships between any of our directors or executive officers and there are no director interlocking relationships.

EXECUTIVE COMPENSATION

The following table summarizes the compensation we paid in the fiscal years ended December 31, 2002, 2001 and 2000 to our named executive officers, consisting of our chief executive officer and each of our next four most highly compensated executive officers for the year ended December 31, 2002.

None of the perquisites and other benefits paid to each named current executive officer exceeded the lesser of $50,000 or 10% of the total annual salary and bonus received by that officer. "All Other Compensation" reflects matching contributions we made under our 401(k) plan plus group life and disability insurance premiums paid by us on behalf of such officer. The amount listed under "All Other Compensation" includes $5,440, $5,440 and $5,440 of life insurance and long-term disability insurance premiums we paid on behalf of Mr. Griffin for the fiscal years ended December 31, 2002, 2001 and 2000, respectively.

Summary Compensation Table for the Years Ended December 31, 2002, 2001 and 2000

Name and Principal Position Held	Salary	Regular Bonus	Commissions	All Other Compensation

Wallace W. Griffin,				
Chairman and Chief Executive Officer				
Fiscal Year 2002	$350,000	$175,000	--	$7,116
Fiscal Year 2001	350,000	--	--	12,306
Fiscal Year 2000	350,000	175,000	--	12,051
Henry R. Carabelli,				
President and Chief Operating Officer				
Fiscal Year 2002	$275,000	$175,618	--	$7,116
Fiscal Year 2001	142,788	--	--	706
H. Ravi Brar,				
Chief Financial Officer (1)				
Fiscal Year 2002	$195,250	$114,562	--	$6,480
Fiscal Year 2001	166,125	--	--	3,138
Fiscal Year 2000	102,083	55,000	--	2,111
Michael B. Hawn				
Vice President Customer Network Services				
Fiscal Year 2002	$208,333	$98,747	--	$6,348
Fiscal Year 2001 (2)	97,000	--	--	3,061
Fiscal Year 2000	--	--	--	--

Wayne Bell				
Vice President Marketing and Service Provider Sales				
Fiscal Year 2002	$170,000	$84,883	--	$5,127
Fiscal Year 2001 (2)	104,454	--	--	2,772
Fiscal Year 2000	--	--	--	--

(1) In September of 2002, Mr. Brar was appointed as our Chief Financial Officer

(2) Mr. Hawn and Mr. Bell joined the Company in August of 2001

Stock Incentive Plans

General

We have established the Pac-West Telecomm, Inc. 1999 Stock Incentive Plan, which authorizes the granting of stock options, including restricted stock, SARS, dividend equivalent rights, performance units, performance shares or other similar rights or benefits to our or our subsidiaries' current or future employees, directors, consultants and advisors. Under the 1999 Stock Incentive Plan, our board of directors is authorized to issue options to purchase shares of common stock in such quantity, at such exercise prices, on such terms and subject to such conditions as established by the board.

In addition, we have established the 1998 Griffin Non-Qualified Stock Incentive Plan for Mr. Griffin and the 2000 Napa Valley Non-Qualified Stock Incentive Plan, which authorizes the granting of stock options, including restricted stock, SARS, dividend equivalent rights, performance units, performance shares or other similar rights or benefits to certain of our employees. Until April 11, 2003, we also maintained the 1998 Bryson Non-Qualified Stock Incentive Plan for Richard E. Bryson, our former Chief Financial Officer. There were 218,750 common shares underlying outstanding options under this plan. Our board of directors has terminated this plan as all options outstanding or available under the plan were either exercised or terminated in 2002 in connection with Mr. Bryson's separation from employment.

An aggregate of 6,156,750 shares of common stock are currently reserved for option grants under the 1999 Stock Incentive Plan, the 1998 Griffin Non-Qualified Stock Incentive Plan, and the 2000 Napa Valley Non-Qualified Stock Incentive Plan. These plans are subject to adjustment upon the occurrence of certain events to prevent any dilution or expansion of the rights of participants that might otherwise result from the occurrence of such events. As of December 31, 2002, we had granted options outstanding with respect to 5,044,318 shares of common stock under all plans. As of December 31, 2002, 331,786 options have been exercised.

Exchange Offer

On November 14, 2001, we initiated an exchange offer for options granted under our 1999 Stock Incentive Plan to certain eligible employees. The terms of the exchange offer allowed eligible employees to tender all their existing options in exchange for receiving newly granted options not less than 185 days from the date of expiration of the offer, which was December 14, 2001. Subject to certain limitations, the tendered options will be exchanged on a one for one basis, with the exercise price equal to the fair market value of our common shares on the grant date.

For purposes of the exchange offer, "eligible employees" include employees as of November 14, 2001, who remain employed with us through and including the date the new options are granted, who hold options under the 1999 Stock Incentive Plan and who are not directors and officers required to report transactions in our common shares pursuant to Section 16 of the Securities Exchange Act of 1934, as amended.

We accepted for exchange 831,638 options to purchase our common shares, representing approximately 54% of the options that were eligible to be tendered in the offer. We granted participating employees new options on June 18, 2002 with a strike price of $0.48. The new options are subject to the terms of the 1999 Stock Incentive Plan and have the same vesting schedule as the options tendered in the exchange.

Option Grants in 2002

The table below provides information regarding stock options granted to the named executive officers during 2002. None of the named executive officers received SAR's. The options referred to below vest over a period of three to four years and are exercisable to purchase shares of our common stock in accordance with our 1999 Stock Incentive Plan and, in the case of Mr. Griffin, the 1998 Griffin Non-Qualified Stock Incentive Plan. In addition, options issued to the below named executives become fully vested upon a change in control.

The amounts shown for potential realizable value are calculated assuming that the market value of the common stock was equal to the exercise price per share as of the date of grant of the options. This value is the approximate price per share at which shares of the common stock would have been sold in private transactions on or about the date on which the options were granted. The dollar amounts under these columns assume a compounded annual market price increase for the underlying common shares from the date of grant to the end of the option term of 5% and 10%. This format is prescribed by the Securities and Exchange Commission and is not intended to forecast future appreciation of the common shares. The actual value, if any, a named officer may realize will depend on the excess of the market price for the common shares on the date the option is exercised over the exercise price. Accordingly, there is no assurance that the value realized by a named officer will be at or near the value estimated above.

Stock Options Granted to Named Executive Officers in 2002

					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	Number of Shares Underlying Options Granted (#)	% of Total Options Granted to Employees In Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	5% ($)	10% ($)
Wallace W. Griffin	--	--	--	--	--	--
Henry R. Carabelli	--	--	--	--	--	--
H. Ravi Brar	150,000	10.8%	$0.52	12/11/2012	$46,000	$116,000

Michael B. Hawn	100,000	7.2%	$0.52	12/11/2012	$33,000	$83,000
Wayne Bell	--	--	--	--	--	--

Outstanding Stock Options and Year-End Values

The following table sets forth information regarding the number and value of unexercised stock options held by each of our named executive officers as of December 31, 2002. No named executive officers exercised options in 2002.

	Number of Unexercised Options at Year End		Value of Unexercised In-The-Money Options at Year End	
Name	Exercisable	Non-Exercisable	Exercisable	Non-Exercisable
Wallace W. Griffin	729,629	366,065	$7,000	--
Henry R. Carabelli	116,667	283,333	--	--
H. Ravi Brar	72,667	191,713	--	--
Michael B. Hawn	25,000	175,000	--	--
Wayne Bell	25,000	75,000	--	--

Qualified 401(k) and Profit Sharing Plan

We maintain a tax-qualified 401(k) retirement plan for all full-time employees who are at least 18 years of age and who have completed six months of service. The plan year is from January 1 to December 31, and we contribute $0.50 for every $1.00 contributed by the employee, subject to our contribution not exceeding 3 percent of the employee's salary. Employees are eligible to participate in the plan after six months of service and become fully vested after six years, although they vest incrementally on an annual basis after two years of service. Employees who are at least 18 years of age may elect to participate in the plan after completing six months of service with us. We match 50% of employee contributions up to 6% of compensation deferred. Our matching contributions vest at a rate 20% per year starting with the employee's second year of service. Although we have not historically done so, we may also make discretionary profit-sharing contributions to all employees who satisfy plan participation requirements. Our matching contributions were $378,000, $442,000 and $247,000 for the years ended December 31, 2002, 2001 and 2000, respectively.

Employee Stock Purchase Plan

In 2000, we instituted the 2000 Employee Stock Purchase Plan. The purpose of the Plan is to provide our employees with an opportunity to purchase our common shares through accumulated payroll deductions. Employees may elect to participate in semi-annual offer periods, commencing each January 1 and July 1. Employees are eligible to participate in the plan after 30 days of service, provided, however, that their customary employment is not 20 hours or less per week, and not less than 5 months in any calendar year. Subject to certain limitations, eligible employees may elect to have payroll deductions made during the relevant offer periods in amounts between one percent (1%) and not exceeding ten percent (10%) of the employee's compensation. The maximum number of common shares available for sale under the plan is 1,000,000 shares, subject to adjustments for certain defined events. As of December 31, 2002, 227,195 common shares have been purchased pursuant to the plan.

Pension Plans

We do not maintain a pension plan.

Employment-Related Agreements

Employment Agreements

In December 2001, Mr. Griffin entered into a new employment agreement with us. On June 11, 2001, we entered into an employment agreement with Mr. Carabelli. Messrs. Griffin and Carabelli's employment agreements have terms of two years, provided for base salaries for the year ended December 31, 2002 of $350,000 and $275,000, respectively, and bonuses based upon our achievement of certain objectives and subjective criteria which shall be about 40% of their respective base salary. Their emittee composed of two independent directors, Messrs. Shenoy and Prins. Mr. Shenoy is the current Chairman of the Company’s Compensation Committee. The compensation committee’s purpose is to review and approve compensation paid to our officers and directors and to administer the Company’s Stock Plan.

Nominating and Corporate Governance Committee

We intend to establish a nominating and corporate governance committee. The primary purpose of the nominating and corporate governance committee will be to identify individuals qualified to become directors, recommend to the Board of Directors the candidates for election by stockholders or appointment by the Board of Directors to fill a vacancy, recommend to the Board of Directors the composition and chairs of Board of Directors committees, develop and recommend to the Board of Directors guidelines for effective corporate governance, and lead an annual review of the performance of the Board of Directors and each of its committees. We do not have any formal process for stockholders to nominate a director for election to our Board of Directors. Currently, nominations are selected or recommended by a majority of the independent directors as stated in Section 804(a) of the NYSE MKT Company Guide.

Board and Committee Meetings

During the fiscal year ended March 31, 2013, our Board of Directors held eighteen meetings. Although we do not have any formal policy regarding director attendance at our annual meetings, we attempt to schedule our annual meetings so that all of our directors can attend. During the fiscal year ended March 31, 2013, all of our directors attended 100% of the meetings of the Board of Directors. During the fiscal year ended March 31, 2013, there were eight meetings of the audit committee, all of which were attended by all of the members of the committee. There were three compensation committee meetings held during the fiscal year ended March 31, 2013.

Communications with Directors

Any director may be contacted by writing to him or her c/o the Secretary of the Company at the address set forth above. Communications to the non-management directors as a group may be sent to the Independent Directors c/o the Secretary of the Company at the same address. We promptly forward, without screening other than normal security procedures for all our mail, all correspondence to the indicated director or directors.

Indemnification Agreements

We are party to indemnification agreements with each of the executive officers and directors. Such indemnification agreements require us to indemnify these individuals to the fullest extent permitted by law. Under the terms of the indemnification agreements, we intend to agree to indemnify our officers and directors against expenses, judgments, fines, penalties or other amounts actually and reasonably incurred by the independent director in connection with any proceeding if the officer or director acted in good faith and did not derive an improper personal benefit from the transaction or occurrence that is the basis of the proceeding.

Annual Meeting Attendance

We do not have a formal policy requiring directors to attend stockholder meetings but we encourage members of the Board of Directors to attend the Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

A Compensation Committee comprised of two independent members of the Board of Directors, Mr. Richard Prins and Mr. Sudhakar Shenoy. No executive officer of the Company served as a director or member of the compensation committee of any other entity.

The Compensation Committee met three times during FYE 2013 and was responsible for determining executive compensation and the award of ESOPs to employees and directors during FYE 2013. No consultants were used by the Compensation Committee during FYE 2013.

Audit Committee Report

The Audit Committee of the Board is composed of two directors, each of whom meets the current NYSE MKT test for independence. The Committee acts under a written charter adopted by the Board. The Audit Committee has prepared the following report on its activities with respect to the Company's audited financial statements for the fiscal year ended March 31, 2013 (the "Audited Financial Statements"):

o The Audit Committee reviewed and discussed the Company's Audited Financial Statements with management;

o The Audit Committee discussed with AJSH & Co. the Company's independent auditors for fiscal year 2013, the matters required to be discussed by Statements on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU §380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T;

o The Audit Committee received from the independent auditors the written disclosures regarding auditor independence and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), discussed with AJSH & CO., its independence from the Company and its management, and considered whether AJSH & CO.'s provision of non-audit services to the Company was compatible with the auditor's independence; and

o Based on the review and discussion referred to above, and in reliance thereon, the Audit Committee recommended to the Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, for filing with the U.S. Securities and Exchange Commission.

All members of the Audit Committee concur in this report.

AUDIT COMMITTEE:

Richard Prins
Sudhakar Shenoy

Executive Officers

The following table sets forth information regarding our executive officers as of July 31, 2013. Executive officers are elected annually by our Board of Directors. Each executive officer holds his office until he resigns or is removed by the Board or his successor is elected and qualified.

Name	Age	Position
Mr. Ram Mukunda	54	Chief Executive Officer, Executive Chairman, President and Director
Mr. Danny Ngai	46	Interim Treasurer and Principal Financial and Accounting Officer
Mr. John Selvaraj (on leave of absence)	70	Treasurer and Principal Financial and Accounting Officer

There are no family relationships between any of our executive officers and our directors.

For information on Mr. Mukunda's background, please see "Directors" above.

Mr. John B. Selvaraj has served as our Treasurer and Principal Financial and Accounting Officer since November 27, 2006. The Board granted Mr. Selvaraj an extended leave of absence from the Company for health reasons.

Mr. Danny Ngai was officially appointed as our Interim Treasurer and Principal Financial and Accounting Officer on July 14, 2013. He has served as the General Manager and Director of Ironman since February 2012 and prior to that he has been involved with the Company since 2007, on a part time basis and is based in China. He is responsible for the general management of our Chinese operations including P&L responsibility, relations with the government of Inner Mongolia, banks, licensing regimes, interfacing with auditors, miners, and major customers. He was intimately involved in the acquisition of Ironman in China. Mr. Ngai has considerable experience managing P&L, SEC reporting, U.S. GAAP, Chinese GAAP, and audit functions. Between 1997 and 2004 he held various positions at Startec Global Communications, a company listed on the NASDAQ; including as Managing Director of the Hong Kong and Canadian subsidiaries where he had P&L responsibility for about 35 million in revenue and an operations with 150 employees. He was also responsible for all reporting functions and directly supervised the Chief Financial Officers of the two subsidiaries. Between January 2005 and September 2007 he was Vice President of Operations at Webpoint Communications. Between November 2007 and October 2009 he was Director of Operations at Jaxtr Inc. From November 2009 to February 2012, he was Director of Operations at SpeedCast. Mr. Ngai graduated from the University of Massachusetts, cum laude, in 1991 with a B.S. in Electrical Engineering and in 1999 obtained a Masters degree from the School of Business at the George Washington University. Mr. Ngai speaks English, Mandarin and Cantonese.

DIRECTOR AND EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Policy

The Company's Compensation Committee is empowered to review and approve, or in some cases recommend for the approval of the full Board of Directors the annual compensation for the executive officers of the Company. This Committee has the responsibility for establishing, implementing and monitoring the Company's compensation strategy and policy. Among its principal duties, the Committee ensures that the total compensation of the executive officers is fair, reasonable and competitive.

Objectives and Philosophies of Compensation

The primary objective of the Company's compensation policy, including the executive compensation policy, is to help attract and retain qualified, energetic managers who are enthusiastic about the Company's mission and products. The policy is designed to reward the achievement of specific annual and long-term strategic goals aligning executive performance with company growth and stockholder value. In addition, the Board of Directors strives to promote an ownership mentality among key leaders and the Board of Directors.

Setting Executive Compensation

The compensation policy is designed to reward performance. In measuring executive officers' contribution to the Company, the Compensation Committee considers numerous factors including the Company's growth and financial performance as measured by revenue, gross margin and net income before taxes among other key performance indicators. Regarding most compensation matters, including executive and director compensation, management provides recommendations to the Compensation Committee; however, the Compensation Committee does not delegate any of its functions to others in setting compensation. The Compensation Committee does not currently engage any consultant related to executive and/or director compensation matters.

Stock price performance has not been a factor in determining annual compensation because the price of the Company's Common Stock is subject to a variety of factors outside of management's control. The Company does not subscribe to an exact formula for allocating cash and non-cash compensation. However, a significant percentage of total executive compensation is performance-based. Historically, the majority of the incentives to executives have been in the form of non-cash incentives in order to better align the goals of executives with the goals of stockholders.

Elements of Company’s Compensation Plan

The principal components of compensation for the Company’s executive officers are:

- base salary
- performance-based incentive cash compensation
- right to purchase the Company’s stock at a preset price (stock options)
- retirement and other benefits

Base Salary

The Company provides named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary ranges for named executive officers are determined for each executive based on his or her position and responsibility. During its review of base salaries for executives, the Committee primarily considers:

- market data;
- internal review of the executives' compensation, both individually and relative to other officers; and
- individual performance of the executive.

Salary levels are typically evaluated annually as part of the Company's performance review process as well as upon a promotion or other change in job responsibility.

Performance-Based Incentive Compensation

The management incentive plan gives the Committee the latitude to design cash and stock-based incentive compensation programs to promote high performance and achievement of corporate goals, encourage the growth of stockholder value and allow key employees to participate in the long-term growth and profitability of the Company. So that stock-based compensation may continue to be a viable part of the Company's compensation strategy, management is currently seeking stockholder approval of a proposal to increase the number of shares of Company Common Stock reserved for issuance pursuant to the Company's Stock Plan.

Ownership Guidelines

To align the interests of the Board of Directors directly with the interests of the stockholders, the Committee recommends that each Board member maintain a minimum ownership interest in the Company. Currently, the Compensation Committee recommends that each Board member own a minimum of 5,000 shares of the Company's common stock with such stock to be acquired within a reasonable time following election to the Board.

Stock Option Program

The Stock Option Program assists the Company to:

- enhance the link between the creation of stockholder value and long-term executive incentive compensation;
- provide an opportunity for increased equity ownership by executives; and
- maintain competitive levels of total compensation.

Stock option award levels will be determined based on market data and will vary among participants based on their positions within the Company and are granted at the Committee's regularly scheduled meeting.

All grants of options or common stock occurred on or before the fiscal year ended March 31, 2013. In fiscal 2009 no option grants were made. In fiscal 2010, 1,393,000 stock options were granted (the "2010 Options") with an exercise price of $1.00 and expiration of May 13, 2014. No grants were made in fiscal 2011. In fiscal year ended March 31, 2012, 1,300,450 stock options (the "2012 Options") were granted with an exercise price of $0.56 and an expiration of June 27, 2016. In fiscal 2013 we granted 625,147 shares of common stock. As of March 31, 2013, we had granted 633,030 shares of Common Stock and 2,693,450 stock options under our Stock Plan. As of April 30, 2013 there were an aggregate of 146,089 shares available for future grants of options or stock awards.

Perquisites and Other Personal Benefits

The Company provides some executive officers with perquisites and other personal benefits that the Company and the Committee believe are reasonable and consistent with its overall compensation program to enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers. Some executive officers receive the use of company automobiles and an assistant. Each employee of the Company is entitled to term life insurance, premiums for which are paid by the Company. In addition, each employee is entitled to receive certain medical and dental benefits and the employee funds part of the cost.

Accounting and Tax Considerations

The Company's stock option grant policy will be impacted by the implementation of FASB ASC 718 (Previously referred to as SFAS No. 123R), which was adopted in the first quarter of fiscal year 2006. Under this accounting pronouncement, the Company is required to value unvested stock options granted prior to the adoption of FASB ASC 718 under the fair value method and expense those amounts in the income statement over the stock option's remaining vesting period.

Section 162(m) of the Internal Revenue Code restricts deductibility of executive compensation paid to the Company's chief executive officer and each of the four other most highly compensated executive officers holding office at the end of any year to the extent such compensation exceeds $1,000,000 for any of such officers in any year and does not qualify for an exception under Section 162(m) or related regulations. The Committee's policy is to qualify its executive compensation for deductibility under applicable tax laws to the extent practicable. In the future, the Committee will continue to evaluate the advisability of qualifying its executive compensation for full deductibility.

Compensation for Executive Officers of the Company

We pay IGN, LLC, an affiliate of Mr. Mukunda, $4,000 per month for office space and certain general and administrative services, an amount which is not intended as compensation for Mr. Mukunda.

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to (i) all individuals serving as the Company's principal executive officer or acting in a similar capacity during the last two completed fiscal years, regardless of compensation level, and (ii) the Company's two most highly compensated executive officers other than the principal executive officers serving at the end of the last two completed fiscal years (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option/ Stock Awards(1)	Total Compensation
Ram Mukunda Chief Executive Officer & President	2013	$ 300,000	$ -	$ 104,210	$ 404,210
	2012	$ 300,000	$ -	$ 102,235	$ 402,235
Danny Ngai Interim Principal Accounting Officer, General Manager, Director Ironman	2013	$ 90,000	$ -	$ 39,120	$ 129,120
	2012	$ 90,000	$ -	$	$

(1) The amounts reported in this column represent the fair value of option or stock awards to the named executive officer as computed on the date of the option grant using the Black-Scholes option-pricing model or on the date of the stock issuance using the closing price.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information with respect to outstanding equity awards held by the Company's Named Executive Officers as of March 31, 2013.

Name	Shares (1)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Ram Mukunda	172,841	575,000	-	$ 0.56	6/27/16
	-	635,000	-	$ 1.00	5/13/14
Danny Ngai	43,100		-		

(1) The shares granted include those granted under the 2008 ESOP plan and those granted in connection with the acquisition of Ironman.

Compensation of Directors

No cash compensation was awarded to, earned by or paid to the directors in the fiscal year ended March 31, 2013 for service as directors. In FYE 2013, our non-employee directors each received 75,000 shares of IGC's common stock from the 2008 ESOP. All compensation paid to our employee director is set forth in the tables summarizing executive officer compensation above. The Option Awards column reflects the grant date fair value, in accordance with Accounting Standards Codification (ASC) Topic 718, Compensation — Stock Compensation (formerly Statement of Financial Accounting Standards (SFAS) No. 123R) for awards pursuant to the Company's equity incentive program.

Assumptions used in the calculation of these amounts for the fiscal year ended March 31, 2013 are included in Footnote 16 "Stock-Based Compensation" to the Company's audited financial statements for the fiscal year ended March 31, 2013, included in this Company's Annual Report on Form 10-K. The Company cautions that the amounts reported in the Director Compensation Table for these awards may not represent the amounts that the directors will actually realize from the awards. Whether, and to what extent, a director realizes value will depend on the Company's actual operating performance and stock price fluctuations.

We pay IGN, LLC, an affiliate of Mr. Mukunda, $4,000 per month for office space and certain general and administrative services. We believe, based on rents and fees for similar services in the Washington, DC metropolitan area that the fee charged by IGN LLC is at least as favorable as we could have obtained from an unaffiliated third party. The agreement is on a month-to-month basis and may be terminated by the Board of Directors without notice.

Employment Contracts

Ram Mukunda has served as President and Chief Executive Officer of the Company since its inception. The Company, IGC-M and Mr. Mukunda entered into an Employment Agreement on May 22, 2008, which agreement was made effective as of March 8, 2008, the date on which the Company completed its acquisition of Sricon and TBL. Pursuant to the Employment Agreement, the Company pays Mr. Mukunda a base salary of $300,000 per year. The Employment Agreement provides that the Board of Directors of the Company may review and update the targets and amounts for the net revenue and contract bonuses on an annual basis. Mr. Mukunda is entitled to benefits, including insurance, 20 days of paid vacation, domestic help, a driver, a cook, a car (subject to partial reimbursement by Mr. Mukunda of lease payments for the car and reimbursement of business expenses. The term of the Employment Agreement is five years, extended by one year to after which employment will become at-will. The Employment Agreement is terminable by the Company and IGC-M for death, disability and cause. In the event of a termination without cause, the Company would be required to pay Mr. Mukunda his full compensation for 18 months or until the term of the Employment Agreement was set to expire, whichever is earlier. The Employment Agreement was extended for one year on July 14, 2013 with an expiration of May 22, 2014.

Compensation Risk Assessment

In setting compensation, the Compensation Committee considers the risks to the Company's stockholders and to achievement of its goals that may be inherent in its compensation programs. The Compensation Committee reviewed and discussed its assessment with management and outside legal counsel and concluded that the Company's compensation programs are within industry standards and are designed with the appropriate balance of risk and reward to align employees' interests with those of the Company and do not incent employees to take unnecessary or excessive risks. Although a portion of our executives and employees' compensation is performance-based and "at risk," we believe our compensation plans are appropriately structured and are not reasonably likely to result in a material adverse effect on the Company.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table shows, as of March 31, 2013, information regarding outstanding awards available under our compensation plans (including individual compensation arrangements) under which our equity securities may be delivered.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities available for future issuance (excluding shares in column (a)(1)
Equity compensation plans approved by security holders:			
2008 Omnibus Incentive Plan (2)	(3) 269,345	$ 7.80	0

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(1) Consists of our 2008 Omnibus Incentive Plan, as amended. See Note 16—“Stock-Based Compensation” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.
(2) Includes grants during fiscal years ended March 31, 2010, 2012 and 2013. There were no grants during fiscal year ended March 31, 2009 or 2011.
(3) The number of options outstanding is 2,693,450 with an average exercise price of $0.78. Each option exercised at an average price of $0.78 entitles the holder to one tenth of a share of common stock. Therefore, 10 options each exercised at $0.78 for an aggregate price of $7.8 entitles the holder to one share of common stock. The total number of securities to be issued upon the exercise of all outstanding options is 269,345.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

During the last two fiscal years, we have not entered into any material transactions or series of transactions that would be considered material in which any officer, director or beneficial owner of 5% or more of any class of our capital stock, or any immediate family member of any of the preceding persons, had a direct or indirect material interest, nor are there any such transactions presently proposed, other than the agreements with IGN, an affiliate of Ram Mukunda, described above and as set forth below and Vosgo Limited a Hong Kong based company that is an affiliate of Mr. Danny Ngai. The Company pays Vosgo Limited $90,000 a year as compensation for Mr. Danny Ngai’s services.

We are party to indemnification agreements with each of the executive officers and directors. Such indemnification agreements require us to indemnify these individuals to the fullest extent permitted by law.

Review, Approval or Ratification of Related Party Transactions

We do not maintain a formal written procedure for the review and approval of transactions with related persons. It is our policy for the disinterested members of our board to review all related party transactions on a case-by-case basis. To receive approval, a related-party transaction must have a business purpose for IGC and be on terms that are fair and reasonable to IGC and as favorable to IGC as would be available from non-related entities in comparable transactions.

AUDIT INFORMATION

AJSH & Co., Chartered Accountants (“AJSH & Co.”) is our Principal Independent Registered Public Accounting Firm engaged to examine our financial statements for the fiscal year ended March 31, 2013. Yoganandh & Ram, Chartered Accountants (“Y & R”) was our Principal Independent Registered Public Accounting Firm engaged to examine our financial statements for the fiscal year ended March 31, 2012. During the Company’s most two recent fiscal years ended March 31, 2013 and 2012 and through July 12, 2013, the Company did not consult with AJSH & Co on (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on the Company’s financial statements, and AJSH & Co. have not provided either a written report or oral advice to the Company that was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) the subject of any disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

Audit Related and Other Fees

The table below shows the fees that we paid or accrued for the audit and other services provided by AJSH & Co. for the fiscal years ended March 31, 2013. Except as specified otherwise in the table, we paid the fees to AJSH & Co.

Audit Fees

This category includes the audit of our annual financial statements, review of financial statements included in our annual and quarterly reports and services that are normally provided by the independent registered public accounting firms in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees

This category consists of assurance and related services by the independent registered public accounting firms that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include services relating to our registration statement and consultation regarding our correspondence with the SEC.

Tax Fees

This category consists of professional services rendered for tax compliance, tax planning and tax advice. These services include tax return preparation and advice on state and local tax issues.

All Other Fees

This category consists of fees for other miscellaneous items.

	March 31, 2013	March 31, 2012
Audit Fees – AJSH & Co.	$ 80,000	$ -
Audit Fees - Yoganandh & Ram		80,000
Audit-Related Fees	5,000	
Tax Fees		
All other Fees		
Total	$ 85,000	80,000

Policy on Pre-Approval of Audit and Permissible Non-audit Services of Independent Auditors

Consistent with SEC policies regarding auditor independence, the audit committee of our Board of Directors has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. In recognition of this responsibility, our Board of Directors has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditor. Prior to engagement of the independent auditor for the next year's audit, management may submit, if necessary, an aggregate of services expected to be rendered during that year for each of the following four categories of services to our Board of Directors for approval.

1. Audit services include audit work performed in the preparation of financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters, statutory audits, and attest services and consultation regarding financial accounting and/or reporting standards.

2. Audit-Related services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

3. Tax services include all services performed by the independent auditor's tax personnel except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning and tax advice.

4. Other Fees are those associated with services not captured in the other categories.

Prior to engagement, our Board of Directors pre-approves these services by category of service. The fees are budgeted and our Board of Directors requires the independent auditor and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval. In those instances, our Board of Directors requires specific pre-approval before engaging the independent auditor.

Our audit committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to our Board of Directors at its next scheduled meeting.

Pre-Approved Services

The Audit Committee's charter provides for pre-approval of audit, audit-related and tax services to be performed by the independent auditors. The Audit Committee approved the audit, audit-related and tax services to be performed by independent auditors and tax professionals in 2013. The charter also authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee has not delegated such authority to its members.

PROPOSALS FOR 2014 ANNUAL MEETING

Under the regulations of the Securities and Exchange Commission, if you desire to make a proposal to be acted upon at the 2014 Annual Meeting of Stockholders, you must deliver the proposal, in proper form, to the Secretary of the Company, no later than April 25, 2014, in order for the proposal to be considered for inclusion in the Company's Proxy Statement and form of proxy for that meeting. If next year's Annual Meeting is held on a date more than 30 calendar days from September 30, 2014, a stockholder proposal must be received by a reasonable time before the Company begins to print and mail its proxy solicitation materials. Any stockholder proposals will be subject to the requirements of the proxy rules adopted by the Securities and Exchange Commission. The address for the Secretary of the Company is 4336 Montgomery Ave, Bethesda, MD 20814.

Our Bylaws also prescribe the procedure that a stockholder must follow to nominate directors or to bring other business before stockholders' meetings. To nominate a candidate for director or to bring other business before a meeting, notice must be received by the Secretary of the Company (i) no later than May 25, 2014, and no earlier than April 25, 2014 or (ii) if the date of the 2014 Annual Meeting of Stockholders is advanced by more than thirty days or delayed by more than sixty days from the anniversary date of this Annual Meeting, no later than the close of business on the later of the sixtieth day prior to such Annual Meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation and no earlier than the close of business on the ninetieth day prior to such Annual Meeting.

Notice of a nomination for director must describe various matters regarding the nominee and the stockholder giving the notice. Notice of other business to be brought before the Annual Meeting must include a description of the proposed business, the reasons therefore, and other specified matters. The nominating committee will consider candidates recommended by stockholders in the same manner it considers other candidates. Any stockholder may obtain a copy of the Company's Bylaws, without charge, upon written request to the Secretary of the Company, Parveen Mukunda, at the address set forth above.

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS OF INDIA GLOBALIZATION CAPITAL, INC.
for the September 30, 2013 Annual Meeting of Stockholders
and any postponement(s) or adjournment(s) thereof.

The undersigned hereby: (a) acknowledges receipt of the Notice of the Annual Meeting of the stockholders of India Globalization Capital Inc. to be held on September 30, 2013 (the "Annual Meeting"), and the associated Proxy Statement; (b) appoints Ram Mukunda, as proxy, with the power to appoint a substitute; (c) authorizes each proxy to represent and vote, as designated below, all of the shares of common stock of the Company, par value $0.0001 per share, held of record by the undersigned at the close of business on July 31, 2013, at the Annual Meeting and at any postponement(s) or adjournment(s) thereof; and (d) revokes any proxies previously given.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON SEPTEMBER 30, 2013:

This Proxy Statement, the Notice of Annual Meeting of Stockholders and Our Annual Report to Stockholders are available at http://www.IndiaGlobalCap.com.

1. The Board of Directors recommends a vote FOR the director of the Company listed below, to serve until the Annual Meeting of Stockholders following the 2016 fiscal year and until such director's respective successor shall be elected and qualified, or until such director's earlier death, resignation or removal from office.

   MR. RAM MUKUNDA FOR o WITHHOLD o

2. The Board of Directors recommends a vote FOR ratification of the appointment of AJSH and Company ("AJSH") as the independent auditors for the Company for the fiscal year ending March 31, 2014.

   FOR o AGAINST o ABSTAIN o

This Proxy Card, when properly executed, will be voted in the manner directed herein by the undersigned stockholder(s). If no direction is made, this Proxy will be voted FOR the proposals set forth above. Please sign, date and return this Proxy as promptly as possible in the envelope provided

Dated: __________________ , 2013

X ________________________________ X _________________________
Signature(s) of Stockholders

Joint owners should each sign. Signature(s) should correspond with the name(s) printed on your stock certificates. Attorneys, executors, administrators and guardians should give full title. If a corporation, please sign in full corporate name by the president or other authorized officer. If a partnership, please sign in partnership name by authorized person.