BALLANTYNE STRONG, INC.
Form DEF 14A
October 05, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [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 under §240.14a-12

Ballantyne Strong, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

PROXY STATEMENT AND NOTICE

FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS

to be held at

Thompson Hine LLP

3900 Key Center

127 Public Square

Cleveland, OH 44114-1291

on

November 28, 2018 at 10:00 a.m. (local time)

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be held November 28, 2018

The Annual Meeting of Stockholders of Ballantyne Strong, Inc. will be held at the offices of Thompson Hine LLP, 3900 Key Center, 127 Public Square, Cleveland, Ohio 44114-1291, on November 28, 2018 at 10:00 a.m., local time (including any adjournments or postponements thereof, the "Annual Meeting"), for the following purposes:

1. To elect seven directors named in the Proxy Statement to the Company's Board of Directors (the "Board") for one-year terms.
2. To consider and act upon a non-binding advisory resolution to approve the compensation of the Company's Named Executive Officers, as described in the Proxy Statement.
3. To ratify the appointment of BDO USA, LLP as the Company's independent auditors for the fiscal year ending December 31, 2018.
4. To transact such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

Only those stockholders of record at the close of business on October 9, 2018 (the "Record Date") shall be entitled to notice of the Annual Meeting and to vote at the Annual Meeting.

If you plan to attend the Annual Meeting, to register your name with the Key Tower security service to gain access to the Thompson Hine LLP offices, you must inform Andie Keister at the Company via e-mail at andie.keister@btn-inc.com or by telephone at (402) 829-9440 prior to the Annual Meeting of your intent to attend the Annual Meeting. To access the Thompson Hine LLP offices, you must present a form of picture identification to the security officer at the desk located on the main floor of Key Tower. You will be provided a pass to permit access to the Key Tower elevators and will proceed to the 39th floor offices of Thompson Hine LLP.

Your vote is important. Whether or not you plan to attend the Annual Meeting in person, please vote your proxy card as soon as possible to assure a quorum. Please vote in one of these three ways:

(1) Visit the website at *www.proxyvote.com* and have your proxy card in hand to vote through the Internet, or

(2) Use the toll-free telephone number listed on the proxy card, or

(3) Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope.

If you vote on the website or by telephone, you do not need to return a proxy card by mail, unless you wish to change or revoke your vote.

Voting by any of these methods will ensure that you are represented at the Annual Meeting even if you are not there in person. Stockholders who have previously voted but attend the Annual Meeting may withdraw their proxy if they wish to do so, and vote in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on November 28, 2018: The Company's Proxy Statement, its Annual Report for the year ended December 31, 2017 and this Notice are available at *www.ballantynestrong.com* or *www.proxyvote.com*.

Dated this 5th day of October, 2018.

By Order of the Board of Directors

D. Kyle Cerminara

Chairman and Chief Executive Officer

Table of Contents

PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 28, 2018

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Ballantyne Strong, Inc. (the “Company,” “Ballantyne,” “we” or “us”). The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) will be held on November 28, 2018 at 10:00 a.m., local time, at the offices of Thompson Hine LLP, 3900 Key Center, 127 Public Square, Cleveland, OH 44114-1291. The Company’s telephone number is (402) 453-4444.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on November 28, 2018

As permitted by the rules of the Securities and Exchange Commission (the “SEC”), we employ the cost-effective and environmentally-conscious “notice and access” delivery method. This allows us to give our stockholders access to a full set of our proxy materials online. Beginning on or about October 17, 2018, we will send to most of our stockholders, by mail or e-mail, a notice, titled as the Notice of Electronic Availability of Proxy Materials, explaining how to access our proxy materials and vote online or by telephone. This notice is not a proxy card and cannot be used to vote your shares.

On or about the same day, we will begin mailing paper copies of our proxy materials to stockholders who have requested them. Those stockholders who do not receive the Notice of Electronic Availability of Proxy Materials, including stockholders who have previously requested to receive paper copies of our proxy materials, will receive a copy of this proxy statement, the proxy card, and the Annual Report by mail. The Notice of Electronic Availability of Proxy Materials also contains instructions on how you can (i) receive a paper copy of the proxy statement, proxy card and Annual Report if you only received a notice by mail, or (ii) elect to receive your proxy statement, proxy card and Annual Report over the Internet next year if you received them by mail this year.

Who may vote?

The Company has one class of voting shares outstanding. Only stockholders of record of our common stock at the close of business on October 9, 2018, the Record Date, are entitled to receive notice of the Annual Meeting and to vote the shares of common stock that they held on the Record Date. At the close of business on October 9, 2018, the

Company has 14,442,924 shares of outstanding common stock, all of which are entitled to vote at the Annual Meeting. A list of stockholders as of the Record Date will be available for inspection during ordinary business hours at our principal executive offices located at 11422 Miracle Hills Drive, Suite 300, Omaha, NE 68154 for 10 days before the Annual Meeting. Each share of common stock will have one vote on each matter to be voted on. The shares of common stock held in treasury will not be voted.

What is the purpose of the Annual Meeting?

At the Company's Annual Meeting, stockholders will act upon the matters described in the accompanying notice of meeting.

Who may attend the Annual Meeting?

All stockholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. If you attend the Annual Meeting in person, you will be asked to present photo identification (such as a state-issued driver's license) and proof that you own shares of Ballantyne common stock before entering the meeting. If you are a holder of record, the top half of your proxy card or your Notice of Electronic Availability of Proxy Materials is your admission ticket. If you hold shares in street name (through a bank or broker, for example), a recent brokerage statement or a letter from your broker or bank showing your holdings of Ballantyne common stock is proof of ownership. If you want to vote shares that you hold in street name in person at the Annual Meeting, you must bring a legal proxy in your name from the broker, bank, or other nominee that holds your shares.

If you plan to attend the Annual Meeting, to register your name with the Key Tower security service to gain access to the Thompson Hine LLP offices, you must inform Andie Keister at the Company via e-mail at andie.keister@btn-inc.com or by telephone at (402) 829-9440 prior to the Annual Meeting of your intent to attend the Annual Meeting. To access the Thompson Hine LLP offices, you must present a form of picture identification to the security officer at the desk located on the main floor of Key Tower. You will be provided a pass to permit access to the Key Tower elevators and will proceed to the 39th floor offices of Thompson Hine LLP.

What constitutes a quorum?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the Company's common stock entitled to vote at the Annual Meeting will constitute a quorum, permitting action to be taken and the conduct of business at the Annual Meeting. As of the Record Date, 14,442,924 shares of common stock are outstanding. Broker non-votes, abstentions and proxies marked "withhold" for the election of directors will be counted for purposes of determining the presence or absence of a quorum for the transaction of business.

May I vote by proxy card, by telephone or through the Internet?

You may vote by proxy card, by telephone or through the Internet. Voting by any of these methods will ensure that you are represented at the Annual Meeting even if you are not there in person. Please refer to the voting instructions on the Notice of Electronic Availability of Proxy Materials and the proxy card.

May I change my vote?

You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. In the event voting is done using the Internet, the cutoff will be 11:59 P.M., Eastern Time, on the day before the Annual Meeting. You may change your vote on the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted), or by signing and returning a new proxy card with a later date, or by attending the meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the meeting or specifically request in writing that your prior proxy be revoked.

How does the Board recommend I vote?

Unless you give instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board's recommendation is set forth in the description of each proposal in this proxy statement. With respect to any other matter that properly comes before the Annual Meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

How many votes are required to approve each Proposal?

Proposal 1—Election of seven directors named in this proxy statement to the Ballantyne Board, each to hold office until our 2019 Annual Meeting of Stockholders (the "2019 Annual Meeting") and until a successor is duly elected and qualified or until the director's earlier retirement, resignation or removal.

Under our Bylaws, the seven candidates receiving the highest number of **"FOR"** votes cast by holders of shares represented in person or by proxy at the Annual Meeting will be elected. This number is called a plurality. A properly executed proxy card marked **"WITHHOLD"** with respect to the election of a director nominee will be counted for purposes of determining if there is a quorum at the Annual Meeting, but will not be considered to have been voted for the director nominee. Similarly, any broker non-votes will be counted for purposes of determining if there is a quorum, but will not be considered to have been voted for the director nominee.

Proposal 2—Advisory Vote on Executive Compensation.

The number of votes cast "**FOR**" advisory approval of the compensation of our named executive officers, either in person or by proxy, at the Annual Meeting must exceed the number of votes cast "**AGAINST**" advisory approval.

Proposal 3—Ratification of Independent Auditors.

The number of votes cast "**FOR**" the ratification of the appointment of BDO USA, LLP as the Company's independent auditors for the fiscal year ending December 31, 2018, either in person or by proxy, at the Annual Meeting must exceed the number of votes cast "**AGAINST**" the ratification.

Other Proposals. No other matters are anticipated to be brought before the Annual Meeting.

What is a broker non-vote?

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. In this situation, a "broker non-vote" occurs. Shares constituting broker non-votes are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved a matter, but they are counted as present for the purpose of determining a quorum at the Annual Meeting. At the Annual Meeting, brokers have discretion to vote on Proposal 3, but not on Proposals 1 or 2.

How will abstentions be counted?

Because the election of directors requires only a plurality vote, abstentions will have no impact upon the election of directors. Abstentions will also have no impact on the outcome of Proposal 2 (advisory approval of say-on-pay) or Proposal 3 (ratification of the independent registered public accounting firm).

Who pays the expenses incurred in connection with the solicitation of proxies?

The Company will bear the cost of its solicitation of proxies, including the charges and expenses of brokers and others for forwarding solicitation materials to beneficial owners of stock. In addition to the use of mail, proxies may be solicited in person, by telephone, by press releases, through the Internet, by electronic means, by facsimile and otherwise by the Company's management at the direction of our Board of Directors, without additional compensation. We have not yet retained, but may retain, a proxy solicitor in conjunction with the Annual Meeting, and its employees may assist us in the solicitation. We will pay all costs of soliciting proxies, including a fee and reasonable out-of-pocket expenses for the proxy solicitor, if any.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a Current Report on Form 8-K that we expect to file within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the Annual Meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an amendment to the Form 8-K to publish the final results.

How may I get additional copies of the Annual Report?

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including financial statements, is available through our website at *www.ballantynestrong.com*. The information provided on the Company's website is referenced in this proxy statement for information purposes only. The information on the Company's website shall not be deemed to be a part of or incorporated by reference into this proxy statement or any other filings the Company makes with the SEC. For a printed copy, please contact our Corporate Secretary by mail at: Attn: Corporate Secretary, Ballantyne Strong, Inc., 11422 Miracle Hills Drive, Suite 300, Omaha, NE 68154.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Largest Owners of Ballantyne Shares

The following table shows each person or entity that Ballantyne knows to be the beneficial owner of more than five percent of the Company's outstanding common stock as of the Record Date of October 9, 2018.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**[1]		**Percent of Class**[2]	
Fundamental Global Investors, LLC 4201 Congress Street, Suite 140 Charlotte, NC 28209	3,494,886	(3)	24.2	%
Ariel Investments, LLC 200 E. Randolph Street, Suite 2900 Chicago, IL 60601	2,888,434	(4)	20.0	%
Dimensional Fund Advisors LP 6300 Bee Cave Road, Building One Austin, TX 78746	1,058,562	(5)	7.3	%
Howard A. Steinberg 16441 NE 31 Avenue North Miami Beach, FL 33160	1,001,006	(6)	6.9	%

(1) This information is based on Schedules 13G and 13D, as amended, and a Form 4 filed with the SEC. Fundamental Global Investors, LLC filed an amended Schedule 13D on August 23, 2017 and a Form 4 on January 3, 2018; Ariel Investments, LLC ("Ariel") filed an amended Schedule 13G on February 13, 2018; Dimensional Fund Advisors LP ("Dimensional") filed an amended Schedule 13G on February 9, 2018; and Howard A. Steinberg filed an amended Schedule 13D on June 6, 2017.

(2) Based upon 14,442,924 shares outstanding on October 9, 2018.

(3) Fundamental Global Investors, LLC has shared dispositive power over 3,494,886 shares, representing approximately 24.2% of the Company's outstanding shares of common stock, and shared voting power over 2,470,714 shares. The number reported in the table includes the 1,024,172 shares held by CWA Asset Management Group, LLC, a wealth advisor and multi-family office of which Fundamental Global Investors, LLC owns 50%, for the accounts of individual investors. Additional affiliates of Fundamental Global Investors, LLC, including Messrs. Cerminara and Johnson, hold 571,195 shares (including 48,000 shares purchasable pursuant to stock options held by Mr. Cerminara exercisable within 60 days of October 9, 2018), thus increasing the total number of shares beneficially owned by Fundamental Global Investors, LLC to 4,066,081 shares, or 28.2% of the Company's outstanding shares of common stock.

(4) Ariel reported that it has sole voting power over 2,415,248 shares and sole dispositive power over 2,888,434 shares. Ariel reported that its adviser clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, all securities reported as beneficially owned by Ariel.

(5) Dimensional reported that it has sole voting power over 1,029,829 shares and sole dispositive power over 1,058,562 shares. Dimensional reported that the funds, group trusts and separate accounts it provides investment management or adviser services to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities held in their respective accounts which are reported as beneficially owned by Dimensional.

(6) Howard A. Steinberg reported that he has sole voting and dispositive power over 20,000 shares held by him through an IRA, shared voting power over 976,006 shares and shared dispositive power over 981,006 shares. Mr. Steinberg reported that he has shared voting and dispositive power over 625,000 shares held by private family investment funds as the President of the general partner of each investment fund, which includes call options with respect to 10,000 shares, 119,000 shares held by him and his wife as tenants in the entirety and through his wife's IRA, over which Mr. Steinberg has voting and dispositive authority, 95,606 shares held by his son Brandon Steinberg directly and through an IRA, over which Mr. Steinberg has voting and dispositive authority, and 11,400 shares held by his other son, over which Mr. Steinberg has voting and dispositive authority. The remainder of the shares over which Mr. Steinberg holds shared voting and dispositive power are held by trusts for the benefit of family members. In addition, Brandon Steinberg holds sole voting and dispositive power over 1,035 shares held in his 401(k) account. Brandon Steinberg serves as a Financial Analyst of the Company.

Share Ownership of Directors and Officers

The following chart sets forth, as of the close of business on the Record Date of October 9, 2018, certain information concerning beneficial ownership of common stock by each director and director nominee of the Company, each of the named executive officers (as defined below), and all current directors and executive officers as a group. The address for each director, director nominee and executive officer listed is: c/o Ballantyne Strong, Inc., 11422 Miracle Hills Drive, Suite 300, Omaha, NE 68154.

Name	**Number of Shares Beneficially Owned**[1]		**Percent of Common Stock**[2]	
D. Kyle Cerminara, Chairman and CEO	3,757,145	(3)	25.9	%
Lance V. Schulz, Senior Vice President, CFO and Treasurer	10,000	(4)	*	
Ray F. Boegner, President of Cinema	152,019	(5)	1.1	%
William J. Gerber, Director	17,241	(6)	*	
Jack H. Jacobs, Director	—		—	
Lewis M. Johnson, Director	3,526,754	(7)	24.3	%
Charles T. Lanktree, Director	24,741	(8)	*	
Robert J. Roschman, Director	31,629	(9)	*	
Ndamukong Suh, Director	18,215	(10)	*	
Ryan M. Burke, Former Senior Vice President, CFO and Treasurer	5,625	(11)	*	
Stephen L. Schilling, Former President of Digital Media	22,825	(12)	*	
All current directors and executive officers as a group (9 persons)	4,030,080	(13)	27.7	%

* Less than 1% of common stock outstanding.

(1) Each director, director nominee and named executive officer listed above owns all outstanding shares directly and has sole voting and investment power over such shares unless otherwise specified below.

(2) Based upon 14,442,924 shares of common stock outstanding as of October 9, 2018. Each named person is deemed to be the beneficial owner of shares of common stock that may be acquired within 60 days of October 9, 2018, upon the exercise of stock options. Accordingly, the number of shares and percentage set forth next to the name of such person, and all current directors and executive officers as a group, includes shares of directly owned common stock (including shares of restricted common stock) and shares of common stock issuable pursuant to stock options exercisable within 60 days of October 9, 2018. However, the shares of common stock so issuable upon the exercise of stock options held by any such person are not included in calculating the percentage of common stock

beneficially owned by any other stockholder.

(3) Includes 191,279 shares of common stock directly owned by Mr. Cerminara (including 40,000 restricted shares granted on February 28, 2017), 7,540 shares held in Mr. Cerminara's 401(k) plan, 15,440 shares held by Mr. Cerminara's wife and children and 48,000 shares purchasable pursuant to stock options exercisable within 60 days of October 9, 2018. Also includes 3,494,886 shares of common stock beneficially owned by Fundamental Global Investors, LLC, the largest stockholder of the Company, and its affiliates (collectively, "Fundamental Global"). Mr. Cerminara, as Chief Executive Officer, Co-Founder and Partner of Fundamental Global Investors, LLC, is deemed to have shared voting and dispositive power over the shares beneficially owned by Fundamental Global. Mr. Cerminara disclaims beneficial ownership of the Fundamental Global shares except to the extent of his pecuniary interest therein. Does not include 40,000 shares potentially issuable to Mr. Cerminara pursuant to restricted stock units granted on January 26, 2018. Does not include 24,000 shares potentially issuable upon the exercise of stock options granted on November 22, 2015, 48,000 shares potentially issuable upon the exercise of stock options granted on February 28, 2017 and 50,000 shares potentially issuable upon the exercise of stock options granted on January 26, 2018.

5

(4) Includes 10,000 shares purchasable pursuant to stock options exercisable within 60 days of October 9, 2018. Does not include 40,000 shares potentially issuable to Mr. Schulz pursuant to restricted stock units granted on January 26, 2018. Does not include 30,000 shares potentially issuable upon the exercise of stock options granted on April 7, 2017 and 50,000 shares potentially issuable upon the exercise of stock options granted on January 26, 2018.

(5) Includes 123,019 shares of common stock directly owned by Mr. Boegner (including 6,667 restricted shares granted on February 28, 2017) and 29,000 shares purchasable pursuant to stock options exercisable within 60 days of October 9, 2018. Does not include 40,000 shares potentially issuable pursuant to restricted stock units granted on January 26, 2018. Does not include 16,000 shares potentially issuable upon the exercise of stock options granted on November 22, 2015, 32,000 shares potentially issuable upon the exercise of stock options granted on February 28, 2017 and 50,000 shares potentially issuable upon the exercise of stock options granted on January 26, 2018.

(6) Includes 17,241 shares of common stock directly owned by Mr. Gerber.

(7) Includes 19,090 shares of common stock directly owned by Mr. Johnson, 8,500 of which are held by CWA in a customer account. Also includes 3,494,886 shares of common stock beneficially owned by Fundamental Global, the largest stockholder of the Company. Mr. Johnson, as President, Co-Founder and Partner of Fundamental Global Investors, LLC, is deemed to have shared voting and dispositive power over the shares beneficially owned by Fundamental Global.

(8) Includes 17,241 shares of common stock directly owned by Mr. Lanktree and 7,500 shares directly owned by the Donna B. Lanktree Family Trust, the trustee of which is Donna B. Lanktree, the spouse of Mr. Lanktree.

(9) Includes 31,629 shares of common stock directly owned by Mr. Roschman.

(10) Includes 18,215 shares of common stock directly owned by Mr. Suh.

(11) Mr. Burke, a named executive officer, served as Senior Vice President, Chief Financial Officer and Treasurer of the Company from September 29, 2016 until March 29, 2017 and was the Company’s Corporate Controller until August 25, 2017. Based on Mr. Burke’s Form 3 filed on October 3, 2016 and Form 4 filed on March 2, 2017 and the Company’s internal records, Mr. Burke’s reported ownership consists of 5,625 shares of common stock directly owned by Mr. Burke.

(12) Mr. Schilling, a named executive officer, served as the Company’s President of Digital Media from November 2, 2015 until May 11, 2018. Based on Mr. Schilling’s Form 4 filed on August 14, 2017 and the Company’s internal records, Mr. Schilling’s reported ownership includes 22,625 shares of common stock directly owned by Mr. Schilling and 200 shares of common stock held by Mr. Schilling’s child.

(13) Includes 417,714 shares owned directly by all current directors and executive officers as a group (including 46,667 restricted common shares), 7,540 shares held in Mr. Cerminara’s 401(k) plan, 15,440 shares held by Mr. Cerminara’s wife and children, 7,500 shares held by the Donna B. Lanktree Family Trust, 87,000 shares purchasable pursuant to stock options exercisable within 60 days of October 9, 2018 and 3,494,886 shares held by Fundamental Global.

PROPOSAL ONE

ELECTION OF DIRECTORS

Ballantyne's Certificate of Incorporation, as amended (the "Certificate of Incorporation"), and Bylaws, as amended (the "Bylaws"), provide for the annual election of all directors. The Bylaws allow the Board to set the number of directors from time to time and to appoint directors between Annual Meetings. The Board of Directors has set the number of directors at seven.

At the 2017 Annual Meeting, stockholders elected eight directors, namely D. Kyle Cerminara, Samuel C. Freitag, William J. Gerber, Lewis M. Johnson, Charles T. Lanktree, Robert J. Roschman, James C. Shay and Ndamukong Suh. On July 6, 2018, Mr. Shay submitted his resignation from the Board, effective immediately, which was accepted by the Board. On July 11, 2018, the Board appointed Colonel Jack H. Jacobs, an independent director, to fill the vacancy created by Mr. Shay's resignation. On August 29, 2018, Mr. Freitag submitted his resignation from the Board, effective August 30, 2018. Messrs. Cerminara, Gerber, Jacobs, Johnson, Lanktree, Roschman and Suh are standing for re-election to the Board at the Annual Meeting.

Our Board recommends a vote "FOR" the election of all the nominees listed below.

BOARD OF DIRECTORS

Set forth below is a list of the seven director nominees for election at the Annual Meeting and certain information regarding them. The information below also sets forth the year in which each current director became a director of the Company. Each director nominee, if elected, will be entitled to serve until the 2019 Annual Meeting and until a successor is duly elected and qualified or until his earlier retirement, resignation or removal.

D. Kyle Cerminara, age 41, has been a director since February 2015, the Company's Chairman since May 2015 and the Company's Chief Executive Officer since November 2015. Since April 2012, Mr. Cerminara has also served as the CEO, Co-Founder and Partner of Fundamental Global Investors, LLC, an SEC registered investment advisor that manages equity and fixed income hedge funds and is the largest stockholder of the Company. In addition, Mr. Cerminara is Co-Chief Investment Officer of CWA Asset Management Group, LLC (d/b/a Capital Wealth Advisors), a wealth advisor and multi-family office affiliated with Fundamental Global Investors, LLC, which position he has held since December 2012. Mr. Cerminara also serves as President and Trustee of StrongVest ETF Trust and Chief Executive Officer of StrongVest Global Advisors, LLC. StrongVest Global Advisors, LLC, a wholly-owned subsidiary of Ballantyne Strong, is an investment advisor, and Capital Wealth Advisors is a sub-advisor, to CWA

Income ETF, an exchange-traded fund and series of StrongVest ETF Trust. Mr. Cerminara is a member of the Board of Directors of a number of publicly held companies focused in the technology, insurance and communications sectors, including BK Technologies, Inc. (NYSE American: BKTI) (formerly RELM Wireless Corporation), a publicly traded manufacturer, since July 2015, 1347 Property Insurance Holdings, Inc. (Nasdaq: PIH), a holding company, which, through its subsidiaries, is engaged in providing property and casualty insurance, since December 2016, and Itasca Capital, Ltd. (TSXV: ICL) (formerly Kobex Capital Corp.), a publicly traded investment firm, since June 2016. Mr. Cerminara was also appointed chairman of BK Technologies, Inc. in March 2017, chairman of 1347 Property Insurance Holdings, Inc. in May 2018 and chairman of Itasca Capital Ltd. in June 2018. He also served on the Board of Directors of Iteris, Inc. (Nasdaq: ITI), a provider of intelligent information solutions for traffic management, from August 2016 to November 2017, and Magnetek, Inc., a publicly traded manufacturer, in 2015. He also serves on the Board of Directors of Blueharbor Bank. Prior to co-founding FGI and partnering with Capital Wealth Advisors, Mr. Cerminara was a Portfolio Manager at Sigma Capital Management, an independent financial adviser, from 2011 to 2012, a Director and Sector Head of the Financials Industry at Highside Capital Management from 2009 to 2011, and a Portfolio Manager and Director at CR Intrinsic Investors from 2007 to 2009. Before joining CR Intrinsic Investors, Mr. Cerminara was a Vice President, Associate Portfolio Manager and Analyst at T. Rowe Price from 2001 to 2007 and an Analyst at Legg Mason from 2000 to 2001. Mr. Cerminara received an MBA from the Darden School of Business at the University of Virginia and a B.S. in Finance and Accounting from the Smith School of Business at the University of Maryland, where he was a member of Omicron Delta Kappa, an NCAA Academic All American and Co-Captain of the men's varsity tennis team. He also completed a China Executive Residency at the Cheung Kong Graduate School of Business in Beijing, China. Mr. Cerminara holds the Chartered Financial Analyst (CFA) designation. Mr. Cerminara brings to the Board the perspective of one of the Company's most significant stockholders. He also has extensive experience in the financial industry, including investing, capital allocation, finance and financial analysis of public companies, and operational experience as our CEO, which qualify him to serve on our Board of Directors.

William J. Gerber, age 60, served as Chief Financial Officer of TD Ameritrade Holding Corporation (Nasdaq: AMTD) (TD Ameritrade), a provider of securities brokerage services and related technology-based financial services to retail investors, traders and independent registered investment advisors, from October 2006 to October 2015. In May 2007, he was named Executive Vice President of TD Ameritrade. In his role as Chief Financial Officer, he oversaw investor relations, business development, certain treasury functions and finance operations, including accounting, business planning and forecasting, external and internal reporting, tax and competitive intelligence. From May 1999 until October 2006, he served as the Managing Director of Finance at TD Ameritrade, during which time he played a significant role in evaluating merger and acquisition opportunities. Prior to joining TD Ameritrade, he served as Vice President of Acceptance Insurance Companies, Inc., where he was responsible for all aspects of mergers and acquisitions, investment banking activity, banking relationships, investor communications and portfolio management. Prior to joining Acceptance, Mr. Gerber spent eight years with Coopers & Lybrand, now known as PricewaterhouseCoopers, serving as an audit manager primarily focusing on public company clients. Mr. Gerber was named to Institutional Investor Magazine’s All-America Executive Team as one of the top three CFOs in the Brokerage, Asset Managers and Exchanges category (2012 and 2013). He was also named a member of the CNBC CFO Council (2013 and 2014). Since January 2017, he has served on the Board of Directors of Northwestern Mutual Series Fund, a mutual fund company. He has also served on the Board of Directors of the U.S. holding company for the Royal Bank of Canada since July 2016 and Streck, Inc., a privately held company, since March 2015. He also serves on the Boys Town National Board of Trustees. He previously served on the Board of Directors for CTMG Inc., a privately held pharmaceutical testing company. Mr. Gerber holds a B.B.A. in Accounting from the University of Michigan. Mr. Gerber is also a CPA in the State of Michigan. Mr. Gerber has served as a director of the Company since May 2015. Mr. Gerber served as Executive Vice President and Chief Financial Officer of TD Ameritrade, an online brokerage business, for more than eight years and has extensive financial experience, bringing valuable skills to our Board of Directors.

Colonel Jack H. Jacobs, age 73, has served as a director of Ballantyne since July 2018. Colonel Jacobs is the Melcher Family Chair and Professor of Humanities and Public Affairs at the United States Military Academy at West Point, where he has been teaching since 2005, and a principal of The Fitzroy Group, Ltd., a firm that specializes in the development of residential real estate in London and invests both for its own account and in joint ventures with other institutions, for over 20 years. He has served as an on-air military analyst for NBC News since 2002. Colonel Jacobs was a co-founder and Chief Operating Officer of AutoFinance Group Inc., one of the firms to pioneer the securitization of debt instruments, from 1988 to 1989; the firm was subsequently sold to KeyBank. He was a Managing Director of Bankers Trust Corporation, a diversified financial institution and investment bank, where he ran foreign exchange options worldwide and was a partner in the institutional hedge fund business. Colonel Jacobs’ military career included two tours of duty in Vietnam where he was among the most highly decorated soldiers, earning three Bronze Stars, two Silver Stars and the Medal of Honor, the nation’s highest combat decoration. He retired from active military duty as a Colonel in 1987. Colonel Jacobs has been a member of the board of directors of Paragon Technologies, Inc. (OTCMKTS: PGNT) since 2012, Datatrak International, Inc. (OTCMKTS: DTRK) since 2016 and Resonant Inc. (Nasdaq: RESN) since 2018. From 2007 to 2012, Colonel Jacobs served as a member of the Board of Directors of Xedar Corporation, a public company; from June 2006 to 2009, he was a director of Visual Management Systems, a private company; and he was a director of BioNeutral Group, Inc., a public company, until 2009. From October 17, 2013 to October 28, 2013, Colonel Jacobs served on the board of SED International Holdings, Inc. He was previously a director of Premier Exhibitions, Inc. Colonel Jacobs is Co-Chairman of the Medal of Honor Foundation and a member of the Board of Trustees of the USO of New York. He is the author of the book “If Not Now, When?: Duty and Sacrifice in America’s Time of Need.” Colonel Jacobs received a Bachelor of Arts and a Master’s degree from Rutgers University. Colonel Jacobs’ extensive strategic, operational and leadership experience, coupled with his service on several public company boards, qualifies him to serve on our Board of Directors.

Lewis M. Johnson, age 48, has served as a director of Ballantyne since May 2016. Mr. Johnson has served as the President, Co-Founder and Partner of Fundamental Global Investors, LLC, an SEC registered investment advisor that manages equity and fixed income hedge funds and is the largest stockholder of the Company, since April 2012. In addition, Mr. Johnson is Co-Chief Investment Officer of CWA Asset Management Group, LLC (d/b/a Capital Wealth Advisors), a wealth advisor and multi-family office affiliated with Fundamental Global Investors, LLC. Prior to co-founding Fundamental Global Investors, LLC and partnering with Capital Wealth Advisors, Mr. Johnson was a private investor from 2010 to 2012. From 2008 to 2010 Mr. Johnson served as Portfolio Manager and Managing Director at Louis Dreyfus Highbridge Energy. Previously Mr. Johnson was a Senior Vice President, Portfolio Manager and Analyst at Pequot Capital from 2006 to 2007. Prior to joining Pequot Capital, he was a Vice President and Analyst at T. Rowe Price from 2000 to 2006. He worked as an Analyst at Capital Research and Management in 1999 and a Vice President at AYSA from 1992 to 1998. Mr. Johnson received an MBA from the Wharton School of Business at the University of Pennsylvania in addition to a MA in Political Science and a BA in International Studies from Emory University, where he graduated Magna Cum Laude and was a member of Phi Beta Kappa. Mr. Johnson is a member of the Board of Directors of a number of publicly held companies, including BK Technologies, Inc. (NYSE American: BKTI) (formerly RELM Wireless Corporation), a publicly traded manufacturer, since May 2016, 1347 Property Insurance Holdings, Inc. (Nasdaq: PIH), a holding company, which, through its subsidiaries, is engaged in providing property and casualty insurance, since April 2017 and Itasca Capital, Ltd. (TSXV: ICL) (formerly Kobex Capital Corp.), a publicly traded investment firm, since June 2018. Mr. Johnson was also appointed co-chairman of 1347 Property insurance Holdings, Inc. in May 2018 and co-chairman of BK Technologies, Inc. in June 2018. Mr. Johnson brings to the Board the perspective of one of the Company's most significant stockholders. He has extensive experience in the financial industry, including investing, capital allocation, finance and financial analysis of public companies.

Charles T. Lanktree, age 68, has served as President and Chief Executive Officer of Eggland's Best, LLC, a joint venture between Eggland's Best, Inc. and Land O'Lakes, Inc. distributing nationally branded eggs, since 2012. Since 1997, Mr. Lanktree has served as President and Chief Executive Officer of Eggland's Best, Inc., a franchise-driven consumer egg business, where he previously served as the President and Chief Operating Officer from 1995 to 1996 and Executive Vice President and Chief Operating Officer from 1990 to 1994. Mr. Lanktree currently serves on the Board of Directors of Eggland's Best, Inc. and several of its affiliates. He has also served on the board of directors of BK Technologies, Inc. (NYSE American: BKTI) (formerly RELM Wireless Corporation), a publicly traded manufacturer, since March 2017. From 2010 to 2013, he served on the Board of Directors of Eurofresh Foods, Inc., a privately held company, and from 2004 to 2013, he was on the Board of Directors of Nature's Harmony Foods, Inc. Prior to joining Eggland's Best, Inc., Mr. Lanktree served as the President and Chief Executive Officer of American Mobile Communications, Inc. from 1987 to 1990 and as the President and Chief Operating Officer of Precision Target Marketing, Inc. from 1985 to 1987. From 1976 to 1985, he held various executive-level marketing positions with The Grand Union Company and Beech-Nut Foods Corporation. Mr. Lanktree received an MBA from the University of Notre Dame and a B.S. in Food Marketing from St. Joseph's College. He also served in the U.S. Army and U.S. Army Reserves from 1971 to 1977. Mr. Lanktree has served as a director of Ballantyne since May 2015. Mr. Lanktree's 25 years of experience in consumer marketing and retail operations and his extensive experience as a Chief Executive Officer, coupled with his knowledge and insight of the retail industry, including distribution and franchising operations, qualifies him to serve on our Board of Directors.

Robert J. Roschman, age 52, has been an owner of Triple R. Associates, Ltd., a real estate firm with over 100 properties leased to fast food, distribution and retail tenants, since 1992. Mr. Roschman also holds ownership interests in several development properties throughout Florida. Mr. Roschman currently serves on the Board of Directors of Giant Holdings, Inc., a privately held federally chartered bank with an Internet division, which he founded in 1998. From 1987 to 2000, Mr. Roschman was a Co-Founder and Vice President of Snapps Restaurants, Inc., a 76-store fast food restaurant which merged into Rally's Hamburgers, Inc. From 1983 until 1997, he served as a shareholder of Charter Bank in Delray Beach, Florida, which merged into Southtrust Bank in 1997. Mr. Roschman received a B.S. from Florida State University. He has served as a director of the Company since May 2015. Mr. Roschman brings over 30 years of experience as an investor in multiple lines of business, including real estate, franchising, distribution, banking and retail. Mr. Roschman's extensive experience as an investor and in managing and overseeing multiple businesses is valuable for evaluating strategic opportunities and qualifies him to serve on our Board of Directors.

Ndamukong Suh, age 31, is an independent private investor. Mr. Suh holds ownership interests in several real estate development projects across Michigan, Nebraska, Oregon and Colorado. Mr. Suh is the Founder and a director of the Ndamukong Suh Family Foundation. He is also a professional athlete, with the Los Angeles Rams, a National Football League ("NFL") franchise. Prior to joining the Los Angeles Rams, he was with the NFL's Miami Dolphins from 2015 to 2017 and Detroit Lions from 2010 to 2014. He currently serves on the Board of Directors of Ember Technologies, a privately held manufacturer and designer of patented temperature adjustable dishware and drinkware. Mr. Suh holds a Bachelor's degree in Engineering focused on Construction Management from the University of Nebraska. Mr. Suh has served as a director of Ballantyne since January 2016. Our Board of Directors believes that Mr. Suh's well cultivated business and personal network adds unique value to the Company, which, coupled with his extensive experience as an investor, allows him to evaluate strategic opportunities and qualifies him to serve on our Board of Directors.

CORPORATE GOVERNANCE

The Board of Directors operates pursuant to the provisions of the Certificate of Incorporation and Bylaws and has also adopted several corporate governance policies to address significant corporate governance issues. Our Code of Ethics, Audit Committee Charter, Nominating and Corporate Governance Committee Charter, and Compensation Committee Charter are available on our website at *www.ballantynestrong.com* under the tab "Investors" and then the "Corporate Governance" tab.

Board Leadership Structure and Role of the Board in Risk Oversight

D. Kyle Cerminara is the Company's Chief Executive Officer and Chairman of the Board of Directors. Mr. Cerminara represents the Company's largest stockholder, which, together with its affiliates, holds 28.2% of the voting and economic interest in the Company. As such, Mr. Cerminara may be deemed to be the Company's controlling stockholder. It is Mr. Cerminara's opinion that a controlling stockholder who is active in the business, as is currently the case, should hold both the roles of Chief Executive Officer and Chairman, setting the tone of the organization, having the ultimate responsibility for all of the Company's operating and strategic functions, and providing unified leadership and direction to the Board of Directors and the Company's executive management. This opinion is shared by our Board of Directors. The Board of Directors has not named a lead independent director, but receives strong leadership from all of its members. Our Board committees consist of only independent members, and our independent directors meet at least annually in executive session without the presence of non-independent directors and management. In addition, our directors take active and substantial roles in the activities of our Board at the full board meetings. They are able to propose items for board meeting agendas, and the Board's meetings include time for discussion of items not on the formal agenda. Our Board believes that this open structure, as compared to a system in which there is a designated lead independent director, facilitates a greater sense of responsibility among our directors and facilitates active and effective oversight by the independent directors of the Company's operations and strategic initiatives, including any risks.

One of the Board's key functions is informed oversight of the Company's risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic and operational risk exposure. The Audit Committee has the responsibility to consider and discuss major financial risk exposures and the steps management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also provides oversight of the performance of the internal audit function. The Nominating and Corporate Governance Committee monitors the effectiveness of the Company's corporate governance policies and the selection of prospective Board members and their qualifications. The Compensation Committee, in conjunction with the Audit Committee, assesses and monitors whether any of the Company's compensation policies and programs have the potential to encourage excessive risk-taking. Like all businesses, we also face threats to our cybersecurity, as we are reliant upon information systems and the Internet to conduct our business activities. In light of the pervasive and increasing threat from cyberattacks, the Board believes oversight of this risk is appropriately allocated to the Audit Committee. The Audit Committee, with input from management, assesses the Company's cybersecurity threats and the measures implemented by the Company to mitigate and prevent cyberattacks and periodically reports on the Company's cybersecurity program to the Board.

Typically, the entire Board meets with management and the applicable Board committees at least annually to evaluate and monitor respective areas of oversight. Both the Board as a whole and the various standing committees receive periodic reports from individuals responsible for risk management, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the Board as quickly as possible. The Board's role in risk oversight does not affect the Board's leadership structure. However, our Board's leadership structure supports such risk oversight by combining the Chairman position with the Chief Executive Officer position, the person with primary corporate responsibility for risk management.

Board Independence

The Board of Directors is composed of a majority of independent directors as defined by the listing requirements of the NYSE American. The Board of Directors has determined that Messrs. Gerber, Jacobs, Lanktree, Roschman and Suh are independent directors of the Company under the listing standards adopted by the NYSE American. The Board of Directors also determined that Messrs. Freitag and Shay, who served on the Board during 2017, were independent under the same listing standards. In making these independence determinations, the Board considered all of the factors that automatically compromise director independence as specified in the NYSE American's listing standards and determined that none of those conditions existed. In addition, the Board considered whether any direct or indirect material relationship, beyond those factors that automatically compromise director independence, existed between those directors, their immediate family members, or their affiliated entities, on the one hand, and us and our subsidiaries, on the other hand. The Board determined, for those directors identified as independent above, that any relationship that existed was not material and did not compromise that director's independence. Our independent directors meet in an executive session at least once per year.

Communication to the Board

Stockholders and other interested parties wishing to communicate with the Board of Directors or a specific director may do so by delivering written correspondence to the Corporate Secretary of the Company at: Attn: Corporate Secretary, Ballantyne Strong, Inc., 11422 Miracle Hills Drive, Suite 300, Omaha, NE 68154. The Corporate Secretary will present the communication to the appropriate director or directors.

Board and Committee Meeting Attendance

The Board of Directors held 12 meetings during 2017. Each director attended at least seventy-five percent (75%) of the aggregate of the total number of board meetings held during the period for which he has been a director and the total number of meetings held by all committees of the Board on which he served during the periods that he served.

All of the directors serving at the time of the 2017 Annual Meeting, with the exception of Mr. Gerber, attended the 2017 Annual Meeting. Other than Mr. Cerminara, none of the directors are expected to attend the Annual Meeting.

BOARD COMMITTEES

The Board has an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. The current charters for each of the Committees are available on our website *www.ballantynestrong.com* under the "Investors" tab and then the "Corporate Governance" tab.

During 2017, the members of the Board committees were as follows:

Director	**Audit Committee**	**Compensation Committee**	**Nominating and Corporate Governance Committee**
D. Kyle Cerminara*			
Samuel C. Freitag	X	X	Chair
William J. Gerber**	Chair	X	X
Lewis M. Johnson			X
Charles T. Lanktree		Chair	X
Robert J. Roschman		X	X
James C. Shay**	X	X	X
Ndamukong Suh			

* Chairman of the Board.
** Mr. Shay served as Audit Committee Chairman until immediately following the 2017 Annual Meeting on June 15, 2017, at which time Mr. Gerber was appointed as Chairman.

Following the appointment of Colonel Jack H. Jacobs to the Board on July 11, 2018, the Board reconstituted its Board committees. The members of the Board committees, as of the date of this proxy statement, are identified in the following table:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
D. Kyle Cerminara*			
William J. Gerber	Chair	X	
Colonel Jack H. Jacobs	X		Chair
Lewis M. Johnson			
Charles T. Lanktree		Chair	
Robert J. Roschman		X	X
Ndamukong Suh			X

* Chairman of the Board.

Audit Committee

The Audit Committee of the Company's Board of Directors consists of directors Gerber (Chair) and Jacobs, who are independent for purposes of serving on the committee under the SEC's rules and NYSE American's listing requirements. As a smaller reporting company, the Company is only required to maintain an audit committee of two independent members. The Audit Committee acts under a written charter adopted by the Board of Directors. All Audit Committee members are financially literate. The Board of Directors has determined that Mr. Gerber is an "audit committee financial expert" as defined by Item 407(d)(5)(ii) of Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of the quality and integrity of the accounting, auditing and reporting practices of the Company, and performs such other duties as are directed by the Board. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to stockholders, and on the Company's processes to manage business and financial risk, and for compliance with significant applicable legal, ethical and regulatory requirements. At least annually and generally on a quarterly basis, the Committee reviews and discusses matters separately with management of the Company and with the Company's independent auditors.

The Committee is directly responsible for the appointment of the independent registered public accounting firm engaged to prepare and issue an audit report on the financial statements of the Company and periodically reviews and evaluates their performance and independence from management. All audit and permitted non-audit services are pre-approved by the Committee. The Committee has delegated the responsibility of approving proposed non-audit services that arise between Committee meetings to the Chairman, provided that the decision to approve the services is presented for ratification at the next scheduled Committee meeting. During 2017, the Committee held ten meetings.

Compensation Committee

The Compensation Committee of the Company's Board of Directors consists of directors Lanktree (Chair), Gerber and Roschman. All members of the Committee are independent for purposes of serving on the committee under the NYSE American's listing requirements and applicable SEC and tax regulations. The Compensation Committee acts under a written charter adopted by the Board of Directors. The Committee functions include, but are not limited to:

Determining the compensation of the Chief Executive Officer;

Overseeing all other executive officers' compensation, including salary and payments under the Company's incentive and stock plans;

Administering the Company's stock compensation plans, including approving all individual grants and awards under these plans; and

Reviewing compensation for non-employee directors and recommending changes to the Board.

The Committee may delegate its authority to a subcommittee of its members. Further discussion of the Compensation Committee can be found under the heading "Compensation Discussion and Analysis." The Committee held seven meetings during 2017.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are directors Jacobs (Chair), Roschman and Suh. All members of the Nominating and Corporate Governance Committee are independent for purposes of serving on the committee under the NYSE American's listing requirements. The Nominating and Corporate Governance Committee acts under a written charter adopted by the Board of Directors. The functions of the Committee include, among other items, overseeing all aspects of the Company's corporate governance functions including compliance with significant legal, ethical and regulatory requirements. The Nominating and Corporate Governance Committee also reports to, and assists, the Board of Directors in identifying individuals for membership to the Board and recommends to the Board the director nominees for the next Annual Meeting of Stockholders. The Nominating and Corporate Governance Committee held two meetings during 2017.

Director Nomination Process—The Nominating and Corporate Governance Committee believes that the Company is well-served by its current directors. In the ordinary course, absent special circumstances or a material change in the criteria for Board membership, the Committee will re-nominate incumbent directors who continue to be qualified for Board service and are willing to continue as directors. If an incumbent director is not standing for re-election or if a vacancy occurs between annual stockholder meetings, the Committee will seek out potential candidates for Board appointment who meet the criteria for selection as a nominee and have the specific qualities or skills being sought. Director candidates will be selected based upon input from the members of the Board, senior management of the Company and, if the Committee deems appropriate, a third-party search firm.

Candidates will be chosen for their ability to represent all of the stockholders, and for their character, judgment, fairness and overall ability. As a group, they are expected to set the appropriate policy for the Company, and to bring to the Board of Directors broad experience in business matters and an insight and awareness of the appropriate and ever-changing role that corporations should have in society. Because the advice of those facing similar issues is of particular value, executive officers of other corporations are desirable candidates. Ballantyne does not have a set policy or process for considering “diversity”, however that term may be defined, in identifying nominees. However, the Nominating and Governance Committee strives to identify and recruit individuals whose diverse talents, experiences and backgrounds enhance the inclusive environment in which the Board currently functions. The Committee relies upon its judgment of the foregoing general criteria and the following personal criteria in selecting candidates for nomination to the Board of Directors:

Independence and absence of conflicts of interest;

Honesty, integrity and accountability;

Substantial business experience with a practical application to the Company's needs;

Willingness to ask tough questions in a constructive manner that adds to the decision making process of the Board;

Demonstrated ability to think strategically and make decisions with a forward looking focus;

Ability to assimilate relevant information on a broad range of topics;

Willingness to express independent thought;

Team player;

Willingness to make a strong commitment of time and attention to the Board's processes and affairs; and

Ability to commit to Company stock ownership.

The Nominating and Corporate Governance Committee evaluated Messrs. D. Kyle Cerminara, William J. Gerber, Jack H. Jacobs, Lewis M. Johnson, Charles T. Lanktree, Robert J. Roschman and Ndamukong Suh, all of whom are incumbent directors, and recommended their nomination to the Board of Directors. The Board, in turn, nominated these seven persons for election as directors at the Annual Meeting.

The Nominating and Corporate Governance Committee will also consider proposals for nominees for director from stockholders which are made in writing to the Corporate Secretary of the Company and comply with Bylaw requirements. The recommendation must contain sufficient background information concerning the nominee to enable a proper judgment to be made as to his or her qualifications. Recommendations must also include a written statement from the candidate expressing a willingness to serve.

EXECUTIVE OFFICERS

The following is a list of the names and ages of the current executive officers of the Company, their business history and their term of office with the Company.

Name	Age	Position and Principal Occupation	Officer Since
D. Kyle Cerminara	41	Director since February 2015, Chairman since May 2015 and Chief Executive Officer since November 2015. CEO, Co-Founder and Partner of Fundamental Global Investors, LLC and Co-Chief Investment Officer of Capital Wealth Advisors. For additional information, see the section titled “Board of Directors.”	2015
Lance V. Schulz	50	Senior Vice President, Chief Financial Officer and Treasurer. Served as Managing Director, Accounting for TD Ameritrade Holding Corporation (Nasdaq: AMTD), a publicly traded U.S. securities broker/dealer, where he managed accounting, corporate tax and external reporting functions, from 2007 to 2016. Prior to that, he served as Director, External Reporting, for TD Ameritrade Holding Corporation from 2000 to 2007. Mr. Schulz served as a consultant for publicly-traded and privately-held companies on finance, technical accounting and SEC financial reporting matters from 2016 until his employment with the Company. Prior to TD Ameritrade, he held positions with Werner Enterprises, Inc. (Nasdaq: WERN), a publicly traded global transportation provider of freight management and supply chain solutions, including Director of Accounting from 1996 to 2000 and Manager of Financial Reporting from 1994 to 1996. From 1990 to 1994, he was a Senior Associate at Coopers & Lybrand (now known as PricewaterhouseCoopers). Mr. Schulz holds a B.S.B.A. in Accounting from the University of Nebraska-Omaha. He is a CPA (inactive) and a member of the American Institute of Certified Public Accountants and the Nebraska Society of Certified Public Accountants.	2017
Ray F. Boegner	68	President of Cinema; previously Senior Vice President and Senior Vice President of Sales; Vice President of Sales prior to November 1996; joined Company in 1985.	1997

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

In this section of the proxy statement, we discuss in detail our executive compensation program for 2017 for our Named Executive Officers (also referred to as the "NEOs"), consisting of our principal executive officer, the two individuals who each served during a portion of 2017 as our chief financial officer, and our other executive officers who were employed as of December 31, 2017. Our NEOs for 2017 are as follows:

- D. Kyle Cerminara, Chairman and Chief Executive Officer;
- Lance V. Schulz, Senior Vice President, Chief Financial Officer and Treasurer (since March 29, 2017);
- Ryan M. Burke, former Senior Vice President, Chief Financial Officer and Treasurer (until March 29, 2017);
- Ray F. Boegner, President of Cinema; and
- Stephen L. Schilling, former President of Digital Media (until May 11, 2018).

Our executive compensation program is continuing to evolve, as the Company continues the transition that began in 2015, when we settled a proxy contest with Fundamental Global Investors, LLC, and our Board of Directors (which was reconstituted in connection with the settlement of the proxy contest) elected Mr. Cerminara to serve as a director and Chairman of the Board, then as Executive Chairman, and then (since November 2015) as our Chief Executive Officer. Since 2015, there have been significant changes in the composition of our Board of Directors and the Compensation Committee, as well as significant changes to our senior management, including Messrs. Cerminara and Schilling joining the Company in 2015, Mr. Boegner being promoted to the newly created position of President of our Cinema business in 2015, and Mr. Schulz joining the Company to succeed Mr. Burke as our Senior Vice President, Chief Financial Officer and Treasurer, effective March 29, 2017. Mr. Schilling subsequently resigned as our President of Digital Media effective May 11, 2018.

This Compensation Discussion and Analysis (this "CD&A") describes decisions made by the Compensation Committee during 2017 with respect to our executive compensation program. However, our Board and Compensation Committee are continuing to evaluate our compensation policies and practices in light of our business and management transition, and we expect that our compensation practices will continue to evolve as the Compensation Committee reviews and refines our compensation philosophy and policies.

Compensation Philosophy

The Compensation Committee makes compensation decisions with respect to our executive officers on an individual basis based upon a number of factors, including, but not limited to, the provisions of any existing employment contract with an executive officer, evaluation of the executive officer’s performance, the level of responsibility associated with the executive officer’s position, recruitment requirements and the performance of the Company. Prior to making compensation decisions with respect to our executive officers, the Compensation Committee takes into account the recommendations of our Chief Executive Officer and our other Board members. In determining and reviewing 2017 executive compensation, the Compensation Committee also consulted available information previously provided by Compensation Resources, Inc. (“Compensation Resources”) regarding companies of similar size and structure as well as industry data. The Compensation Committee’s key objectives in structuring our executive compensation programs are to attract and retain talented individuals who are critical to the Company’s long-term success and to align our executives’ pay with Company performance and the interests of our stockholders.

Say-on-Pay Vote

In making decisions regarding our executive compensation program, the Compensation Committee and our Board of Directors have considered the results of our 2017 stockholder advisory vote on executive compensation (or “say-on-pay” vote), through which our stockholders expressed approval of our NEOs’ compensation by votes of approximately 83% of the votes cast by our stockholders at the 2017 Annual Meeting. Based on those results, the Compensation Committee concluded that it was not necessary to make any substantial revision to our executive compensation program as a result of the say-on-pay voting results. However, as noted above, the Compensation Committee continues to review and evaluate the Company’s compensation philosophy, policies and structure.

At the 2017 Annual Meeting, our stockholders also cast an advisory vote in favor of an annual frequency for future say-on-pay votes. The Compensation Committee and our Board of Directors reviewed the results of this separate advisory vote and have determined to continue to hold say-on-pay votes on an annual basis. As a result, at the Annual Meeting, our stockholders will again have the opportunity to cast a say-on-pay vote to approve the compensation of our NEOs, as disclosed in this proxy statement.

Elements of Executive Compensation

The Company’s current executive compensation program for our NEOs reflects a relatively uncomplicated structure, the principal elements of which are discussed below.

Base Salary

The base salaries of our executive officers are intended to reflect their individual contributions to the Company. Base salaries are reviewed annually and may be changed based on the individual's performance, changes in roles and responsibilities or a change in competitive pay levels in the marketplace.

The Compensation Committee reviews and establishes the base salary of all executive officers based on independent competitive data, the executives' leadership in establishing performance standards in the conduct of the Company's business, and the Compensation Committee's expectation as to the executives' future contributions in directing the long-term success of the Company and its business.

On February 28, 2017, in recognition of their contributions and long-term value to the Company and internal pay equity considerations, the Compensation Committee approved increases to the annual base salaries of Messrs. Cerminara and Boegner for 2017. Mr. Cerminara's 2017 annual base salary was increased from $150,000 to $225,000 and Mr. Boegner's 2017 annual base salary was increased from $225,000 to $275,000. The adjustments were effective as of March 1, 2017. As part of Mr. Boegner's salary increase, his auto allowance of $1,000 per month was eliminated effective as of March 1, 2017.

Mr. Schulz's base salary of $250,000 was negotiated as part of his employment agreement at the time of his hiring as Senior Vice President, Chief Financial Officer and Treasurer.

The base salaries of Messrs. Burke and Schilling remained unchanged during 2017, at $170,000 and $275,000, respectively.

Discretionary Bonuses

We have used discretionary bonuses to reward the performance of our executive officers, including our NEOs, for their contributions to our overall financial and operational performance and to recognize superior performance. We have also paid bonuses to motivate our executives to continue making progress towards the Company's strategic goals. As part of the annual performance evaluation process, the Compensation Committee determines whether any discretionary bonuses are warranted, and, if so, the amount of the bonus to be granted. After considering a number of factors, including Company and individual performance, the Compensation Committee determined not to pay any discretionary cash bonuses to executive officers for 2017. The Compensation Committee determined to award equity grants to certain executive officers as described below.

Long-Term Incentives

We use long-term incentive equity awards as a part of our executive compensation program, in order to incentivize and reward the achievement of longer-term strategic objectives and align the financial interests of the Company's executive officers with those of the Company's stockholders. The Company's long-term incentive program for our NEOs has consisted of restricted stock awards (or "RSAs"), restricted stock units (or "RSUs") and nonqualified stock options. Each such type of award, and the reasons it is used, is described below. At the 2017 Annual Meeting, the Company's stockholders approved the Company's 2017 Omnibus Equity Compensation Plan, as the successor to our 2010 Long Term Incentive Plan and 2014 Non-Employee Directors' Restricted Stock Plan, and long-term incentive awards granted after the 2017 Annual Meeting have been made under the 2017 Omnibus Equity Compensation Plan.

Restricted Stock Awards. RSAs represent the transfer of ownership of a certain number of shares of the Company's common stock, subject to restrictions on transfer and a substantial risk of forfeiture based on the recipient's continued employment by the Company during the applicable vesting period set out in the award agreement. RSAs are designed primarily to encourage retention of executive officers and key employees.

Restricted Stock Units. RSUs represent a right to receive a specific number of units at the end of the specified period. Each recipient of RSUs has no rights as a stockholder through such RSUs during the restriction period of his RSUs. Settlement of an RSU award is made in cash, shares of stock or some combination thereof, as specified in the applicable award agreement. RSUs are designed to provide retention incentives to our executive officers and key employees.

Nonqualified Stock Options. Nonqualified stock options represent an option to purchase shares of the Company's common stock at an option price equal to the closing price on the NYSE American of the Company's common stock on the grant date. The stock options are designed to motivate executives to increase stockholder value as the stock options will only have value if our stockholders also benefit from increasing stock prices.

Mr. Boegner's 2015 RSU Award

In January 2015, the Compensation Committee granted 20,000 RSUs to Mr. Boegner as a retention incentive. Mr. Boegner's RSUs generally were scheduled to vest on August 21, 2018 based on Mr. Boegner's continued employment, but up to 75% of the RSUs could become vested earlier if certain yearly performance hurdles—based on stock performance—were met. Fifty percent of the RSUs had vested prior to 2017 based upon the achievement of the applicable stock performance hurdles, and an additional 25% of the RSUs vested on August 21, 2017 based on the Company's achievement of a closing stock price on the NYSE American averages of least $4.84 for a 10-day trading period in 2016 and Mr. Boegner's continued employment until August 21, 2017. The remaining RSUs vested in full on August 21, 2018.

2017 Equity Grants

On February 28, 2017, the Compensation Committee approved grants of stock options and restricted stock to our then-current executive officers under the 2010 Long-Term Incentive Plan based on management's recommendations and the officers' performance. The Committee made the following stock option grants to purchase common shares of the Company at the exercise price of $6.50 per share under the 2010 Long-Term Incentive Plan: (i) Mr. Cerminara, 60,000; (ii) Mr. Burke, 15,000 (which have since been forfeited upon Mr. Burke's termination of employment); (iii) Mr. Boegner, 40,000; and (iv) Mr. Schilling, 40,000. These options have a ten-year term and become exercisable in one-fifth annual installments, beginning on the first anniversary of the grant date. The options are subject to the terms and conditions of their respective Stock Option Agreements. Mr. Schilling forfeited all of his unvested options upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

In recognition of their contributions to the business, Mr. Cerminara also received 60,000 restricted shares of the Company's common stock, and Messrs. Boegner and Schilling each received 10,000 restricted shares of the Company's common stock, in each case pursuant to the 2010 Long-Term Incentive Plan and the terms and conditions of their respective Restricted Stock Agreements. These shares vest in one-third annual installments, beginning on the first anniversary of the grant date, subject to continued employment. Of the 10,000 restricted shares received by Mr. Schilling, 6,667 unvested shares were forfeited upon his resignation from the Company effective May 11, 2018.

As a signing bonus and pursuant to the terms of his Employment Agreement, on April 7, 2017 the Company granted Mr. Schulz a stock option to purchase 40,000 shares of the Company at an exercise price of $6.30 per share pursuant to the Company's 2010 Long-Term Incentive Plan. The option becomes exercisable in four equal annual installments beginning on the first anniversary of the grant date.

2018 Equity Grants

On January 26, 2018, the Compensation Committee approved grants of stock options and RSUs to Messrs. Cerminara, Schulz and Boegner. In making these equity awards, the Committee considered Mr. Cerminara's relatively low base salary and his contributions to the business, Mr. Schulz's contributions in strengthening the accounting, finance and financial reporting functions of the Company and the financial performance of the Cinema division led by Mr. Boegner. Each of these executives was granted a stock option to purchase 50,000 shares of the Company's common stock, at an exercise price of $4.70 per share, under the Company's 2017 Omnibus Equity Compensation Plan. The stock options have a ten-year term and become exercisable in one-fifth annual installments, beginning on the first anniversary of the grant date, subject to continued employment. The RSU awards to Messrs. Cerminara, Schulz and Boegner each covered 40,000 shares of the Company's common stock, and those RSUs vest in one-third annual installments, beginning on the first anniversary of the grant date, subject to continued employment.

401(k) Retirement Plan

The Company's executive officers (including the NEOs) are able to participate in the Company's Retirement and Savings 401(k) Plan (the "401(k) Plan"), which is a combination savings and profit sharing plan designed to qualify under Section 401 of the U.S. Internal Revenue Code. Participation in the 401(k) Plan is generally available to all Ballantyne employees on the same terms. Each participant may defer up to 100% of his or her compensation. The Company may make a discretionary matching contribution equal to a uniform percentage of salary. Each year the Company determines the amount of the discretionary percentage. In 2017, the Company matched 50% of the amount deferred up to 6% of each participating employee's contribution. Employee contributions to the 401(k) Plan are non-forfeitable. Employer contributions vest annually over three years on the employee's employment anniversary. Benefits may be distributed to participants or their beneficiaries, as the case may be, in the event of a participant's death, retirement or other termination of service, or, if the participant so requests, on reaching age 59½. Participants may be eligible to withdraw benefits in case of hardship.

Contributions to the 401(k) Plan made by the Company on behalf of the NEOs are included in the 2017 Summary Compensation Table.

Other Employee Benefits

The Company also provides its executives with certain benefits which are generally available to all employees of the Company, such as excess life and disability insurance. These benefits for the NEOs are included in the 2017 Summary Compensation Table.

Employment Contracts with Current Executive Officers

The Company has written employment agreements with Messrs. Boegner and Schulz and was previously party to a written employment agreement with Mr. Schilling, the Company's former President of Digital Media, who resigned from all positions with the Company effective May 11, 2018. The material provisions of these employment agreements are discussed below.

Mr. Boegner's employment agreement with the Company, which was entered into on February 14, 2012, provides for a base salary, subject to annual review and adjustment, and Mr. Boegner's eligibility to participate in and/or receive other benefits under compensation plans provided to other executive employees of the Company, including an automobile allowance (which allowance was eliminated effective as of March 1, 2017). He is eligible for performance-based compensation in the form of an annual bonus and is eligible to receive awards, in the Compensation Committee's discretion, under the Company's long-term incentive plans. Pursuant to his employment agreement, in the event that his employment is terminated by Ballantyne without good cause or by Mr. Boegner for good reason, as these terms are defined in the agreement, then he will receive his base salary for period equal to three (3) weeks for each year that he has been employed by the Company. In addition, Ballantyne will pay for or reimburse Mr. Boegner for the cost of health insurance during this same period. For more information on the terms of Mr. Boegner's employment agreement, see "Potential Payments Upon Termination or Change-in-Control— Employment Agreements."

Mr. Schulz's employment agreement with the Company, which was entered into on March 23, 2017, provides for an annual base salary of $250,000 and a target annual bonus opportunity of $150,000. Any annual bonus earned based on the achievement of performance metrics and other criteria established by the Compensation Committee will be payable partly in cash and partly through equity awards, as determined by the Compensation Committee. The employment also provided Mr. Schulz with a signing bonus in the form of a stock option to purchase 40,000 shares of the Company's common stock, as described above. Pursuant to his employment agreement, Mr. Schulz is eligible to participate in the Company's 401(k), medical, dental and vision plans and certain other benefits available generally to employees of the Company. The employment agreement also contains customary non-competition and non-solicitation covenants. Mr. Schulz's employment agreement does not provide for any specified severance benefits.

Mr. Schilling's employment agreement, which was entered into on November 2, 2015, provided for a base salary, subject to annual review and adjustment, and Mr. Schilling's eligibility to participate in and/or receive other benefits under compensation plans provided to other executive employees of the Company. Mr. Schilling's employment agreement also provided that he was eligible for an annual bonus opportunity of up to $325,000, payable partly in cash and partly through equity awards as determined by the Compensation Committee, provided that the Company achieved certain universal goals established by the Compensation Committee. He was also eligible to participate in the Company's 401(k), medical, dental and vision plans and certain other benefits available generally to employees of the Company. Mr. Schilling's agreement contained customary non-competition and non-solicitation covenants. Mr. Schilling's employment agreement did not provide for any specified severance benefits.

Compensation Risk Assessment

The Company has evaluated its compensation policies and practices as they relate to risk management and risk taking incentives. Based upon this evaluation, we have concluded that the risks arising from the Company's relatively uncomplicated compensation structure are not reasonably likely to have a material adverse effect on the business.

Compensation Consultant

In 2016, the Compensation Committee engaged Compensation Resources as its independent executive compensation consultant; however, the Compensation Committee did not engage Compensation Resources or any other compensation consultant during 2017. Prior to the consultant's engagement for 2016 and as part of its annual evaluation of its advisors, the Compensation Committee solicited information from Compensation Resources regarding any actual or perceived conflicts of interest and to evaluate the firm's independence. Based on the information received from the consultant, the Compensation Committee believes that the work Compensation Resources performed in 2016 did not raise a conflict of interest and that they were independent.

Tax and Accounting Considerations

The Compensation Committee considers the tax and accounting treatment of our executive compensation arrangements; however, those considerations have never been controlling factors in the design of our executive compensation programs. In this regard, it should be noted that Section 162(m) of the Internal Revenue Code, which disallows a corporate income tax deduction to the extent that compensation paid to a covered executive in a single year exceeds $1 million, was recently amended to, among other things, repeal an exemption for certain "performance-based compensation" (including stock options granted with an exercise price at least equal to fair market value of the date of grant). As a result of the recent changes to Section 162(m) of the Internal Revenue Code, certain compensation, such as stock options granted in 2018 and future years, will not be exempt from Section 162(m) of the Internal Revenue Code, so that compensation income from the exercise of such options will count towards the $1 million annual limit on the Company's U.S. federal income tax deduction for compensation of a covered executive. The Compensation Committee considered this change in the law when approving equity awards (including stock option grants) to our NEOs in January 2018, but it did not have a material effect on the Compensation Committee's decision, given the compensation levels of our NEOs and the Compensation Committee's belief that it is important to structure appropriate compensation arrangements for our executives, even if such compensation might not be deductible under Section 162(m) of the Internal Revenue Code.

Compensation Committee Interlocks and Insider Participation

During 2017 there were no compensation committee interlocks and no insider participation in compensation decisions that were required to be reported under the rules and regulations of the Exchange Act.

Compensation Committee Report

The Compensation Committee oversees the Company's compensation program on behalf of the Board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement and based on such review and discussion, has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Charles T. Lanktree, Chair

William J. Gerber

Robert J. Roschman

*Samuel C. Freitag and James C. Shay, who served on the Compensation Committee during 2018, are not listed in the Compensation Committee Report as they resigned from the Board of Directors effective August 30, 2018 and July 6, 2018, respectively.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Item 402(u) of Regulation S-K, we are providing the following information with respect to our last completed fiscal year. We believe the pay ratio information provided below is a reasonable estimate calculated in a manner consistent with applicable SEC rules.

For 2017, the Company has calculated (i) the annual total compensation of our Chief Executive Officer, (ii) the median of the annual total compensation of all of our employees other than the Chief Executive Officer, and (iii) the ratio of the annual total compensation of our Chief Executive Officer to the median of the annual total compensation of all other employees, as follows:

The median of the annual total compensation of all of our employees, other than the Chief Executive Officer, was $44,555;

The annual total compensation of our CEO, as reported in the Summary Compensation Table, was $750,672; and

The ratio of the annual total compensation of our CEO to the median of the annual total compensation of all other employees was 16.8 to 1.

In determining the pay ratio information provided above, we first identified our median employee for 2017 by using the following methodology:

We selected December 31, 2017 as the date upon which we would identify our median employee, and, from our tax and payroll records, we compiled a list of all full-time, part-time and temporary employees who were employed on that date.

We used gross wages for fiscal 2017, plus Company retirement plan contributions, as a consistently applied compensation measure to identify our median employee from the remaining employees on the list. We did not annualize the compensation of any employees.

Once our median employee was identified in the manner described above, we calculated the annual total compensation of the median employee using the same methodology that we used to determine the annual total compensation of the CEO, as reported in the Summary Compensation Table.

Executive Compensation Tables

The following table sets forth information regarding all forms of compensation earned by the Company's Named Executive Officers during the last three fiscal years. Messrs. Cerminara, Boegner and Schilling were employed by the Company during all of fiscal 2017. Mr. Burke served as Chief Financial Officer from September 29, 2016 until March 29, 2017 when Mr. Schulz was appointed to the position.

2017 Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	**Stock Awards ($)[8]**	**Option Awards ($)[8]**	Non-Equity Incentive Plan	**All Other Compensation ($)[17]**	Total ($)

						Compensation ($)		
D. Kyle Cerminara[1] *Chairman and CEO*	2017	210,577	—	390,000 (9)	144,577 (12)	—	5,518	750,672
	2016	150,000	—	—	—	—	9,428	159,428
	2015	38,458 (5)	—	289,796 (10)	89,607 (13)	—	511	418,372
Lance V. Schulz[2] *SVP, Treasurer and CFO*	2017	185,577	—	—	93,591 (14)	—	5,917	285,085
Ryan M. Burke[3] *Former SVP, Treasurer and CFO*	2017	114,423 (6)	—	—	36,144 (12)	—	39,927	190,494
	2016	139,230	35,000 (7)	—	—	—	8,430	182,660
Ray F. Boegner *President of Cinema*	2017	265,385	—	65,000 (9)	96,385 (12)	—	11,282	438,052
	2016	225,000	130,000 (7)	—	—	87,305 (16)	50,413	492,718
	2015	221,498	15,000	85,000 (11)	59,738 (13)	—	27,572	408,808
Stephen L. Schilling[4] *Former President of Digital Media*	2017	275,000	—	65,000 (9)	96,385 (12)	—	9,118	445,503
	2016	275,000	130,000 (7)	—	—	—	9,239	414,239
	2015	42,308	—	—	179,651 (15)	—	133,485	355,444

21

(1) Mr. Cerminara was named to the Board of Directors on February 20, 2015. On September 23, 2015, Mr. Cerminara was appointed as Executive Chairman. Effective November 24, 2015, Mr. Cerminara was appointed as our Chief Executive Officer. He also continues to serve as our Executive Chairman. For 2017, Mr. Cerminara did not receive any additional compensation as a director or as Executive Chairman. All compensation paid to or earned by Mr. Cerminara in 2016 is reported in this 2017 Summary Compensation Table, including both compensation for his service as Executive Chairman and Chief Executive Officer. The compensation reported as paid to Mr. Cerminara in 2015 includes compensation for his service as an independent director.

(2) Mr. Schulz was appointed as Senior Vice President, Treasurer and Chief Financial Officer effective March 29, 2017 and was not a Named Executive Officer in 2015 or 2016.

(3) Mr. Burke was appointed as Senior Vice President, Treasurer and Chief Financial Officer effective September 29, 2016, in which capacities he served until March 29, 2017. Mr. Burke served as Corporate Controller until August 25, 2017, and his compensation for services as Corporate Controller is also included in the table. Mr. Burke was not a Named Executive Officer in 2015.

(4) Mr. Schilling was hired as President of Digital Media on November 2, 2015. Prior to Mr. Schilling becoming an employee of the Company, S2 Ventures LLC was paid $130,000 in consulting fees in addition to $3,485 in reimbursed expenses. Mr. Schilling served as Managing Partner of S2 Ventures LLC. Mr. Schilling resigned from all positions held with the Company effective May 11, 2018.

(5) This amount includes $24,227 in fees earned or paid in cash for Mr. Cerminara's service as an independent director (retainer and meeting fees) in 2015.

(6) Represents Mr. Burke's salary through August 25, 2017, the effective date of his resignation from the Company.

(7) On February 28, 2017, the Compensation Committee, upon the recommendation of management, approved payment of discretionary cash bonuses of $35,000 to Mr. Burke and $130,000 to each of Messrs. Boegner and Schilling based on their 2016 performance.

(8) The amounts in these columns represent the aggregate grant date fair value calculated in accordance with the Financial Accounting Standards Board ("FASB") ASC Topic 718. For additional information relating to the assumptions made in valuing and expensing these awards refer to Note 13 in the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC.

(9) Consists of the grant date fair value of the February 28, 2017 grant of 60,000, 10,000 and 10,000 restricted shares of the Company's common stock to Messrs. Cerminara, Boegner and Schilling, respectively, in accordance with the 2010 Long-Term Incentive Plan. The shares vest in one-third annual installments, beginning on the first anniversary of the grant date, subject to continued employment. Of the 10,000 restricted shares granted to Mr. Schilling, 6,667 unvested shares were forfeited upon his resignation from the Company effective May 11, 2018.

(10) Includes stock awards granted to Mr. Cerminara both for his service as Chairman and Chief Executive Officer and for his service as an independent director. Stock awards for service as Chairman and Chief Executive Officer consist of the fair value for the November 22, 2015 grant of 60,000 shares of restricted stock in accordance with

the 2010 Long-Term Incentive Plan. 30,000 of those shares vested immediately, with the remaining shares vesting on the anniversary date of the grant over a two-year period. Stock awards for service as an independent director consists of the fair value ($29,996) of the May 13, 2015 grant of 6,651 shares of restricted stock in accordance with the 2014 Non-Employee Directors' Restricted Stock Plan, which vested on the day preceding the 2016 Annual Meeting of Stockholders.

(11) Consists of the grant date fair value of the January 20, 2015 grant of 20,000 restricted stock units (RSUs) in accordance with the 2010 Long Term Incentive Plan, which generally were scheduled to vest in full on August 21, 2018, but with earlier vesting based on achievement of stock performance hurdles. Fifty percent of the RSUs vested prior to 2018 based upon the achievement of the applicable stock performance hurdles, and an additional 25% of the RSUs vested on August 21, 2017 based on the Company's achievement of a closing stock price on the NYSE American averages of least $4.84 for a 10-day trading period in 2016 and Mr. Boegner's continued employment until August 21, 2017. The remaining RSUs vested in full on August 21, 2018.

(12) Consists of the grant date fair value of the February 28, 2017 grant of 60,000, 15,000, 40,000 and 40,000 stock options to Messrs. Cerminara, Burke, Boegner and Schilling, respectively, in accordance with the 2010 Long-Term Incentive Plan. The stock options vest in one-fifth annual installments, beginning on the first anniversary of the grant date. Mr. Burke's stock options were forfeited upon his resignation from the Company effective August 25, 2017. Mr. Schilling's unvested stock options were forfeited upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

(13) Consists of the grant date fair value of the November 22, 2015 grant of 60,000 and 40,000 stock options to Messrs. Cerminara and Boegner, respectively, in accordance with the 2010 Long Term Incentive Plan, which vest on the anniversary date of the grant over a five year period.

(14) Consists of the grant date fair value of the April 7, 2017 grant of 40,000 stock options in accordance with the 2010 Long-Term Incentive Plan, which become exercisable in four equal annual installments beginning on the first anniversary of the grant date. The options were granted as a signing bonus pursuant to the terms of Mr. Schulz's Employment Agreement with the Company.

(15) Consists of the grant date fair value of the November 22, 2015 grant of 130,000 stock options. The inducement grant of 30,000 shares of the total 130,000 shares of non-qualified stock options received by Mr. Schilling was made outside of the Company's existing stock compensation plans pursuant to applicable regulations allowing for such an arrangement and vested immediately at the grant date. The remaining 100,000 options granted to Mr. Schilling were to vest in a one-fifth installment on the first anniversary date of the grant and in subsequent installments on the first day of each subsequent quarter for four years following the first anniversary of the grant date. Mr. Schilling forfeited all of the unvested stock options upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

(16) Consists of a cash payment made to Mr. Boegner for non-equity performance units awarded in 2012 and 2013 under the terms of the 2010 Long-Term Incentive Plan.

(17) The Company provides its executives with certain employee benefits. These benefits include excess life and disability insurance and contributions made by the Company under the Ballantyne Retirement and Savings Plan. The amounts reported for each Named Executive Officer as All Other Compensation for 2017 are identified and quantified below:

	Mr. Cerminara	Mr. Schulz	Mr. Burke	Mr. Boegner	Mr. Schilling
Auto Expenses(1)	$ —	$—	$—	$ 2,308	$ —
Accrued Vacation Pay-out	—	—	9,381	—	—
Severance	—	—	26,154	—	—
Employer match on Retirement and Savings Plan	4,500	5,154	3,714	8,031	8,100
Excess life and disability insurance	1,018	763	678	943	1,018
Total All Other Compensation	$ 5,518	$ 5,917	$ 39,927	$ 11,282	$ 9,118

(1) As part of Mr. Boegner's salary increase in February 2017, his auto allowance of $1,000 per month was eliminated effective as of March 1, 2017.

Grants of Plan-Based Awards for Fiscal Year 2017

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/share)	Grant Date Fair Value of Stock and Option Awards **($)(4)**
D. Kyle Cerminara	2/28/17 (1)	60,000	—	—	390,000
	2/28/17 (2)	—	60,000	6.50	144,577
Lance V. Schulz	4/7/17 (3)	—	40,000	6.30	93,591
Ryan M. Burke	2/28/17 (2)	—	15,000	6.50	36,144
Ray F. Boegner	2/28/17 (1)	10,000	—	—	65,000
	2/28/17 (2)	—	40,000	6.50	96,385
Stephen L. Schilling	2/28/17 (1)	10,000	—	—	65,000
	2/28/17 (2)	—	40,000	6.50	96,385

(1) On February 28, 2017, the Compensation Committee granted Messrs. Cerminara, Boegner and Schilling restricted shares of common stock pursuant to our 2010 Long-Term Incentive Plan. The restricted shares vest in one-third annual installments, beginning on the first anniversary of the grant date, subject to continued employment. The grantee may exercise full voting rights with respect to the restricted shares, whether or not vested. Any dividends paid with respect to the restricted shares will be added to and become part of the restricted stock. Of the 10,000 restricted shares granted to Mr. Schilling, 6,667 unvested shares were forfeited upon his resignation from the Company effective May 11, 2018.

(2) On February 28, 2017, the Compensation Committee granted Messrs. Cerminara, Burke, Boegner and Schilling stock options to purchase shares of our common stock pursuant to our 2010 Long-Term Incentive Plan. The stock options become exercisable in one-fifth annual installments, beginning on the first anniversary of the grant date. Mr. Burke's stock options were forfeited upon his resignation from the Company effective August 25, 2017. Mr. Schilling's unvested stock options were forfeited upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

(3) On April 7, 2017, Mr. Schulz received a grant of stock options to purchase shares of our common stock pursuant to our 2010 Long-Term Incentive Plan. The stock options become exercisable in four equal annual installments beginning on the first anniversary of the grant date. The options were granted as a signing bonus pursuant to the terms of Mr. Schulz's Employment Agreement with the Company.

(4) The amounts in this column represents the aggregate grant date fair value calculated in accordance with the FASB ASC Topic 718. For additional information relating to the assumptions made in valuing and expensing these awards refer to Note 13 in the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC.

The following table sets forth information concerning outstanding equity awards for each of the Company's Named Executive Officers as of the end of the last completed fiscal year.

Outstanding Equity Awards at 2017 Fiscal Year-End

	Option Awards					**Stock Awards**		
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested ($)(*)
D. Kyle Cerminara	24,000	36,000	(1)	4.33	11/22/2025	—		—
	—	60,000	(2)	6.50	2/28/2027	—		—
	—	—		—	—	60,000	(6)	279,000
Lance V. Schulz	—	40,000	(3)	6.30	4/7/2027	—		—
Ryan M. Burke	—	—	(1) (2)	—	—	—	(7)	—
Ray F. Boegner	5,000	—	(4)	4.70	1/11/2022	—		—
	8,000	16,000	(1)	4.33	11/22/2025	—		—
	—	40,000	(2)	6.50	2/28/2027	—		—
	—	—		—	—	5,000	(8)	23,250
	—	—		—	—	10,000	(9)	46,500
Stephen L. Schilling	70,000	60,000	(5)	4.33	11/22/2025	—		—
	—	40,000	(2)	6.50	2/28/2027	—		—
	—	—		—	—	10,000	(9)	46,500

* Based on the closing stock price of our common stock of $4.65 on December 29, 2017, the last trading day of the 2017 fiscal year.

(1) The 60,000 and 40,000 stock options granted to Messrs. Cerminara and Boegner, respectively, on November 22, 2015 pursuant to the 2010 Long-Term Incentive Plan become exercisable in five equal annual installments beginning on November 22, 2016 and thereafter on November 22, 2017, November 22, 2018, November 22, 2019 and November 22, 2020. On November 23, 2016, Mr. Boegner exercised options from this grant to acquire 8,000 shares of the Company's common stock at an exercise price of $4.33 per share. Mr. Burke was also granted 10,000 stock options on November 22, 2015. Upon his resignation from the Company effective August 25, 2017, Mr. Burke immediately forfeited 8,000 unvested options and, following a period of thirty days from the effective date of his resignation, forfeited the right to exercise 2,000 options.

(2) The 60,000, 40,000 and 40,000 stock options granted to Messrs. Cerminara, Boegner and Schilling, respectively, on February 28, 2017 pursuant to the 2010 Long-Term Incentive Plan become exercisable in five equal annual installments beginning on February 28, 2018 and thereafter on February 28, 2019, February 28, 2020, February 28, 2021 and February 28, 2022. Mr. Burke was also granted 15,000 stock options on February 28, 2017. Upon his resignation from the Company effective August 25, 2017, Mr. Burke immediately forfeited all 15,000 unvested options. Mr. Schilling's unvested stock options were forfeited upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

(3) The 40,000 stock options granted to Mr. Schulz on April 7, 2017 pursuant to the 2010 Long-Term Incentive Plan vest and become exercisable in four equal annual installments beginning on April 7, 2018 and thereafter on April 7, 2019, April 7, 2020 and April 7, 2021.

(4) The 30,000 stock options granted to Mr. Boegner on January 11, 2012 pursuant to the 2010 Long-Term Incentive Plan became exercisable in four equal installments beginning on January 11, 2013 and thereafter on January 11, 2014, January 11, 2015 and January 11, 2016. On both August 11, 2016 and August 30, 2016, Mr. Boegner exercised options from this grant to acquire 5,000 shares of the Company's common stock. On June 8, 2017, Mr. Boegner exercised options from this grant to acquire 7,000 shares of the Company's common stock. On August 14, 2017, Mr. Boegner exercised options from this grant to acquire 8,000 shares of the Company's common stock.

(5) Of the total 130,000 stock options granted to Mr. Schilling on November 22, 2015, the inducement grant of 30,000 options vested immediately as of the grant date. Of the remaining 100,000 options, one-fifth vested on November 22, 2016 and the remaining options were to vest in subsequent installments (1/20) on the first day of each subsequent quarter for four years following the first anniversary of the grant date. Mr. Schilling's unvested stock options were forfeited upon his resignation from the Company effective May 11, 2018. In addition, Mr. Schilling forfeited the right to exercise any vested options as he did not exercise such options within thirty days after termination of his employment pursuant to the terms of his stock option agreement.

(6) Represents 60,000 shares of restricted stock. The restricted shares vest in three equal annual installments beginning on February 27, 2018 and thereafter on February 27, 2019 and February 27, 2020.

(7) Upon his resignation from the Company effective August 25, 2017, Mr. Burke forfeited the right to receive 1,875 shares of the Company's common stock issuable upon the vesting of restricted stock units (RSUs), which were to vest on August 21, 2018.

(8) Represents 5,000 RSUs to be settled in shares of the Company's common stock on a one-for-one basis as soon as practicable following the applicable vesting date. All 5,000 RSUs vested on August 21, 2018.

(9) Represents 10,000 shares of restricted stock. The shares were to vest in three equal annual installments beginning on February 27, 2018 and thereafter on February 27, 2019 and February 27, 2020. Of the 10,000 restricted shares, 6,667 unvested shares were forfeited upon Mr. Schilling's resignation from the Company effective May 11, 2018.

24

The following table sets forth information concerning exercised options and vesting of stock awards for each of the Company's Named Executive Officers during the last completed fiscal year.

Options Exercised and Stock Vested

Name	Option Awards Number of Shares Acquired on Exercise (#)	Option Awards Value Realized on Exercise ($)		Stock Awards Number of Shares Acquired on Vesting (#)		**Value Realized on Vesting ($)[1]**
D. Kyle Cerminara	—	—		15,000	(2)	74,250
Lance V. Schulz	—	—		—		—
Ryan M. Burke	—	—		1,875	(3)	11,813
Ray F. Boegner	7,000	15,750	(4)	—		—
	8,000	13,200	(5)	—		—
	—	—		5,000	(3)	31,500
Stephen L. Schilling	—	—		—		—

(1) The value realized on vesting represents the product of the number of shares vested and the closing price of the common stock on the vesting date.

(2) Represents the remainder of the restricted shares granted to Mr. Cerminara on November 22, 2015, all of which vested in full on November 22, 2017.

(3) Represents restricted shares that vested on August 21, 2017.

(4) Options exercised on June 8, 2017.

(5) Options exercised on August 14, 2017.

Potential Payments Upon Termination or Change-in-Control

The following table sets forth quantitative information with respect to potential payments to each of the NEOs or their beneficiaries upon termination in various circumstances, assuming that a change in control or termination of employment occurred on December 31, 2017. The values reported for stock options and restricted shares are based on the closing price of Ballantyne common shares on December 29, 2017 of $4.65 (less the applicable exercise price, in the case of stock options).

			Equity Awards		
	Termination Scenario	Cash Severance and Benefits ($)	Stock Options ($)	Restricted Shares ($)	Restricted Share Units ($)
D. Kyle Cerminara	Death	—	—	—	—
	Disability	—	—		