

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 7, 2011**

---

**MITEK SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

---

**Delaware**

(State or Other Jurisdiction of Incorporation)

---

**0-15235**

(Commission File Number)

---

**87-0418827**

(I.R.S. Employer Identification No.)

---

**8911 Balboa Avenue, Suite B, San Diego, California**

(Address of principal executive offices)

---

**92123**

(Zip Code)

Registrant's telephone number, including area code: **(858) 503-7810**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 14, 2011, James DeBello, president, chief executive officer and a director of the of the Company, and John Thornton, the chairman of the board of directors, informed Michael Bealmear, a member of the board of directors of the Company, that the board had determined that he would not be one of the board's nominees at the upcoming annual meeting of stockholders. The board instead nominated a candidate with extensive banking and payments industry expertise, based on his wealth of business and strategic experience in the very sectors of the markets which are the focus of the Company and its marketing efforts. The nominee is an experienced and well regarded independent director, currently serving in such capacities for five public companies, current Chairman of a prominent bank, and former CEO of a prominent credit card payments company.

On January 21, 2011 Mr. DeBello corresponded with Mr. Bealmear, regarding the board of director's determination to nominate a new director, and thanking Mr. Bealmear for his service.

On January 26, 2011, Mr. Bealmear, through his personal counsel, corresponded with the Company's counsel enclosing a draft of a letter that Mr. Bealmear was considering sending to Messrs. DeBello and Thornton. Mr. Bealmear's counsel requested that the Company contact him by February 2, 2011, if the Company wanted to discuss the letter. The Company's board of directors determined not to reconsider their decision regarding Mr. Bealmear's nomination, and determined not to negotiate any separation agreement with Mr. Bealmear.

In a letter dated February 7, 2011, Mr. Bealmear notified Mr. DeBello and Mr. Thornton, of his resignation as a director effective as of the close of business on February 18, 2011. In addition to his position as a director of the Company, Mr. Bealmear is currently a member of the Company's audit committee and compensation committee of the board of directors.

In his letter, Mr. Bealmear states that he is resigning as a director because he disagrees with the Company's decision not to nominate him as a candidate for director at the annual meeting of Company shareholders which is set for 9:00 a.m. on February 23, 2011. Mr. Bealmear asserts that (i) the Company's decision not to nominate him as a candidate for director was an act of retaliation for his opposition to a stock option award that was approved by the other members of the Compensation Committee and issued to Mr. DeBello in November 2010, (ii) that he did not receive notice of the meeting at which the compensation committee approved the option grant, and (iii) the board lacks sufficient independence.

The Company strongly disagrees with each of Mr. Bealmear's assertions.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Letter from the registrant to Michael Bealmear dated January 21, 2011.
99.2	Email from counsel to Michael Bealmear to the registrant's counsel dated January 26, 2011
99.3	Letter from Michael Bealmear to James DeBello and John Thornton dated February 7, 2011.

**SIGNATURE**

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned there unto duly authorized.

Dated: February 11, 2011

MITEK SYSTEMS, INC.

By: /s/ James B. DeBello

\_\_\_\_\_  
James B. DeBello

President and Chief Executive Officer

January 21, 2011

VIA EMAIL

Dear Michael:

I want to express my appreciation for your service to Mitek as a member of our Board of Directors.

When we spoke last Friday, John Thornton and I informed you that the decision had been made not to renominate you as a candidate for the board and instead to nominate a new candidate in your place. To properly reflect matters for the record we amended our proxy filing on January 19 to reflect the fact that you were not being nominated for re-election as a director.

Public companies often make adjustments in board compositions to take advantage of new opportunities and to gain expertise. As Mitek continues to grow into a mobile payments leader, it will benefit our shareholders and management to have a director on the board with extensive payments and banking industry expertise. Our new nominee has this experience and sits on the boards of several public companies.

Your tenure on the Mitek board has benefitted the company in many ways. I think you will agree that you and the other directors have not only insisted on high standards of corporate governance, but have experienced and observed those standards playing out in the day to day operations of the company and in the deliberations of the board. Your being a director has helped set and maintain those standards.

I understand that you are disappointed by not being renominated and for that we are sorry, but I hope that you will continue to have a positive interest in the company and in what we do. The value of the options you received from Mitek during your tenure as a director have a value exceeding \$400,000 at today's market price. My job is to increase Mitek shareholder value and I believe the direction we are taking is the right one.

I wish you well, Michael, and appreciate your ongoing support as we move on.

Sincerely,

James B. DeBello  
President, CEO

cc: John M. Thornton, Chairman

---

**From:** Schenker, Marty [mailto:mschenker@cooley.com]

**Sent:** Wednesday, January 26, 2011 5:02 PM

**To:** Robert Copeland

**Subject:** RE:

Bob,

Attached is a copy of a draft letter that Michael Bealmear is considering sending to your client's CEO and Chairman. If you wish to discuss the draft, please call me by next Wednesday, February 2.

Best regards,

Marty Schenker

**Via Email**

James B. DeBello  
President, CEO  
Mitek Systems, Inc.  
8911 Balboa Avenue, Suite B  
San Diego, CA 92123

John M. Thornton  
Chairman  
c/o Mitek Systems, Inc.  
8911 Balboa Avenue, Suite B  
San Diego, CA 92123

Dear Jim and John:

I am writing to resign as a member of Mitek Systems Inc.'s Board of Directors, effective at the close of business on February [ ], 2011. As I explain below, I am doing so because I disagree with a practice of taking retribution against a director for exercising his fiduciary duties when such exercise results in an action opposed by the company's CEO, which Mitek's Board of Directors has done to me for expressing my opposition to what I considered an excessive grant of stock options to Jim. Director independence is the hallmark of a well functioning board. Instead of embracing my independent views, however, you responded to it by refusing to re-nominate me to Mitek's board of directors. I am unwilling to serve on a board where personal relationships with the CEO infect the decision-making process and where the board seeks to retaliate against a board member for exercising his independent judgment.

It is beyond dispute that I have long been a loyal, dedicated and valuable member of Mitek's board. Until recently, both of you looked to me as a key member of Mitek's core strategic team. Last Fall, Jim acknowledged the value I bring by selecting me as one of only two outside directors (in addition to John) to serve on a special committee to explore potential strategic opportunities. And Jim's January 21 letter confirms that my service on Mitek's board has benefitted the company in many ways. It is equally clear, however, that your decision not to re-nominate me to Mitek's board is attributable to the events of November 2010, which I describe below.

As you know, in early November 2010, Jim recommended that the board grant additional stock options to employees. Initially, Jim recommended an additional grant of 10% of the then-current stock options held by most Mitek employees, including himself. I was not opposed to this initial proposal. In short order, however, Jim came back to the board twice, seeking an increase in his personal grant, first to 15% of his current stock options, and, then, to 17%, for a total of 356,830 additional options. When I learned of Jim's first proposed increase, I expressed some surprise at the increase in Jim's share to 15%, which I noted was not consistent with the "10% Model" that we had previously discussed. On Thursday evening, November 11, Jim sent me an e-mail asking whether I would be available for a meeting of the Compensation Committee, of which I am a member. I responded by e-mail, stating that I was tied up in morning meetings on Friday and then a return flight from the East Coast, but would make myself available for a weekend call of the committee if necessary. In my response, I noted that I still had questions and did not "see any purpose in rushing to judgment on this." Jim later explained that his urgency resulted from his desire to have the board grant the additional stock options before Mitek issued a highly favorable earnings announcement on November 16. Jim's assessment of the market's response to the earning announcement was correct. Mitek's stock price more than doubled in the weeks following the earnings release, resulting in Jim's additional options being over \$1 million in the money.

The following week, I was appalled to learn that, without having given me notice of the meeting or obtaining from me a waiver of notice, the Compensation Committee met without me on Monday, November 15, and approved Jim's request for a 17% increase to his personal option grant. Upon learning of this action, I immediately sent an e-mail to Jim and the other two members of the Compensation Committee, stating, simply, that "I have a major problem with this." I followed this up with an e-mail to the members of the committee, along with John as Chairman, expressing my view that the 17% grant to Jim was "excessive:"

"While I'm sure it's too late to do anything about it, I also have a problem with the 17% stock grant that was given to Jim. I believe Jim certainly deserves a top-off grant along with everyone else, but I'm of the opinion that 17% is excessive --- this brings Jim's total holdings to 10% of the fully diluted shares of the company which is too large for a non-founding CEO, in my experience. I doubt we'll get any shareholder challenges on this --- nonetheless I'd like for the record to show that I was not present and I did not vote at the Comp Committee meeting where this was approved."

I was not surprised that my views were not well received, either by Jim, who of course had a vested financial interest in the grant, or by the other members of the board, who are extremely close with Jim. Nonetheless, I was stunned when the two of you called me on Friday, January 14, to inform me that I would not be nominated to serve another term.

In our conversation, and in Jim's January 21 letter, you assert that you wanted to replace me to make way for Alex Hart, whom you state has experience in the mobile payments business. But bringing in Mr. Hart is no reason to remove me from the board. It would have been a simple and straightforward matter to have added an additional director. And even if you wanted for some reason to keep the current board size intact, there are other board members who would have been more sensible candidates than me to replace.

In the end, the conclusion is inescapable that you, with the Mitek board, retaliated against me for having exercised my fiduciary duties and gone on record with my objection to an overly generous stock grant to the company's CEO, especially in light of the fact that it was granted immediately prior to an earnings announcement that was expected to, and did, result in a stock price increase (which resulted in Jim's stock option grant being over \$1 million in the money within weeks). I am proud of my service as a member of Mitek's board. But I disagree with a practice of taking retribution against a director for exercising his fiduciary duties when such exercise results in an action opposed by the company's CEO, and have concluded, regrettably, that the board has lost sight of its mission and the principles of good corporate governance. Because I disagree with this practice, and have reached that conclusion, I must resign.

Sincerely,

Michael Bealmear

February 7, 2011

Via Email

James B. DeBello  
President, CEO  
Mitek Systems, Inc.  
8911 Balboa Avenue, Suite B  
San Diego, CA 92123

John M. Thornton  
Chairman  
c/o Mitek Systems, Inc.  
8911 Balboa Avenue, Suite B  
San Diego, CA 92123

Dear Jim and John:

I am writing to resign as a member of Mitek Systems Inc.'s Board of Directors, effective at the close of business on February 18, 2011. As I explain below, I am doing so because I disagree with a practice of taking retribution against a director for exercising his fiduciary duties when such exercise results in an action opposed by the company's CEO, which Mitek's Board of Directors has done to me for expressing my opposition to what I considered an excessive grant of stock options to Jim. Director independence is the hallmark of a well functioning board. Instead of embracing my independent views, however, you responded to it by refusing to renominate me to Mitek's board of directors. I am unwilling to serve on a board where personal relationships with the CEO infect the decision-making process and where the board seeks to retaliate against a board member for exercising his independent judgment.

It is beyond dispute that I have long been a loyal, dedicated and valuable member of Mitek's board. Until recently, both of you looked to me as a key member of Mitek's core strategic team. Last Fall, Jim acknowledged the value I bring by selecting me as one of only two outside directors (in addition to John) to serve on a special committee to explore potential strategic opportunities. And Jim's January 21 letter confirms that my service on Mitek's board has benefitted the company in many ways. It is equally clear, however, that your decision not to renominate me to Mitek's board is attributable to the events of November 2010, which I describe below.

As you know, in early November 2010, Jim recommended that the board grant additional stock options to employees. Initially, Jim recommended an additional grant of 10% of the then-current stock options held by most Mitek employees, including himself. I was not opposed to this initial proposal. In short order, however, Jim came back to the board twice, seeking an increase in his personal grant, first to 15% of his current stock options, and, then, to 17%, for a total of 356,830 additional options. When I learned of Jim's first proposed increase, I expressed some surprise at the increase in Jim's share to 15%, which I noted was not consistent with the "10% Model" that we had previously discussed. On Thursday evening, November 11, Jim sent me an e-mail asking whether I would be available for a meeting of the Compensation Committee, of which I am a member. I responded by e-mail, stating that I was tied up in morning meetings on Friday and then a return flight from the East Coast, but would make myself available for a weekend call of the committee if necessary. In my response, I noted that I still had questions and did not "see any purpose in rushing to judgment on this." Jim later explained that his urgency resulted from his desire to have the board grant the additional stock options before Mitek issued a highly favorable earnings announcement on November 16. Jim's assessment of the market's response to the earnings announcement was correct. Mitek's stock price more than doubled in the weeks following the earnings release, resulting in Jim's additional options being over \$1 million in the money.

The following week, I was appalled to learn that, without having given me notice of the meeting or obtaining from me a waiver of notice, the Compensation Committee met without me on Monday, November 15, and approved Jim's request for a 17% increase to his personal option grant. Upon learning of this action, I immediately sent an e-mail to Jim and the other two members of the Compensation Committee, stating, simply, that "I have a major problem with this." I followed this up with an e-mail to the members of the committee, along with John as Chairman, expressing my view that the 17% grant to Jim was "excessive:"

"While I'm sure it's too late to do anything about it, I also have a problem with the 17% stock grant that was given to Jim. I believe Jim certainly deserves a top-off grant along with everyone else, but I'm of the opinion that 17% is excessive--- this brings Jim's total holdings to 10% of the fully diluted shares of the company which is too large for a non-founding CEO, in my experience. I doubt we'll get any shareholder challenges on this---nonetheless I'd like for the record to show that I was not present and I did not vote at the Comp Committee meeting where this was approved."

I was not surprised that my views were not well received, either by Jim, who of course had a vested financial interest in the grant, or by the other members of the board, who are extremely close with Jim. Nonetheless, I was stunned when the two of you called me on Friday, January 14, to inform me that I would not be nominated to serve another term.

In our conversation, and in Jim's January 21 letter, you assert that you wanted to replace me to make way for Alex Hart, whom you state has experience in the mobile payments business. But bringing in Mr. Hart is no reason to remove me from the board. It would have been a simple and straightforward matter to have added an additional director. And even if you wanted for some reason to keep the current board size intact, there are other board members who would have been more sensible candidates than me to replace.

James B. DeBello  
John M. Thornton  
February 7, 2011  
Page Three

In the end, the conclusion is inescapable that you, with the Mitek board, retaliated against me for having exercised my fiduciary duties and gone on record with my objection to an overly generous stock grant to the company's CEO, especially in light of the fact that it was granted immediately prior to an earnings announcement that was expected to, and did, result in a stock price increase (which resulted in Jim's stock option grant being over \$1 million in the money within weeks). I am proud of my service as a member of Mitek's board. But I disagree with a practice of taking retribution against a director for exercising his fiduciary duties when such exercise results in an action opposed by the company's CEO, and have concluded, regrettably, that the board has lost sight of its mission and the principles of good corporate governance. Because I disagree with this practice, and have reached that conclusion, I must resign.

Sincerely,

/s/ Michael Bealmear

Michael Bealmear