



## Board Member Compensation: Still Undisclosed

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### Overview: The Real Disclosure



#### Problem

**Key Issue:** Board members Stefan Safko and Scott Harvey received employment agreements and RSUs as closing conditions (APA §7.2(e)), but the amounts have NEVER been disclosed—not to stockholders before the vote, and not in SEC filings afterward. This is the core disclosure violation.

#### ⚠ What This Section Is NOT About:

This is NOT a complaint about India employees receiving \$700K in stock awards. Those employees deserved their compensation, and Luminar eventually disclosed it in SEC filings (though 8 months after the stockholder vote). The \$700K employee awards are documented and not the legal issue.

**What This Section IS About:** Using the documented \$700K employee awards as proof that Luminar knew how to disclose stock compensation—but chose NOT to disclose what board members Stefan Safko and Scott Harvey received, despite their fiduciary duties to all stockholders.

## ▶ Context: The \$700K India Employee Awards (Documented, Not the Complaint)

Luminar DID eventually disclose \$700K in "Solrice Awards" to India employees in their February 2023 SEC filings. Documentation confirms these grants went to approximately 9 Civil Maps India employees:

### **Fidelity Stock Plan Account Statement**

Account Holder: [India Employee - Name Redacted]

Employer: Luminar Technology Services (India) Private Limited

Location: Hyderabad, India

### **Luminar Restricted Stock Units Grant:**

- RSUs Granted: Significant grant of shares
- Grant Value: Roughly \$76K
- Vesting: Time-based, over multiple years

This represents just one employee among approximately 9 Civil Maps India team members who received similar grants. The RSUs were granted as "Luminar Restricted Units" tied to the acquisition.

*Important: The \$700K India employee compensation is NOT the complaint. These employees earned their compensation, and Luminar eventually disclosed it (albeit 8 months late). This data is presented solely to establish that Luminar KNEW HOW to disclose stock-based compensation when they chose to.*

## SEC Disclosure: \$700K "Solfice Awards" - Disclosed AFTER the Vote

Luminar 2022 Form 10-K (Filed February 28, 2023)

### Note 16 - Stock-Based Compensation:

"Solfice Awards: The Company owes up to \$0.7 million in compensation related to certain service and performance conditions. As of December 31, 2022, it is probable that the conditions will be met, and as a result, the Company recorded \$0.4 million in stock-based compensation expense through December 31, 2022."

Source: [2022 Form 10-K, page F-56](#)

### ⚠ Note on Timing:

- Stockholder Vote: June 2022

- **SEC Disclosure of \$700K "Solfice Awards"**: February 2023 (8 months later)
- These performance-based awards were not closing conditions and separate from the undisclosed Scott Harvey and Stefan Safko employment agreements

▶ **Mapping the \$700K to India Employees**

The Fidelity statement evidence for a documented India employee provides the key to understanding where the \$700K went:

| Data Point                | Amount   | Source                         |
|---------------------------|--|--------------------------------|
| Total "Solfice Awards"    | \$700,000  | SEC 10-K disclosure (Feb 2023) |
| Documented Employee Grant | Roughly \$76K  | Fidelity statement             |
| Number of India Employees | ~9 employees   | Based on disclosed total       |
| Conclusion                | The \$700K "Solfice Awards" was allocated to ~9 Civil Maps India employees |                                |

This evidence indicates that approximately 9 Civil Maps India employees at Luminar Technology Services (India) Private Limited in Hyderabad received RSU grants averaging roughly \$76K each. This represents a smaller, likely more senior segment of the India engineering team.

**U.S. Management Compensation:** Compensation for U.S.-based Civil Maps executives and management (if any) is unknown and remains subject to discovery through the \$220 books and records demand. No estimates are provided as this information must be disclosed through proper legal channels.

### ▶ **Nasdaq Listing Rule 5635(c)(4): Inducement**

#### **Grants**

*Luminar likely granted these RSUs as "inducement awards" under Nasdaq Listing Rule 5635(c)(4), which allows companies to grant equity compensation to new employees as a material inducement to join the company, without obtaining Luminar stockholder approval.*

**Key Point:** These \$0.7M performance-based employee awards were:

- **NOT closing conditions** under APA §7.2(e)
- **NOT part of the acquisition purchase price**

- Performance-based compensation at Luminar, granted after closing
- Eventually disclosed in SEC filings (Feb 2023)

The real disclosure problem is **Scott Harvey and Stefan Safko's employment agreements**, which WERE closing conditions under APA §7.2(e) and remain completely undisclosed.

### ▶ **Timeline: When Were These Grants Made?**

The Fidelity statement for the documented India employee shows:

- **Grant Date:** Several months after the acquisition closed (performance-based)
- **Grant Value:** Roughly \$76K on average
- **Vesting:** Time-based, over multiple years
- **Employment Agreement Date:** June 2023 (formal India subsidiary employment)

These RSUs were granted several months after the acquisition closed as performance-based compensation at Luminar, not as part of the transaction itself.

## Key Management Flying Under the Radar

⚠ **The Critical Disclosure Gap:** While the \$0.7M "Solfice Awards" to India employees were eventually disclosed in SEC filings (as performance-based awards at Luminar, NOT closing conditions), the employment agreements for **Scott Harvey and Stefan Safko**—which WERE closing conditions under APA §7.2(e)—have NEVER been disclosed to stockholders or in any SEC filing.

### Critical Distinction:

- **\$0.7M India Employee Awards:** Performance-based compensation at Luminar, not APA closing conditions. Eventually disclosed in Feb 2023 SEC filing.
- **Scott Harvey & Stefan Safko Employment Agreements:** Required as APA §7.2(e) closing conditions. **NEVER disclosed.** Amounts unknown to this day.

### Why Scott and Stefan's Undisclosed Agreements Matter:

- As board members, they had fiduciary duties to disclose conflicts of interest

- Their employment agreements were mandatory closing conditions, not optional retention packages
- Stockholders voting on the transaction had no idea these key decision-makers had side deals with the buyer
- Without disclosure, stockholders couldn't evaluate whether the transaction served stockholder interests or management's personal interests

## ▶ The Real Problem: Scott Harvey & Stefan Safko's Undisclosed Compensation

### Still Unknown to This Day:

- **Scott Harvey** (Board Director) - Employment agreement + RSUs = **AMOUNT UNKNOWN**
- **Stefan Safko** (Board Director) - Employment agreement + RSUs = **AMOUNT UNKNOWN**

Both were listed as closing conditions in APA §7.2(e), but the compensation amounts have NEVER been disclosed—not to stockholders before the vote in June 2022, and not in any SEC filing since.

### The Disclosure Double Standard:

| Recipient | Amount | Closing Condition? | Disclosed to SEC? | Disclosed to Stockholders? |
|-----------|--------|--------------------|-------------------|----------------------------|
|-----------|--------|--------------------|-------------------|----------------------------|



|                               |           |                        |                |                      |
|-------------------------------|-----------|------------------------|----------------|----------------------|
| India Employees (~9 people)   | \$700,000 | No (performance-based) | Yes (Feb 2023) | No (voted June 2022) |
| Scott Harvey (Board Director) | UNKNOWN   | Yes (APA §7.2(e))      | NO             | NO                   |
| Stefan Safko (Board Director) | UNKNOWN   | Yes (APA §7.2(e))      | NO             | NO                   |

**Why This Matters:** Luminar disclosed performance-based employee awards (eventually), but they have NEVER disclosed the employment agreements for Scott Harvey and Stefan Safko that were **mandatory closing conditions** of the transaction. Despite having fiduciary duties to all stockholders and voting on a transaction where they received personal benefits, Scott and Stefan's compensation remains completely hidden.

## Legal Implications of Undisclosed Board Member



### Compensation

**Corwin Impact:** Board members receiving undisclosed compensation while voting on the transaction creates an interested party vote. The failure to disclose board member compensation makes the stockholder vote "not fully informed," defeating any Corwin cleansing effect.

The failure to disclose **board member** stock compensation:

- Renders the stockholder vote invalid due to material omission
- Eliminates business judgment rule protection (Corwin cleansing fails)
- Supports claims of breach of fiduciary duty against Scott and Stefan
- Establishes that board members voted while conflicted and undisclosed
- Provides grounds for entire fairness review of the transaction

## What the §220 Books and Records Demand

### ▶ Seeks

The inspection demand seeks to uncover what Luminar has refused to disclose:

- **Scott Harvey's compensation:** RSU amounts, employment salary, bonus structure, and valuation
- **Stefan Safko's compensation:** RSU amounts, employment salary, bonus structure, and valuation
- Board resolutions approving board member compensation
- Communications regarding conflicts of interest
- Why board member compensation was never disclosed to stockholders or in SEC filings
- Whether any special committee evaluated the fairness of board member compensation

**Bottom Line:** Luminar disclosed \$700K in employee compensation to the SEC (8 months late, but disclosed).

However, Scott Harvey and Stefan Safko's board member compensation—despite being closing conditions under APA §7.2(e)—has NEVER been disclosed to anyone. This is the disclosure violation: board members with fiduciary duties voting on a transaction while receiving undisclosed personal benefits. The \$700K employee data simply proves Luminar knew how to disclose stock compensation when they wanted to, making the failure to disclose board compensation even more conspicuous.