

PLANET TECHNOLOGIES, INC

Form DEF 14A

September 17, 2007

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SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

PLANET TECHNOLOGIES, 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(4) Date Filed:

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PLANET TECHNOLOGIES, INC.
96 Danbury Road
Ridgefield, Connecticut 06877
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 24, 2007

DEAR SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of Shareholders of Planet Technologies, Inc., a California corporation (the Company), will be held on October 24, 2007, at 10:00 a.m. local time, at 800 Silverado Street, Second Floor, La Jolla, California 92037 for the following purpose:

1. To approve the change in the state of incorporation of the Company from California to Delaware and changing the Company name to Planet Biopharmaceuticals, Inc. ;
2. To elect seven (7) directors to hold office until the next Annual Meeting of Shareholders or until their successors are elected and qualified;
3. To approve the engagement of J.H. Cohn LLP, its independent registered public accounting firm, for the fiscal year ending December 31, 2007; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors of the Company has approved each of the proposals and recommends that you vote IN FAVOR of each of the proposals as described in the attached materials. Before voting, you should carefully review all of the information contained in the attached proxy statement and in particular you should consider the matters discussed under Risk Factors under certain of the Proposals listed above.

All shareholders are cordially invited to attend the Annual Meeting. Only shareholders of record at the close of business on September 15, 2007, are entitled to notice of and to vote at the Annual Meeting and any adjustments thereof. A complete list of shareholders entitled to vote at the Annual Meeting will be available at the meeting.

Sincerely,

Edward Steube

San Diego, California

September 15, 2007

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME. THE DEADLINE FOR THE RETURN OF YOUR PROXY TO BE VOTED AT THE MEETING OCTOBER, 24, 2007, UNLESS DELIVERED AT THE MEETING, IS OCTOBER 23, 2007.

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**PLANET TECHNOLOGIES, INC.
96 Danbury Road
Ridgefield, Connecticut 06877
PROXY STATEMENT
SUMMARY TERM SHEET**

THIS SUMMARY MAY NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. FOR A MORE COMPLETE UNDERSTANDING OF THE INFORMATION CONTAINED IN THIS PROXY STATEMENT, YOU SHOULD READ THE ENTIRE PROXY STATEMENT CAREFULLY, AS WELL AS THE ADDITIONAL DOCUMENTS TO WHICH IT REFERS.
THE ANNUAL MEETING

Date, Time and Place of Annual Meeting	The Annual Meeting will be held on October 24, 2007, beginning at 10:00 a.m., PST, at 800 Silverado Street, Second Floor, La Jolla, CA 92037.
Record Date: Shareholders Entitled to Vote; Quorum	Only holders of record of Planet common stock on September 15, 2007, are entitled to notice of and to vote at the Annual Meeting. As of the record date, there were 3,968,368 shares of Planet common stock outstanding. The presence, in person or by proxy, of the holders of a majority of our common stock will constitute a quorum.
Vote Required	The seven persons with the most number of votes will be elected directors pursuant to Proposal 2; and assuming a quorum is present, the affirmative vote of a majority of the shares represented and voting, either present in person or represented by proxy at the meeting are required to vote in favor of Proposals 3 for such proposal to pass. The affirmative vote of the holders of a majority of the outstanding shares of the Company as of the Record Date are required to pass Proposal 1.
Recommendation of Board of Directors	Our Board of Directors unanimously approved each of the Proposals to be considered at the Annual Meeting. The Board recommends that the stockholders vote FOR each proposal.
PROPOSAL 1 REINCORPORATION IN DELAWARE	
Reason for Reincorporation	Management believes that reincorporation in Delaware would be beneficial to the Company because Delaware corporate law is more comprehensive, widely used and extensively interpreted than other state corporate laws, including California corporate law. In addition, management believes that Delaware law is better suited than California law to protect shareholder's interests in the event of a non-solicited takeover attempt.
Vote Required to Approve the Reincorporation:	The affirmative vote of a majority of the outstanding shares of common stock (either in person or by proxy) is

required to approve the Delaware Reincorporation. A properly executed proxy marked ABSTAIN with respect to such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum. Accordingly, an abstention will have the effect of a negative vote.

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PROPOSAL 2 ELECTION OF DIRECTORS

Nominees

There are seven board nominees for the seven board positions presently authorized by the Company's current bylaws. The names of the nominees are H. M. Busby; Scott L. Glenn; Eric B. Freedus, Ellen Preston; Michael Trinkle, Michael Walsh and Edward Steube. Should the Shareholders approve Proposal 2, these seven board nominees, if elected pursuant to this proposal, would serve as directors of the Delaware Company.

Voting

Shares represented by executed proxies will vote, if authority to do so is not withheld, for the election of the nominees. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose. Each person nominated for election has agreed to serve if elected and management has no reason to believe that any nominee will be unable to serve.

PROPOSAL 3 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Engagement of Accountant

We have approved retaining J.H. Cohn LLP to serve as our independent registered public accounting firm for the 2007 fiscal year and we seek stockholder ratification of that decision.

Vote Required to Approve

Assuming a quorum is present, the affirmative vote of a majority of the shares represented and voting, either present in person or represented by proxy at the meeting are required to vote in favor.

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PLANET TECHNOLOGIES, INC.
96 Danbury Road
Ridgefield, Connecticut 06877
PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 24, 2007
INFORMATION CONCERNING SOLICITATION AND VOTING
INTRODUCTION

General Information

The enclosed proxy is solicited on behalf of the Board of Directors (the Board) of Planet Technologies, Inc., a California corporation (the Company), for use at the Annual Meeting of Shareholders to be held on October 24, 2007 at 10:00 a.m. local time (the Annual Meeting), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 800 Silverado Street, Second Floor, La Jolla, California 92037. The Company intends to mail this proxy statement and accompanying proxy card on or about September 15, 2007, to all shareholders entitled to vote at the Annual Meeting.

Solicitation

The Company will bear the entire cost of solicitation of proxies including preparation, assembly, printing and mailing of this proxy statement, the proxy and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Common Stock beneficially owned by others to forward to such beneficial owners. The Company may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by directors, officers or other regular employees of the Company. No additional compensation will be paid to directors, officers or other regular employees for such services.

Voting Rights and Outstanding Shares

For purposes of the Annual Meeting, a quorum means a majority of the outstanding shares entitled to vote. Holders of record of the Company's Common Stock at the close of business on September 15, 2007 (the Record Date) will be entitled to notice of and to vote at the Annual Meeting. At the close of business on September 15, 2007, the Company had outstanding and entitled to vote 3,968,368 shares of Common Stock. In determining whether a quorum exists at the Annual meeting, all shares represented in person or by proxy, including abstentions and broker non-votes, will be counted.

Except as provided below, on all matters to be voted upon at the Annual Meeting, each holder of record of Common Stock on the Record Date will be entitled to one vote for each share held. With respect to the election of directors, shareholders may exercise cumulative voting rights, i.e., each shareholder entitled to vote for the election of directors may cast a total number of votes equal to the number of directors to be elected multiplied by the number of such shareholder shares (on an as converted basis), and may cast such total of votes for one or more candidates in such proportions as such shareholder chooses.

All votes will be tabulated by the inspector of election appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

How to Vote

Please sign, date and return the enclosed proxy card promptly. If your shares are held in the name of a bank, broker, or other holder of record (that is, in street name) you will receive instructions from the holder of record that you must follow for your shares to be voted.

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Revocability of Proxies

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of the Company at the Company's principal executive office, 96 Danbury Road, Ridgefield, Connecticut 06877, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

Votes Required to Approve Proposals

Shares represented by executed proxies that are not revoked will be voted in accordance with the instructions in the proxy, or in the absence of instructions, in accordance with the recommendations of the Board of Directors. Assuming a quorum is present at the Annual Meeting, the following table sets forth the votes required to approve each Proposal:

Proposal

Vote Required to Approve

Proposal 1 (Reincorporation in Delaware).

The affirmative vote of the holders of a majority of the outstanding shares of common stock of the Company as of the Record Date are required to vote in favor.

Proposal 2 (Elect directors).

The seven persons with the most number of votes will be elected.

Proposal 3 (Ratify Appointment of Independent Registered Public Accounting Firm).

Assuming a quorum is present, the affirmative vote of a majority of the shares represented and voting, either present in person or represented by proxy at the meeting are required to vote in favor.

Other Business.

Assuming a quorum is present, the affirmative vote of a majority of the shares represented and voting, either present in person or represented by proxy at the meeting are required to vote in favor.

Board Recommendations

The Board of Directors unanimously approved each of the Proposals to be considered at the Annual Meeting and recommends that shareholders also vote IN FAVOR of approval of each Proposal.

Shareholder Proposals for 2008 Annual Meeting of Shareholders

The deadline for submitting a shareholder proposal for inclusion in the Company's proxy statement and form of proxy for the Company's 2008 Annual Meeting of Shareholders pursuant to Rule 14a-8 of the Securities and Exchange Commission is May 15, 2008. Shareholders are also advised to review the Company's current Bylaws, which contain additional requirements with respect to advance notice of shareholder proposals and director nominations.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as anticipate, believe, could, estimate, expect, intend, may, should, will, and would or similar words. You should read forward-looking statements carefully because they may discuss our future expectations, contain projections of the Company's future results of operations or of our financial position or state other forward-looking information. The Company believes that it is important to communicate its future expectations to their investors. However, there may be events in the future that the Company is not able to accurately predict or control. The factors listed above in the sections captioned Risk Factors, as well as any cautionary language in this proxy statement, provide examples of risks, uncertainties and events that may cause the actual results to differ materially from any expectations they describe. Actual results or outcomes may differ materially from those predicted in the forward-looking statements due to the risks and uncertainties inherent in their business, including risks and uncertainties in:

market acceptance of and continuing demand for its products;

the Company's ability to protect its intellectual property;

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the impact of competitive products, pricing and customer service and support;

the Company's ability to obtain additional financing to support their operations;

obtaining and maintaining regulatory approval where required; AND

changing market conditions.

When considering forward-looking statements in this proxy statement, you should keep in mind the cautionary statements in Risk Factors and Management's Discussion and Analysis of Financial Conditions and Results of Operations sections and other sections of our periodic reports filed with the Securities and Exchange Commission.

GENERAL QUESTIONS REGARDING THE PROXY

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement, please complete, sign and date your proxy and return it in the enclosed return envelope as soon as possible, so that your shares may be represented at the annual meeting of the Company shareholders. If you sign, date and return your proxy card but do not include instructions on how to vote your proxy, we will vote your shares IN FAVOR of each proposal described in this proxy statement. You may attend the annual meeting, if you are a Company shareholder and vote your shares in person rather than voting by proxy.

Q: IF MY BROKER HOLDS MY SHARES IN STREET NAME, WILL MY BROKER VOTE MY SHARES FOR ME?

A: Generally, your Broker will vote the shares in line with management's recommendation regarding election of directors and other corporate matters. However, as to certain matters, including the proposal to reincorporate in Delaware and change the Company name, it is likely your broker will vote your shares only if you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker.

Q: WHAT HAPPENS IF I DO NOT VOTE?

A: If you do not submit a proxy or vote at your annual meeting, your shares will not be counted for the purpose of determining the presence of a quorum and your inaction will have no effect on the outcome of the proposals. If you submit a proxy and affirmatively elect to abstain from voting, your shares will be counted for the purpose of determining the presence of a quorum but will not be voted at the annual meeting.

Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY?

A: Yes. You can change your vote at any time before your proxy is voted at the Company's annual meeting. You can do this in one of three ways:

timely delivery of a valid, later-dated proxy by mail;

revoking your proxy by written notice to the corporate secretary of the Company; or

voting in person by written ballot at the Company annual meeting.

If you have instructed a broker to vote your shares, you must follow the directions from your broker on how to change that vote.

Q: WHAT IS THE DEADLINE FOR THE RETURN OF MY PROXY?

A. The deadline for return of your Proxy, to be voted at the Meeting on October 24, 2007, unless delivered at the meeting, is October 23, 2007.

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Q: ARE THERE ANY RISKS I SHOULD CONSIDER IN DECIDING WHETHER TO VOTE FOR THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT?

A: We have listed in the section entitled "Risk Factors" the risks among others that you should consider in deciding whether to vote for Proposal No. 1 described in this proxy statement.

Q: WHOM SHOULD I CALL WITH QUESTIONS?

A: If you have any questions about the Merger or about any of the other proposals described in this proxy statement or the enclosed proxy, you should contact:

Planet Technologies, Inc.

96 Danbury Road

Ridgefield, Connecticut

(800) 255-3749

Attention: Francesca DiNota

You may also obtain additional information about the Company from documents filed with the SEC by accessing EDGAR, the SEC's online filing system at www.sec.gov.

PROPOSAL 1

CONVERSION FROM A CALIFORNIA CORPORATION TO A DELAWARE CORPORATION

INTRODUCTION

The Company is presently a California corporation with two classes of shares outstanding. The Board has unanimously approved and recommends that the holders of the Company's outstanding shares approve the change in the Company's jurisdiction of incorporation from California to Delaware. Throughout this Proposal Two, the term "the Company" refers to Planet Technologies, Inc., the existing California corporation, and the term "New Planet" refers to Planet Biopharmaceuticals, Inc., the new Delaware corporation that is the proposed successor to the Company. The principal executive offices of both the Company and New Planet are located at 96 Danbury Road, Ridgefield, Connecticut 06877, and the telephone numbers of both the Company and New Planet is (800) 255-3749.

For several years, we have considered reincorporating to Delaware and undertook a review of the advantages and disadvantages of changing our state of incorporation from California to Delaware. As discussed in "Principal Reasons for the Proposed Reincorporation," management believes that reincorporation in Delaware would be beneficial to the Company because Delaware corporate law is more comprehensive, widely used and extensively interpreted than other state corporate laws, including California corporate law. When initially incorporated, the Company was headquartered in San Diego, California. We are now headquartered in Danbury, Connecticut and no longer have facilities in California.

In addition, management believes that Delaware law is better suited than California law to protect shareholder's interests in the event of a non-solicited takeover attempt. We are not, however, aware that any person is currently attempting to acquire control of the Company, to obtain representation on our Board of Directors or to take any action that would materially affect the governance of the Company. In this regard, we are not proposing any material changes to our organizational documents to adopt any anti-takeover strategies in connection with the reincorporation.

On August 15, 2007, our board met with management and its advisors to discuss the advantages and disadvantages of reincorporating in Delaware, the mechanics of reincorporating and possible changes to our organizational document associated with a reincorporation. The Board unanimously determined that the reincorporation was in the best interest of the Company and approved a resolution to move forward with the reincorporation process. On August 15, 2007, our Board unanimously approved the Agreement and the Plan of Merger (the "Merger Agreement").

Because New Planet will be governed by the Delaware General Corporation Law ("DGCL") and will have new organizational documents, if the reincorporation proposal is approved, the proposed reincorporation will result in certain changes in your rights as a shareholder. These differences are summarized under the sections entitled

"Comparison of the Charters and Bylaws of the Company and New Planet" and "Significant differences between the corporation laws of California and Delaware."

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Our board has unanimously approved and, for the reasons described below, recommended that you approve the proposal to reincorporate the Company's state of incorporation from California to Delaware. If approved by shareholders, we expect that the reincorporation merger will become effective as soon as practicable (the Effective Date) following our meeting of shareholders. If shareholders do not approve the reincorporation merger, we would not consummate the reincorporation merger and we would continue to operate as a California corporation.

IN ORDER FOR THE PROPOSED REINCORPORATION TO BE EFFECTIVE, A MAJORITY OF THE OUTSTANDING SHARES OF COMMON STOCK MUST APPROVE PROPOSAL TWO. SEE VOTE REQUIRED FOR REINCORPORATION PROPOSAL AND BOARD OF DIRECTORS RECOMMENDATION BELOW. YOU ARE URGED TO READ CAREFULLY THIS SECTION OF THE PROXY STATEMENT, INCLUDING THE RELATED APPENDICES, BEFORE VOTING ON THE REINCORPORATION MERGER.

MECHANICS

The proposed reincorporation would be effected pursuant to the Merger Agreement in substantially the form attached as Exhibit A. The discussion of the reincorporation merger and the Merger Agreement set forth below is qualified in its entirety by reference to the Merger Agreement. Upon completion of the reincorporation merger, the company will cease to exist and New Planet, which would be the surviving corporation in the reincorporation merger, would continue to operate our business under the name Planet Biopharmaceuticals, Inc.

Upon the Effective Date, each outstanding share of common stock of the Company will be automatically converted into one share of common stock of New Planet. Each stock certificate representing issued and outstanding shares of common stock of the Company will continue to represent the same number of shares of common stock of New Planet. If the Company and New Planet effect the Reincorporation Merger, you would not need to exchange your existing stock certificates of the company for stock certificates of New Planet. You may, however, exchange your certificates if you so choose.

A vote in favor of the Merger serves as ratification of the Delaware Certificate attached hereto as Exhibit B. The Certificate provides for a total of 50,000,000 authorized shares; 45,000,000 common stock shares with a \$0.01 par value, and 5,000,000 preferred stock shares with a \$0.01 par value. Presently, the Company has a total authorized shares of 25,000,000; 20,000,000 common stock shares and 5,000,000 preferred stock shares. As such with approval of the Merger, New Planet will have an additional 25,000,000 of authorized common stock shares.

The purpose of the increase in the number of authorized Common Shares is to assure that we have sufficient Shares available for general corporate purposes including, without limitation, equity financings, acquisitions, establishing strategic relationships with corporate partners, providing equity incentives to new and existing employees, payments of stock dividends, or effecting stock splits or other recapitalizations. We may seek additional capital from several sources, including the sale of our Common Shares. As of the date hereof, we have no agreement to issue all or any significant percentage of the additional Common Shares to be authorized by the Certificate of Incorporation. The Company is currently discussing with several potential investors the possible sale of Common Shares or Preferred Shares to finance the proposed acquisition of Antigen Laboratories, Inc. (Antigen). A form of the Antigen Stock Purchase Agreement was previously filed with the SEC on the Form 8-K dated September 4, 2007. However, even if the Reincorporation proposal is not approved, the Company believes it has adequate shares authorized for the purpose.

Pursuant to the Merger Agreement, the Company and New Planet plan to take all actions that Delaware law and California law require for the Company and New Planet to effect the reincorporation merger.

The reincorporation merger would only make a change in the legal domicile of the Company, the name of the Company from Planet Technologies, Inc. to Planet Biopharmaceuticals, Inc., the authorized number of Common Shares, and certain other changes of a legal nature which are described in this proxy statement. The reincorporation merger would not result in any change in the business, management, fiscal year, consolidated assets or liabilities or location of the principal offices of the Company. We believe that the proposed reincorporation will not affect any of our material contracts with any third parties and that our rights and obligations under such material contractual arrangements will continue and be assumed by the surviving corporation.

If the reincorporation merger is effected, all employee benefit plans of the Company (including all stock option plans) will be assumed and continued by the surviving corporation. Approval of the reincorporation merger will also

constitute approval of the assumption of these plans by New Planet.

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Each stock option issued and outstanding pursuant to such plans would be converted automatically into a stock option award with respect to the same number of shares of common stock of the surviving corporation, upon the same terms and subject to the same conditions as set forth in the applicable plan under which the award was granted and in the agreement reflecting the award.

VOTE REQUIRED FOR REINCORPORATION PROPOSAL AND BOARD OF DIRECTORS RECOMMENDATION.

California law requires the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Company to approve the Merger Agreement pursuant to which the Company and New Planet would effect the reincorporation merger. Approval of the reincorporation merger Proposal would also constitute an approval of the Merger Agreement and therefore the reincorporation merger. A vote in favor of the reincorporation proposal is also effectively a vote in favor of the Delaware Certificate and the Delaware Bylaws. If the shareholders approve the Merger Agreement and the reincorporation merger becomes effective, the Delaware Certificate and the Delaware Bylaws attached hereto as Exhibits B and C would respectively become the Certificate of Incorporation and Bylaws of the surviving corporation.

THE BOARD OF DIRECTORS UNANIMOUSLY APPROVED AND RECOMMENDS THAT YOU VOTE FOR THE PROPOSED REINCORPORATION. THE EFFECT OF AN ABSTENTION OR A BROKER NON VOTE IS THE SAME AS THAT OF A VOTE AGAINST THE REINCORPORATION PROPOSAL.

PRINCIPAL REASONS FOR THE REINCORPORATION

For many years, Delaware has followed a policy of encouraging corporations to incorporate in that state. More than 58% of Fortune 500 companies are incorporated in Delaware. In furtherance of Delaware's policy to encourage corporations in that state, Delaware has been a leader in adopting, construing and implementing comprehensive and flexible corporate laws that have been responsive to the evolving legal and business needs of corporations organized under Delaware law. The Board and management believe that it is essential to be able to draw upon well established principles of corporate governance in making legal and business decisions. Management also believes that Delaware law is better suited than California law to protect shareholder's interests in the event of an unsolicited takeover attempt. We are not aware that any person is currently attempting to acquire control of the Company, to obtain representation on our Board of Directors or take any action that would materially affect the governance of the Company.

Additionally, our management believes that, as a Delaware corporation, the Company would be better able to continue to attract and retain qualified directors and officers than it would be able to as a California corporation in part because Delaware law provides more predictability with the issue of liability of directors and officers than California law does. The increasing frequency of claims against directors and officers that are litigated has greatly expanded the risks to directors and officers of exercising their respective duties. The amount of time and money required to respond to and litigate such claims can be substantial. Although California law and Delaware law both permit a corporation to include a provision in the corporation's Articles or Certificate, as the case may be, that in certain circumstances reduces or limits the monetary liability of directors for breaches of their fiduciary duty of care, Delaware as stated above, provides to directors and officers more predictability than California does and, therefore, provides directors and officers of a Delaware corporation a greater comfort as to their risk of liability than the comfort afforded under California law. Our Board, therefore believes that the proposed reincorporation may be a significant factor in continuing to attract and retain such individuals, and in freeing them to make corporate decisions on their own merits and for the benefit of shareholders, rather than out of a desire to avoid personal liability. For additional discussion of this matter, see Significant Differences Between the Corporation Laws of California and Delaware Indemnification and Limitation of Liability.

Our management has considered the following benefits of Delaware's corporate legal framework in deciding to propose reincorporating in Delaware:

The DGCL, which is generally acknowledged to be the most advanced and flexible corporate statute in the country;

The Delaware General Assembly, which each year considers and adopts statutory amendments that the corporation law section of the Delaware State Bar Association proposes in an effort to ensure that the corporate

statute continues to be responsive to the changing needs of businesses;

The Delaware Court of Chancery, which handles complex corporate issues with the level of experience and a degree of sophistication and understanding unmatched by any other court in the country, and the Delaware Supreme Court which is highly regarded;

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The well-established body of case law construing Delaware law, which has developed over the last century and which provides businesses with a greater predictability than most, if not all, other jurisdictions provide; and

The responsiveness and efficiency of the division of corporations of the Secretary of State of Delaware, which uses computer technology that is on the cutting edge.

Any direct benefit that Delaware law provides to corporations indirectly benefits the shareholders, who are the owners of the corporations. For the reasons discussed in this Proxy Statement, we believe that the Company and our shareholders will benefit in the near and longer term from reincorporating in Delaware.

COMPANY

The reincorporation will effect only a change in the legal domicile of the Company, name, authorized Common Shares, and certain other changes of a legal nature, including those described in this proxy statement. The reincorporation will NOT result in any change in the name, business, management, fiscal year, assets or liabilities, or location of the principal facilities of the Company. The current directors and officers of the Company will become the directors and officers of New Planet. All employee benefits and stock options of the Company will be assumed and continued by New Planet, and each option or right to purchase shares of the Company Common Stock will automatically be converted into an option or right to purchase the same number of shares of New Planet Common Stock at the same price per share, upon the same terms, and subject to the same conditions. Other employee benefit arrangements of the Company will also be continued by New Planet upon the terms and subject to the conditions currently in effect. As noted above, after the merger the shares of New Planet Common Stock will continue to be quoted without interruption on the OTC Board under the same symbol PLNT. The Company believes that the Reincorporation will not affect any of its material contracts with any third parties and that the Company's rights and obligations under such material contractual arrangements will continue and be assumed by New Planet.

Although in some circumstances California law provides shareholders with the right to dissent from certain corporate reorganizations and receive cash for their shares, **California does not permit dissenter's rights in connection with the proposed reincorporation.**

ANTI-TAKEOVER IMPLICATIONS

Delaware, like many other states, permits a corporation to adopt a number of measures through the amendment of the corporate charter or bylaws which are designed to reduce a corporation's vulnerability to unsolicited takeover attempts. It should be noted, however, the reincorporation was NOT proposed to prevent such a change in control, and the Board is not aware of any present attempt to acquire control of the Company, or to obtain representation on the Board.

Certain differences between California and Delaware law, which would be effective upon consummation of the reincorporation merger without further action of our Board or shareholders, could have a bearing on unapproved takeover attempts. Section 203 of the DGCL, which New Planet does not intend to opt out of, restricts certain business combinations with interested shareholders for three years following the date that a person becomes an interested shareholder, unless the Board approves the business combination. For a discussion of the differences between the laws of California and Delaware that may affect the shareholders see Significant Differences Between the Corporation Laws of California and Delaware discussed below.

The Board believes that unsolicited takeover attempts may be unfair or disadvantageous to the Company, to New Planet, and to the owners of their securities because, among other reasons, a non-negotiated takeover bid: (i) may be timed to take advantage of temporarily depressed share prices; (ii) may be designed to foreclose or minimize the possibility of more favorable competing bids or alternative transactions; and (iii) may involve the acquisition of only a controlling interest in the corporation's shares, without affording all shareholders the opportunity to receive the same economic benefits.

By contrast, in a transaction in which a potential acquiror must negotiate with an independent board of directors, the board can and should take account of the underlying and long-term values of the corporation's business, technology, and other assets, the possibilities for alternative transactions on more favorable terms, possible advantages from a tax-free reorganization, anticipated favorable developments in the corporation's business not yet reflected in the share price, and equality of treatment of all shareholders.

Despite the belief of the Board as to the benefits to shareholders of the reincorporation merger, it may be disadvantageous to the extent that it has the effect of discouraging a future takeover attempt which is not approved by New Planet's board of directors, but

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which a majority of the shareholders may deem to be in their best interests or in which shareholders may receive a substantial premium for their shares over the then current market value or over their cost bases in such shares. As a result, shareholders who might wish to participate in an unsolicited tender offer may not have an opportunity to do so. In addition, to the extent that provisions of Delaware law enable the board of directors to resist a takeover or a change in control of New Planet, such provisions could make it more difficult to change New Planet's existing board of directors and management.

COMPARISON OF THE CHARTERS AND BYLAWS OF THE COMPANY AND NEW PLANET

There are significant similarities between the Delaware Certificate and the Company's current amended and restated articles of incorporation (the California Articles). For example neither the Delaware Certificate nor the California Articles provide for a classified Board of Directors.

We have also provided that the Delaware Certificate and Delaware Bylaws contain certain provisions that will enable shareholders of New Planet to have rights similar to those that are automatically applicable to the Company but that are not required by Delaware law. Specifically, under California law holders of ten percent of the Company's shares have the right to call special meetings of shareholders; the Delaware Bylaws would provide shareholders of New Planet the same right. In addition, under California law, shareholders have the right to take action in lieu of a meeting by unanimous written consent; shareholders of New Planet will have the same right because the Delaware Certificate does not preclude shareholders from acting by written consent.

The following discussion is a summary of the material differences between the California Articles and bylaws (California Bylaws) of the Company and the Delaware Certificate and Delaware Bylaws. All statements herein are qualified in their entirety by reference to the respective corporation laws of California and Delaware and the full text of the California Articles and California Bylaws and the Delaware Certificate and Delaware Bylaws. Approval by our shareholders of the reincorporation merger will automatically result in the adoption of all the provisions set forth in the Delaware Certificate and the Delaware Bylaws. A copy of the Delaware Certificate is attached hereto as Appendix D and a copy of the Delaware Bylaws is attached hereto as Exhibit D. The California Articles and California Bylaws are on file with the SEC and are available from the Company upon request.

Cumulative Voting.

Cumulative voting entitles a shareholder to cast as many votes as there are directors to be elected, multiplied by the number of shares registered in such shareholder's name. The shareholder may cast all of such votes for a single nominee or may distribute them among any two or more nominees. Under California law, shareholders of the corporation have the right to cumulative voting unless the corporation has outstanding shares listed on the New York Stock Exchange or the American Stock Exchange, or has outstanding securities qualified for trading on the NASDAQ national market and the corporation opts out of cumulative voting. Shareholders of the Company currently have the right to cumulative voting.

Under Delaware law, cumulative voting in the election of directors is not permitted unless specifically provided for in a Company's charter or bylaws. The Delaware Certificate will not provide the cumulative voting. Therefore, shareholders would not have the right to cumulative voting if the reincorporation proposal is approved.

Filling Vacancies on the Board of Directors

Under California law, any vacancy on the Board other than one created by removal of a director may be filled by the Board. If the number of directors is less than a quorum, a vacancy may be filled by the unanimous written consent of the directors then in office, by the affirmative vote of a majority of the directors at a meeting held pursuant to notice or waivers of notice or by a sole remaining director. A vacancy created by removal of a director may be filled by the Board only if so authorized by a corporation's articles of incorporation or by a bylaw provision approved by the corporation's shareholders. Neither the California Articles nor the California Bylaws permit directors to fill vacancies created by the removal of a director, except under certain limited circumstances.

Under Delaware law, vacancies and newly created directorships may be filled by a majority of directors then in office, even if less than a quorum, or by a sole remaining director, unless otherwise provided in a corporation's Certificate of Incorporation or Bylaws (or unless the Certificate of Incorporation directs that a particular class of stock is to elect such director(s), in which case a majority of the directors elected by such class, or a sole remaining director so elected, shall fill such vacancy or newly created directorship). The Delaware Bylaws provide that any vacancy,

including any vacancy created by the removal of a director by the shareholders of New Planet, may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

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Monetary Liability of Directors.

The California Articles and the Delaware Certificate both provide for the elimination of personal monetary liability of directors to the fullest extent permissible under the law of the respective states. The provision eliminating monetary liability of directors set forth in the Delaware Certificate is potentially more expansive than the corresponding provision in the California Articles due to differences between California and Delaware law. For a more detailed explanation of the foregoing, see *Significant Differences Between the Corporation Laws of California and Delaware Limitation of Liability and Indemnification*, below.

Indemnification.

The Delaware Certificate permits New Planet to indemnify its officers and directors to the fullest extent permitted under Delaware law. The Delaware Bylaws require New Planet to indemnify and hold harmless each person who was or is a party, or threatened to be made a party, or is involved in any proceeding by reason of the fact that he or she is or was, or has agreed to become, a director, officer, employee or agent of New Planet, or is or was serving at the request of New Planet as a director, officer, or employee, or in a similar capacity with another entity, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses, (including attorney's fees), judgments, fines and amounts paid in settlement reasonably incurred and suffered by or for him or her in connection with such proceeding or in any related appeal, provided that if the proceeding was initiated by the indemnified person, such proceeding must be authorized by the board of directors of the corporation.

Expenses incurred by an officer or director in defending an action may be paid in advance, under Delaware law, if such director or officer undertakes to repay such amounts if it is ultimately determined that he or she is not entitled to indemnification. In addition, Delaware law authorizes a corporation to purchase indemnity insurance for the benefit of its officers, directors, employees and agents whether or not the corporation would have the power to indemnify against the liability covered by the policy.

The California Articles authorized the Company to provide indemnification of agents for breach of duty to the Company and its shareholders and the California Bylaws require the Company to indemnify its directors to the fullest extent not prohibited under California law. In addition, the California Bylaws allow the Company to indemnify its officers, employees and agents pursuant to California law.

For a further discussion of indemnification see the paragraph below entitled *Significant Differences Between the Corporation Laws of California and Delaware Indemnification and Limitation of Liability*.

Bylaw Amendments.

Under California law, the Bylaws may be amended by either the affirmative vote of the majority of the outstanding shares entitled to vote, or subject to certain limitations, by approval of the Board. The California Articles, as permitted under California Corporations Code Section 211, provide that the Board of Directors shall have the power to adopt, amend, alter or repeal the Bylaws, other than a Bylaw changing the maximum or minimum number of directors or changing whether the Board is fixed or variable, which may only be adopted by the affirmative vote of the holders of at least a majority of the votes entitled to be cast in any annual election of directors.

The Delaware Certificate provides that the Bylaws may be adopted, repealed, altered or amended by either the affirmative vote of the holders of at least a majority of the votes entitled to be cast in any annual election of directors or by approval of the Board.

SIGNIFICANT DIFFERENCES BETWEEN THE CORPORATION LAWS OF CALIFORNIA AND DELAWARE

The following provides a summary of major substantive differences between the Corporation Laws of California and Delaware. It is not an exhaustive description of all differences between the two states' laws.

Shareholder Approval of Certain Business Combinations

Delaware. Under Section 203 of the Delaware General Corporation Law, a Delaware corporation is prohibited from engaging in a business combination with an interested stockholder for three years following the date that such person or entity becomes an interested stockholder. With certain exceptions, an interested stockholder is a person or entity who or which owns, individually or with or through certain other persons or entities, 15% or more of the corporation's outstanding voting shares (including any rights to acquire shares pursuant to an option, warrant, agreement, arrangement, or understanding, or upon the exercise of conversion or

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exchange rights, and shares with respect to which the person or entity has voting rights only). The three-year moratorium imposed by Section 203 on business combinations does not apply if (i) prior to the date on which such stockholder becomes an interested stockholder the board of directors of the subject corporation approves either the business combination or the transaction that resulted in the person or entity becoming an interested stockholder; (ii) upon consummation of the transaction that made him or her an interested stockholder, the interested stockholder owns at least 85% of the corporation's voting shares outstanding at the time the transaction commenced (excluding from the 85% calculation shares owned by directors who are also officers of the subject corporation and shares held by employee stock plans that do not give employee participants the right to decide confidentially whether to accept a tender or exchange offer); or (iii) on or after the date such person or entity becomes an interested stockholder, the board approves the business combination and it is also approved at a stockholders' meeting by 66 2/3% of the outstanding voting shares not owned by the interested stockholder. Although a Delaware corporation to which Section 203 applies may elect not to be governed by Section 203, the Board intends that New Planet be, and New Planet has elected to be, governed by Section 203.

The Company believes that Section 203 will encourage any potential acquiror to negotiate with New Planet's board of directors. Section 203 also might have the effect of limiting the ability of a potential acquiror to make a two-tiered bid for New Planet in which all stockholders would not be treated equally. Shareholders should note, however, that the application of Section 203 to New Planet will confer upon the board of directors the power to reject a proposed business combination in certain circumstances, even though a potential acquiror may be offering a substantial premium for New Planet's shares over the then-current market price. Section 203 would also discourage certain potential acquirors unwilling to comply with its provisions.

California. California law provides that, in the case of a cash and certain other mergers of a California corporation with another corporation, where the latter corporation or certain of its affiliates own shares having more than 50% but less than 90% of the voting power of that first corporation, the merger must be approved by all of the first corporation's shareholders or the California Commissioner of Corporations must determine after a hearing that the terms and conditions of the merger are fair. This provision of California law may have the effect of making a cash-out merger by a majority shareholder more difficult to accomplish. Although Delaware law does not parallel California law in this respect, under some circumstances Section 203 of the Delaware General Corporation Law does provide protection to stockholders against coercive two-tiered bids for a corporation in which the stockholders are not treated equally.

Classified Board of Directors

A classified board is one on which a certain number, but not all, of the directors are elected on a rotating basis each year.

Delaware. Delaware law permits a corporation to establish a classified board of directors, pursuant to which the directors can be divided into as many as three classes with staggered three-year terms of office, with only one class of directors standing for election each year. New Planet's Certificate of Incorporation and Bylaws do not provide for a classified board.

California. Under California law, certain publicly traded companies may adopt a classified board of directors by adopting amendments to their charter or bylaws, which amendments must be approved by the shareholders. The Company's Articles of Incorporation and Bylaws do not currently provide for a classified board.

Removal of Directors

Delaware. Under Delaware law, any director or the entire board of directors of a corporation that does not have a classified board of directors or cumulative voting may be removed with or without cause with the approval of at least a majority of the outstanding shares entitled to vote at an election of directors. New Planet's Certificate of Incorporation and Bylaws do not provide for a classified board, and, therefore, directors can be removed with or without cause.

California. Under California law, any director or the entire board of directors may be removed with or without cause, with the approval of a majority of the outstanding shares entitled to vote; however, no individual director may be removed (unless the entire board is removed) if the number of votes cast against such removal, or not consenting in writing to such removal, would be sufficient to elect the director under cumulative voting.

Limitation of Liability

California law and Delaware law both permit a corporation to adopt a charter provision eliminating or limiting, with exceptions, the monetary liability of a director to the corporation or its shareholders for breach of the director's duty.

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Delaware. New Planet's Certificate of Incorporation eliminates the liability of directors to the corporation or its stockholders for monetary damages for breach of fiduciary duty as directors to the fullest extent permitted by Delaware law, as that law exists currently and as it may be amended in the future. Under Delaware law, such a provision may not eliminate or limit a director's monetary liability for: (i) breaches of the director's duty of loyalty to the corporation or its stockholders; (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violations of law; (iii) the payment of unlawful dividends or stock repurchases or redemptions; or (iv) transactions in which the director received an improper personal benefit. This provision in New Planet's Certificate of Incorporation also does not eliminate or limit a director's liability for violations of federal law (such as the federal securities laws) and certain state laws (including state securities laws), or affect the availability of non-monetary remedies such as injunctive relief or rescission.

California. California law permits California corporations to include, in their charters, a provision eliminating or limiting the monetary liability of the corporation's directors to the corporation or its shareholders for breaches of their duties as directors, subject to exceptions that are similar but not identical to the exceptions specified by Delaware law. The Company's Articles of Incorporation presently includes a comparable provision under California law. In some circumstances, monetary liability of directors and officers could arise under California law and the Company's Articles of Incorporation and Bylaws that would be eliminated under Delaware law and New Planet's Certificate of Incorporation and Bylaws.

Indemnification

California and Delaware each have laws, similar in some respects but not identical, regarding indemnification by a corporation of its officers, directors, employees, and agents. The Company has indemnification agreements with its officers and directors indemnifying them to the fullest extent not prohibited under California law, and New Planet anticipates, if the Reincorporation is approved, entering into similar agreements with its officers and directors. Although the law in this regard is not certain, shareholders who vote in favor of the Delaware Reincorporation, and thereby approve the new indemnification agreements, may be prevented from challenging the validity of the indemnification agreements in a subsequent court proceeding.

The indemnification and limitation of liability provisions of California law, and not Delaware law, will apply to actions of the directors and officers of the Company made prior to the Reincorporation. Nevertheless, the Board has recognized in considering the Reincorporation that the individual directors have a personal interest in obtaining the application of Delaware law to such indemnity and limitation of liability issues affecting them and the Company. In the event liabilities arise from events occurring after Reincorporation, the application of Delaware law and the New Planet Certificate of Incorporation and Bylaws would result in an additional expense to the Company to the extent that any director or officer is actually indemnified in circumstances where indemnification would not be available under California law and the Company Articles of Incorporation and Bylaws. The Board believes, however, that the overall effect of the Reincorporation is to provide a corporate legal environment that enhances the Company's ability to attract and retain high quality outside directors and thus benefits the interests of the Company and its shareholders.

For a discussion of the indemnification provisions in California's Articles and California Bylaws and New Planet's Certificate of Incorporation and Bylaws, see the paragraph above entitled "The Charter and Bylaws of the Company and New Planet - Indemnification."

There is no pending or, to the Company's knowledge, threatened litigation to which any of its directors is a party in which the rights of the Company or its shareholders would be affected if the Company currently were subject to the provisions of Delaware law rather than California law and the Company indemnification agreements.

Delaware. Delaware law generally permits the indemnification of expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in the defense or settlement of a direct, derivative, or third-party action, provided there is a determination by a majority vote of a disinterested quorum of the directors or a committee of the board, by independent legal counsel, or by the stockholders, that the person seeking indemnification acted in good faith and in a manner he or she reasonably believed to be in (or not opposed to) the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe the conduct was unlawful. Without court approval, however, no indemnification may be made in respect of any action by the corporation, including any derivative action, in which the person was adjudged liable.

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Delaware law requires indemnification of reasonable defense expenses incurred by a director or officer, in any such proceeding, to the extent the director or officer was successful in the defense of the proceeding. Expenses incurred by an officer or director in defending an action may be advanced before the conclusion of a proceeding, under Delaware law, if the individual undertakes to repay such amounts if it ultimately is determined that he or she is not entitled to indemnification. In addition, Delaware law authorizes a corporation to purchase insurance for the benefit of its officers and directors whether or not the corporation would have the power to indemnify against the liability covered by the policy but subject to limits imposed by insurance law.

California. California law permits a California corporation to indemnify any director, officer, employee, or agent of the corporation for expenses, monetary damages, fines, and settlement amounts to the extent, as determined by a majority vote of a disinterested quorum of directors, independent legal counsel, disinterested shareholders, or the court in which the proceeding is pending, that the individual acted in good faith and in a manner he or she believed to be in the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe the conduct was unlawful. California law does not permit indemnification if the person is held liable to the corporation, including in a derivative action, except to the extent that an appropriate court concludes that despite the adjudication of liability but in view of all the circumstances, the person is fairly and reasonably entitled to indemnification for those expenses that the court deems proper.

California law requires indemnification of reasonable defense expenses incurred by a director, officer, employee or agent, in any such proceeding, to the extent the director, officer, employee or agent was successful in the defense of the proceeding. Expenses incurred by an officer, director, employee or agent in defending an action may be advanced before the conclusion of a proceeding, under California law, if the individual undertakes to repay such amounts if it ultimately is determined that he or she is not entitled to indemnification. In addition, California law authorizes a corporation to purchase insurance for the benefit of its officers, directors, employees, and agents whether or not the corporation would have the power to indemnify against the liability covered by the policy but subject to limits imposed by insurance law.

Inspection of Shareholder List and Books and Records

Both California and Delaware law allow any shareholder to inspect the shareholder list for a purpose reasonably related to such person's interest as a shareholder. California law provides, in addition, for an absolute right to inspect and copy the corporation's shareholder list by persons holding an aggregate of 5% or more of the corporation's voting shares, or shareholders holding an aggregate of 1% or more of such shares who have filed a Schedule 14A with the SEC. Finally, California law permits any shareholder, on written demand to the corporation, to inspect the corporation's accounting books and records and minutes of proceedings of the shareholders and Board and committees of the Board for any purpose reasonably related to the shareholder's interest as such. Delaware law also permits any stockholder of record, upon compliance with procedures specified in the Delaware General Corporation Law, to inspect a list of stockholders entitled to vote at a meeting and the corporation's other books and records for any proper purpose reasonably related to such person's interest as a stockholder. However, Delaware law contains no provision comparable to the absolute right of inspection provided by California law to certain shareholders.

Dividends and Repurchases of Shares

California law dispenses with the concepts of par value of shares as well as statutory definitions of capital, surplus, and the like. The concepts of par value, capital, and surplus exist under Delaware law. The Company has never paid a cash dividend, and New Planet does not anticipate paying cash dividends in the immediate future.

Delaware. Delaware law permits a corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding shares of all classes having a preference upon the distribution of assets. In addition, Delaware law generally provides that a corporation may redeem or repurchase its shares only if the capital of the corporation is not impaired and such redemption or repurchase would not impair the capital of the corporation.

California. Under California law, a corporation may not make any distribution to its shareholders unless either: (i) the corporation's retained earnings immediately prior to the proposed distribution equal or exceed the amount of the

proposed distribution, or (ii) immediately after giving effect to such distribution, the corporation's assets (exclusive of goodwill, capitalized research and development expenses, and deferred charges) would be at least equal to 125% of its liabilities (not including deferred taxes, deferred income, and other deferred credits), and the corporation's current assets would be at least equal to its current liabilities (or 125% of its current liabilities if the average pre-tax and pre-interest expense earnings for the preceding two fiscal years were less than the average interest expense for such years). Such tests are applied to California corporations on a consolidated basis.

Table of Contents*Shareholder Voting*

Amendment of Charter Documents. Under California and Delaware law, the provisions of a corporation's charter document may be amended by the affirmative vote of the holders of a simple majority of the outstanding shares entitled to vote on such an amendment. California law permits the board of directors to amend the corporation's articles of incorporation after shares have been issued without a vote of shareholders in certain circumstances, including to adopt an amendment effecting a stock split where a corporation has only one class of shares. Delaware law contains no comparable provision.

Statutory Mergers. Delaware law does not require the vote of the stockholders of a Delaware parent corporation whose subsidiary is involved in a merger with another corporation unless the parent corporation itself is a constituent corporation in the merger. Under California law, the vote of the shareholders of a California parent corporation is required in certain circumstances when the California corporation's subsidiary merges with another corporation. Those circumstances include the situation in which shares of the California parent corporation are issued to the shareholders of the acquired company and the shareholders of the California parent corporation immediately prior to the merger own less than 83.3% of the California parent corporation's shares immediately following the merger.

Both California and Delaware law generally require that the holders of a majority of the shares of the constituent corporations in a statutory merger approve the merger. However, Delaware law does not require a vote of stockholders of the surviving corporation in a merger (unless the corporation provides otherwise in its certificate of incorporation) if (i) the merger agreement does not amend the corporation's existing certificate of incorporation; (ii) each share of the surviving corporation outstanding immediately before the effective date of the merger is an identical outstanding share after the merger; and (iii) either no shares of common stock of the surviving corporation and no shares, securities, or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or shares of common stock of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities, or obligations to be issued or delivered under such plan do not exceed 20% of the shares of common stock of such corporation outstanding immediately prior to the effective date of the merger. California law contains a similar exception to its voting requirements for reorganizations where shareholders or the corporation itself, or both, immediately prior to the reorganization will own immediately after the reorganization equity securities constituting more than 83.3% of the voting power of the surviving or acquiring corporation or its parent entity.

Action by Written Consent

Delaware. Under Delaware law, and unless otherwise provided in a Delaware corporation's certificate of incorporation, any action that may be taken at a stockholders' meeting may be taken without a meeting if a written consent, setting forth the action so taken, is signed by the holders of outstanding stock having sufficient votes to take such action at a meeting at which all shares entitled to vote on such action were present and voting. New Planet's Certificate of Incorporation does not contain any provision limiting the ability of stockholders to take action by written consent.

California. Under California law, and unless otherwise provided in a California corporation's articles of incorporation, any action that may be taken at a shareholders' meeting may be taken without a meeting if a written consent, setting forth the action so taken, is signed by the holders of outstanding shares having sufficient votes to take such action at a meeting at which all shares entitled to vote on such action were present and voting. California's Articles do not contain any provision limiting the ability of shareholders to take action by written consent.

Appraisal Rights

Under both California and Delaware law, a shareholder of a corporation participating in certain major corporate transactions may, under varying circumstances, be entitled to appraisal rights, pursuant to which such shareholder may receive cash in the amount of the fair market value of his, her or its shares in lieu of the consideration he, she or it would otherwise receive in the transaction.

Delaware. Under Delaware law, such fair market value is determined exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, and such appraisal rights are not available: (i) with respect to the sale, lease, or exchange of all or substantially all of the assets of a corporation; (ii) with respect to a merger or consolidation by a corporation the shares of which are either listed on a national securities exchange or

are held of record by more than 2,000 holders if such stockholders receive only shares of the surviving corporation or shares of any other corporation that are either listed on a national securities exchange or held of record by more than 2,000 holders, plus cash in lieu of fractional shares of such corporations; or (iii) to stockholders of a corporation surviving a merger if no vote of the stockholders of the surviving corporation is required to approve the merger under Delaware law.

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California. The limitations on the availability of appraisal rights under California law are different from those under Delaware law. Shareholders of a California corporation whose shares are listed on a national securities exchange generally do not have such appraisal rights unless the holders of at least 5% of the class of outstanding shares claim the right, or transfer of such shares is restricted by the corporation or any law or regulation. Appraisal rights are also unavailable if the shareholders of a corporation or the corporation itself, or both, immediately prior to the reorganization will own immediately after the reorganization equity securities constituting more than 83.3% of the voting power of the surviving or acquiring corporation or its parent entity. California law generally affords appraisal rights in sale of assets reorganizations. Under California dissenters' law, fair market value is measured as of the day before the first announcement of the terms of a merger, excluding any appreciation or depreciation in stock value as a result of the proposed action.

Fairness Opinion Requirement

California law provides that, except in certain circumstances, when a tender offer or a proposal for a reorganization or for a sale of assets is made by an interested party (generally a controlling or managing party of the target corporation), an affirmative opinion in writing as to the fairness of the consideration to be paid to the shareholders must be delivered to the shareholders. This fairness opinion requirement does not apply to a corporation that does not have shares held of record by at least 100 persons, or to a transaction that has been qualified under selected provisions of California state securities laws. Furthermore, if a tender of shares or vote is sought pursuant to an interested party's proposal and a later proposal is made by another party at least ten days prior to the date of acceptance of the interested party proposal, the shareholders must be informed of the later offer and be afforded a reasonable opportunity to withdraw any vote, consent, or proxy, or to withdraw any tendered shares. Delaware law has no comparable provision.

Dissolution

Delaware. Under Delaware law, unless the board of directors approves the proposal to dissolve, the dissolution must be unanimously approved by all the stockholders entitled to vote thereon. Only if the dissolution is initially approved by the board of directors may the dissolution be approved by a simple majority of the outstanding shares of the corporation's stock entitled to vote. In the event of such a board-initiated dissolution, Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority (greater than a simple majority) voting requirement in connection with dissolutions. New Planet's Certificate of Incorporation contains no such supermajority voting requirement.

California. Under California law, shareholders holding 50% or more of the total voting power of the corporation may elect to require a corporation's dissolution, with or without the approval of the corporation's board of directors, and this right may not be modified by the articles of incorporation. In any demand for voluntary dissolution by only 50% of the voting power of a California corporation, the Company or, if the Company does not elect to purchase, the shareholders not voting for dissolution of the corporation may avoid the dissolution of the corporation by purchasing for cash at fair value the shares owned by the parties initiating the dissolution proceeding. In addition, California law provides that 50% or more of the directors in office or shareholders holding 33 1/3% or more of the total outstanding shares may file a complaint in Superior Court for involuntary dissolution on any one or more of the grounds specified under California law.

Interested Director Transactions

Under both California and Delaware law, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable simply because of such interest, provided that certain conditions are met, such as obtaining required disinterested board approval, fulfilling the requirements of good faith and full disclosure, or proving the fairness of the transaction. With minor exceptions, the conditions are similar under California and Delaware law.

Loans to Officers and Employees

Delaware. Under Delaware law, a Delaware corporation may make loans to, guarantee the obligations of, or otherwise assist its officers or other employees and those of its subsidiaries (including directors who are also officers or employees) when such action, in the judgment of the directors, may reasonably be expected to benefit the corporation.

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California. Under California law, any loan or guaranty to or for the benefit of a director or officer of the corporation or its parent requires approval of the corporation's shareholders unless an employee benefit plan authorizing the loan or guaranty was approved by shareholders owning a majority of the outstanding shares of the corporation. However, under California law, shareholders of any corporation with 100 or more shareholders of record may approve a bylaw authorizing the board of directors alone to approve loans or guaranties to or on behalf of officers (whether or not such officers are directors) if the board of directors determines that any such loan or guaranty may reasonably be expected to benefit the corporation. The Company's Bylaws include such a provision. The Company's Bylaws authorize loans to officers and directors in accordance with California law.

Both the Company and New Planet (assuming the Reincorporation is consummated) are prohibited from making loans to their respective officers and directors pursuant to Section 402 of the Sarbanes-Oxley Act of 2002.

Shareholder Derivative Suits

Delaware. Under Delaware law, a stockholder may bring a derivative action on behalf of the corporation only if the stockholder was a stockholder of the corporation at the time of the transaction in question or if his, her or its stock thereafter devolved upon him, her or it by operation of law. Delaware does not have a bonding requirement.

California. California law provides that a shareholder bringing a derivative action on behalf of a corporation need not have been a shareholder at the time of the transaction in question, provided that certain tests are met. California law also provides that the corporation or the defendant in a derivative suit may make a motion to the court for an order requiring the plaintiff shareholder to furnish a security bond.

Accounting Treatment of the Reincorporation Merger

The reincorporation merger would be accounted for as a reverse merger whereby, for accounting purposes, the Company would be considered the acquirer and the surviving corporation would be treated as the successor to the historical operations of the Company. Accordingly, the historical financial statements of the Company, which the Company previously reported to the SEC on Forms 10-K and 10-Q, among other forms, as of and for all periods through the date of this proxy statement, would be treated as the financial statements of the surviving corporation.

Regulatory Approval

To the Company's knowledge, the only required regulatory or governmental approval or filings necessary in connection with the consummation of the reincorporation merger would be the filing of articles of merger with the Secretary of State of California and the filing of a certificate of merger with the Secretary of State of the State of Delaware.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of certain United States federal income tax considerations that may be relevant to the Company's shareholders who receive shares of New Planet Common Stock in exchange for their shares of the Company Common Stock as a result of the Reincorporation. The discussion addresses only the specific United States federal income tax consequences set forth below and does not address any other federal, state, local or foreign income, estate, gift, transfer, sales, use, or other tax consequences that may result from the Reincorporation or any other transaction, including any transaction undertaken in connection with the Reincorporation. The discussion does not address all of the tax consequences of the Reincorporation that may be relevant to particular shareholders of the Company, such as dealers in securities, or those shareholders who acquired their shares upon the exercise of options, nor does it address the tax consequences to holders of options or other rights to acquire shares of the Company Common Stock. **IN VIEW OF THE VARYING NATURE OF SUCH TAX CONSEQUENCES, EACH SHAREHOLDER IS URGED TO CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE REINCORPORATION, INCLUDING THE APPLICABILITY OF FEDERAL, STATE, LOCAL, AND FOREIGN TAX LAWS.**

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Subject to the limitations, qualifications, and exceptions described herein, and assuming the Reincorporation qualifies as a reorganization within the meaning of Section 368(a) of the Code, the following tax consequences generally will result:

(a) No gain or loss will be recognized by holders of the Company Common Stock upon receipt of New Planet Common Stock pursuant to the Reincorporation;

(b) The aggregate tax basis of the New Planet Common Stock received by each shareholder in the Reincorporation will be equal to the aggregate tax basis of the Company Common Stock surrendered in exchange therefor; and

(c) The holding period of the New Planet Common Stock received by each shareholder of the Company will include the period for which such shareholder held the Company Common Stock surrendered in exchange therefor, provided that the Company Common Stock was held by the shareholder as a capital asset at the time of the Reincorporation.

The Company has not requested a ruling from the Internal Revenue Service, nor an opinion from its outside legal counsel, with respect to the federal income tax consequences of the Reincorporation under the Code. In any case, such an opinion would neither bind the IRS nor preclude it from asserting a contrary position.

State, local, or foreign income tax consequences to shareholders may vary from the federal tax consequences described above.

The Company should not recognize gain or loss for federal income tax purposes as a result of the Reincorporation, and New Planet should succeed, without adjustment, to the federal income tax attributes of the Company.

SECURITIES ACT CONSEQUENCES

The shares of the New Planet common stock to be issued in exchange for shares of the Company common stock are not being registered under the Securities Act of 1933. In that regard, New Planet is relying on Rule 145(a)(2) under the Securities Act, which provides that a merger which has as its sole purpose a change in the domicile of a corporation does not involve the sale of securities for purposes of the Securities Act of 1933, and on interpretations of that rule by the SEC, which indicate that the making of certain changes in the Company's Articles of Incorporation which could otherwise be made only with the approval of the shareholders of either corporation does not render Rule 145(a)(2) inapplicable.

After the Reincorporation, New Planet will continue to file periodic reports and other documents with the SEC and provide to its stockholders the same type of information that the Company has previously filed and provided. Stockholders holding restricted shares of the Company common stock will have shares of New Planet common stock that are subject to the same restrictions on transfer as those to which their present shares are subject, and their stock certificates, if surrendered for replacement certificates representing shares of New Planet common stock, will bear the same restrictive legend as appears on their present stock certificates. For purposes of computing compliance with the holding period requirement of Rule 144 under the Securities Act of 1933, stockholders will be deemed to have acquired their shares of New Planet common stock on the date full payment of the purchase price was made for the shares of the Company common stock. In summary, New Planet and its stockholders will be in the same respective positions under Rule 144 after the merger as were the Company and its shareholders prior to the merger.

INTEREST OF CERTAIN PERSONS IN, OR IN OPPOSITION TO, MATTERS TO BE ACTED UPON

As the Company anticipates that the officers and directors of New Planet (who are currently the officers and directors of the Company) will enter into new indemnification agreements, they may be deemed to have a personal interest in the Delaware Reincorporation. Other than as set forth in the preceding sentence, no person who has been a director or officer of the Company at any time since the beginning of the last fiscal year, nominee for election as a director of the Company, nor associate of the foregoing persons has any substantial interest, direct or indirect, in the Company's change of state of incorporation that differs from that of other shareholders of the Company. No director of the Company opposed the Delaware Reincorporation.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL ONE.

PROPOSAL 2

ELECTION OF DIRECTORS

There are seven (7) nominees for the seven Board positions presently authorized by the Company's current Bylaws. Each director to be elected will hold office until the next Annual Meeting of Shareholders and until his/her successor

is elected and has qualified, or until such director's earlier death, resignation or removal.

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Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose. Each person nominated for election has agreed to serve if elected and management has no reason to believe that any nominee will be unable to serve.

In any election of directors, the candidates receiving the highest number of affirmative votes cast at the meeting will be elected directors of the Company up to the authorized number of positions on the Board.

Nominees

The names of the nominees and certain information about each person is set forth below:

Name	Age	Principal Occupation
Scott L. Glenn	57	Chairman of the Board of Directors, Business Executive
Eric B. Freedus	57	Director, Attorney
H.M. Busby	68	Director, Private Investor
Michael Trinkle	54	Business Executive
Ellen M. Preston	52	Business Consultant
Edward Steube	63	Director, President and Chief Executive Officer
Michael Walsh	47	Director, Business Executive

All of the nominees are currently Directors of the Company. Directors of the Company are elected annually and there are no agreements with respect to nominating or electing any director in the future.

Scott L. Glenn was elected to the Board and appointed Chairman, President and Chief Executive Officer of Planet in November 2004. Since October 2000 he, or an affiliated entity controlled by him, has been the Manager and a member of Allergy Free, LLC. (Currently AF Partners, LLC, a major shareholder of the Company.) Mr. Glenn is also the Managing Partner of Windamere Venture Partners and its funds, Windamere LLC, Windamere II and Windamere III, LLC, and has been since 1996. Concurrently, he serves as Chairman, President/CEO of Kanisa Pharmaceuticals, Inc. and is a director and founder of GlobalEdge, Inc., Cadence Pharmaceuticals, Oculir, Inc., Somaxon Pharmaceuticals. Previously, from 1988 until 1995, Mr. Glenn served as President/CEO, and then Chairman of Quidel Corporation, a leading point of care diagnostic business. Before serving in those capacities from 1983 through 1988, Mr. Glenn was vice president of development/operations of Quidel. From 1984 to 1992, Mr. Glenn served in numerous management positions, including Division/General Manager at Allergan Pharmaceuticals, Inc. Mr. Glenn has a Bachelor of Science degree in Finance and Accounting from California State University at Fullerton.

Eric B. Freedus was elected to the Board in January 2005. Mr. Freedus has been an attorney in private practice since 1974. Mr. Freedus currently focuses his law practice in the area of special education litigation. Mr. Freedus received his undergraduate degree from the State University of New York at Buffalo in 1971 and his law degree from the University of Toledo in 1974.

H. M. Mac Busby has been a director of the Company since August 1997 when he was elected by the members of the Board of Directors to fill a vacancy on the Board. Mr. Busby was President and Chief Executive Officer and Chief Financial Officer of the Company from February 2003 until November 2004. In May 2003, Mr. Busby was appointed Secretary of the Company. Mr. Busby began his career in 1966 at Wisconsin Centrifugal, Inc. which included the position of Manager of Industrial and Public Relations. Mr. Busby has also served as Vice President of Human Relations and Administration for MCA Financial, Inc., a subsidiary of MCA, Inc. Mr. Busby was Chairman of Sun Protective International and Sun-Gard USA. Mr. Busby earned his B.S. in Business Administration from Indiana University.

Michael A. Trinkle currently serves as President of Conception Technologies, LP, and has held the position since 1993. Mr. Trinkle was also a member of Allergy Free, LLC, and served as its President from August 2001 to March 31, 2004. During the 15 years prior to joining Conception Technologies, LP, Mr. Trinkle was employed by Allergan Pharmaceuticals where he held management positions in the areas of operations, sales, marketing, and quality assurance. Mr. Trinkle was elected to the Board in November 2004.

Ellen M. Preston was a member of Allergy Free, LLC, since October 2000. In addition to being a member of Allergy Free, LLC, since 1998, Ms. Preston has been a business consultant advising medical device companies in the areas of strategic market assessment, business development, brand development and strategy, and communications. From 2000 until 2002, Ms. Preston was a venture partner with Windamere Venture Partners. While with Windamere Venture Partners, Ms. Preston was a founder of Dexcom, Inc., a corporation engaged in the development of an implantable glucose sensor, and founded Miramedica, Inc. a company specializing in computer-aided detection. Ms. Preston served as interim president of Miramedica, Inc., which was sold to Kodak in 2003. From 1997-1998, Ms. Preston was Vice President of Sales and Marketing for Amira Medical, Inc. She held a similar position with Biopsys Medical, Inc. from 1996-1997. Ms. Preston was elected to the Board in November 2004.

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Edward Steube served as Chief Executive Officer and Director of Allergy Control Products since 2002. Prior to Joining ACP, he was a member of executive management of New York Bancorp, and prior to that a Principal in the investment banking division of Kidder Peabody and Co, Inc., a subsidiary of GE Capital. Mr. Steube has a B.A. from Princeton University.

Michael Walsh is the President and Chief Executive Officer of Proprius Pharmaceuticals, Inc. a specialty pharmaceutical company focused on rheumatology and autoimmune diseases. Mr. Walsh served as Executive Chairman at Prometheus Laboratories, a specialty pharmaceutical company, where he previously held the positions of President, Chief Operating Officer, and Chief Executive Officer. Previously, Mr. Walsh was with Quidel Corporation in a number of senior executive roles including Director of Worldwide Marketing and Business Development and Director of European Operations. Mr. Walsh has a B.S. from the University of Notre Dame and an M.B.A. from Pepperdine University.

Board Committees and Meetings

The Board of Directors has an Audit Committee, a Compensation Committee and Nominating Committee. During 2005, The Board of Directors met and approved the following charters and policies: Audit Committee Charter, Compensation Committee Charter, Nominating and Governance Committee Charter, Security Trading Policy and Corporate Ethics and Governance Policy.

During 2006, each Board member attended 75% or more of the aggregate of the meetings of the Board, and of the meetings of the committees on which he or she served, held during the period for which he or she was a member, respectively.

The Audit Committee has reviewed and discussed the audited financial statements with management, and the Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed under Statement on Auditing Standards 61, Communications with Audit Committees. Further the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required in the Independence Standards Board Standard #1 and has discussed with the independent registered public accounting firm their independence. Based on the review of the financial statements and discussions with management and the independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in this annual report. The Audit Committee is comprised of Mike Trinkle and H. M. Busby. Mr. Busby, as former Chief Financial Officer of Planet, serves as the committee's financial expert.

A copy of the Company's Charter of the Audit Committee is available for your review at www.allergycontrol.com.

Nominating and Governance Committee

Nominating and Corporate Governance Committee

The function of the Nominating and Corporate Governance Committee is to assist the Board of Directors by (i) reviewing and recommending changes in certain policies regarding the nomination of directors to the Board for its approval; (ii) identifying individuals qualified to become directors; (iii) evaluating and recommending for the Board's selection nominees to fill positions on the Board; and (iv) recommending changes in the Company's corporate governance policies to the Board for its approval. The Committee's policy is to identify potential nominees based on properly submitted suggestions from any source and has established procedures to do so. In addition, the Board may determine that it requires a director with a particular expertise or qualification and will actively recruit such a candidate. Shareholders wishing to propose a director candidate for nomination must provide timely notice of such nomination in accordance with the Company's By-laws. The Nominating and Corporate Governance Committee held informal discussions during 2006. The current members of the Committee are Michael Trinkle and Scott Glenn. Mr. Glenn is not an independent director. Mr. Trinkle may not be considered an independent director because Mr. Trinkle is the president of Conception Technologies, an affiliate of Mr. Glenn.

A copy of the Company's Charter of the Nominating and Governance Committee is available for your review at www.allergycontrol.com.

Code of Conduct and Ethics

Our Board of Directors has adopted a Code of Ethics that applies to all of our Directors, officers and employees. The Code is available in print, without charge, to any stockholder who requests a copy by writing to us at Planet Technologies, Inc., c/o Allergy Control Products, Inc., 96 Danbury Road, Ridgefield, Connecticut 06877, Attention:

Investor Relations. Each of our Directors, officers, including our Chief Executive Officer, Chief Financial Officer and all of our principal executive officers and employees is

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required to be familiar with the Code of Ethics and to certify compliance annually. There have not been any waivers of the Code of Ethics relating to any of our executive officers or Directors in the past year.

Section 16(a) Beneficial Ownership Reporting

Section 16(a) of the Exchange Act (Section 16(a)) requires the Company s directors and executive officers and persons who own more than ten percent (10%) of a registered class of the company s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors, and greater than ten percent (10%) shareholders are required by SEC regulation to furnish the Company with all copies of Section 16(a) forms they file.

To the Company s knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2006, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) beneficial owners were filed.

ADDITIONAL INFORMATION**Management**

Set forth below is information regarding management of the Company.

Name	Age	Position
Scott L. Glenn	57	Chairman of the Board of Directors, Business Executive
Francesca DiNota	44	Chief Financial Officer, Secretary, Chief Accounting Officer
Edward J. Steube	63	Director, President and Chief Executive Officer

For biographical information of Scott L. Glenn and Edward J. Steube please refer to the section of this proxy listing the nominees for the board of directors of the Company.

From 1998 through early 2005, Francesca DiNota served in various positions, lastly as Vice President and Chief Financial Officer of Optima, Inc., a privately held ophthalmic goods manufacturer and distributor. Prior to that, Ms. DiNota worked as a certified public accountant for Capossela, Cohen, LLC, a regional public accounting firm. Ms. DiNota graduated from Iona College with a BBA in accounting. Ms. DiNota is a certified public accountant qualified in the State of New York and the State of Connecticut.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of the Company's Stock as of March 1, 2007 by: (i) each director and nominee for director; (ii) each of the Executive Officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent (5%) of any class of the Company's Stock, based upon information reported to the Company or publicly available reports filed with the SEC.

Title of Class	Name and Address of Beneficial Owner	Beneficial Ownership	
		Number of Shares (1)	Percentage of Class Owned (2)
Common	Scott L. Glenn (3) 6402 Cardeno Drive La Jolla, CA 92037	1,754,903	44.0%
Common	Michael A. Trinkle (4) 3495 Via Zara Court Fallbrook, CA 92028	61,581	1.5%
Common	Brett Megargel (5) 3912 Alameda Place San Diego, CA 92103	53,063	1.3%
Common	Ellen Preston (4) 1825 Sheridan Avenue San Diego, CA 92103	50,316	1.3%
Common	Edward J. Steube (6) 313 Central Parkway Mt. Vernon, NY 10552	46,250	1.2%
Common	Francesca DiNota (7) 22 Post Gate Road Trumbull, CT 06611	13,490	0.3%
Common	H.M. Busby (8) 3852 Alameda Place San Diego, CA 92103	12,730	0.3%
Common	Eric B. Freedus (9) 1202 Ketner Blvd., Ste. 6000 San Diego, CA 92101	6,861	0.1%
Common	Michael Walsh (10) P.O. Box 3215 Del Mar, CA 92014	4,354	0.1%
Common	All executive officers and directors as a group	2,003,549	50.3%

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Common	Windamere III, LLC (11) 6402 Cardeno Dr. La Jolla, CA 92037	886,000	22.2%
Common	John Dawson Shorehaven Road Southport, CT 06855	600,000	15.1%
Common	Fog City Fund, LLC 2100 Green Street, #102 San Francisco, CA 94123	500,000	12.5%
Common	William and Lisa Barkett 7544 Eads #F La Jolla, CA 92037	308,456	7.7%

(1) This table is based upon information supplied by officers, directors and principal shareholders and Schedules 13D and 13G filed with the Securities and Exchange Commission (the SEC). Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the shareholders named in this table has sole voting and investment

power with respect to the shares indicated as beneficially owned. These amounts include shares granted under the 2000 Stock Option Plan.

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- (2) Percentage ownership is based upon the shares outstanding on February 28, 2007.

- (3) Includes 770,806 shares owned by AF Partners, LLC, which is controlled by Mr. Glenn and 886,000 shares owned by Windamere III, LLC, over which Mr. Glenn shares control (see Note (11) below). Includes 69,576 shares issuable upon exercise of stock options which expire in 2014 and began vesting in 2005, as well as 28,521 shares which expire on August 10, 2015 and began vesting on August 10, 2006.

- (4) Includes 500 shares issuable upon exercise of stock options which expire on November 17, 2014 and 5,208 shares which expire on

January 25,
2015 and began
vesting on
January 25,
2006.

(5) Includes 30,000
shares issuable
upon exercise of
stock options
which expire on
January 25,
2015 and 18,000
shares which
expire on
August 10, 2015
as well as 5,063
shares which
expire on
January 24,
2017 and which
began vesting
on January 24,
2007.

(6) Includes 46,250
shares issuable
upon exercise of
stock options
which expire
August 10, 2015
and began
vesting on
August 10,
2006.

(7) Includes 13,490
shares issuable
upon exercise of
stock options
which expire
August 10, 2015
and began
vesting on
August 10,
2006.

(8) Includes 360
shares issuable
upon exercise of
stock options

which expire in 2011, 500 shares which expire on November 17, 2014 and 5,208 which expire on January 25, 2015 and began vesting on January 25, 2006.

(9) Includes 500 shares issuable upon exercise of stock options which expire on January 18, 2015, and 5,208 shares which expire on January 25, 2015, and which began vesting on January 25, 2006.

(10) Includes 4,354 shares issuable upon exercise of stock options which expire on August 10, 2015, which began vesting on August 10, 2006.

(11) Windamere III, LLC, is under the joint control of Mr. Glenn and St. Paul Traveler s Companies, Inc., its affiliates Split-Rock Partners, LLC, and St. Paul Fire

and Marine
Insurance
Company,
whose business
address is 385
Washington
Street, St. Paul,
Minnesota
55102.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Directors and Executive Officers may be granted options to purchase Common Stock under the Company's 2000 Stock Incentive Plan (Plan). As of August 2006, the Shareholders approved an amendment to the 2000 Incentive Plan to increase the authorized number of shares to 2,000,000 shares.

During 2006, the Board granted stock options to (a) Mr. Freedus, Mr. Busby, Mr. Trinkle, Mr. Walsh and Ms. Preston to purchase 10,000 shares of Planet common stock at an exercise price of \$1.01 per share as compensation for serving as a director, (b) Ms. DiNota to purchase 15,000 shares at an exercise price of \$1.01 for serving as an officer of the company, (c) Mr. Megargel to purchase 18,000 shares at an exercise price of \$3.00 per share as compensation for serving as officer. Directors are reimbursed for reasonable travel expenses incurred in connection with attendance at Board meetings, or any committee meetings, or otherwise in connection with their service as a director.

During 2007, the Board granted stock options to (a) Ms. Preston to purchase 24,000 shares of Planet common stock at an exercise price of \$1.40 per share as compensation as a consultant to the Company, and (b) Mr. Steube to purchase 100,000 shares of Planet common stock at an exercise price of \$1.31 per share as compensation for serving as the President and Chief Executive Officer of the Company.

Under the terms of his contract, Mr. Scott Glenn, the President and CEO of the Company, has foregone a salary in exchange for receipt of stock options until such a time when the Company has the financial resources to compensate him in amounts comparable to CEOs of other similar companies. For the years ended December 31, 2006 and 2005, the stock-based compensation expense related to the options held by Mr. Glenn totaled \$144,433 and \$102,030, respectively.

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The following table sets forth, for the fiscal years ended December 31, 2006, 2005, and 2004 certain compensation awarded or paid to, or earned by the Company's Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus (\$)	Compensation Awards (\$)	Options/SARs (#)	Underlying Payouts (\$)	All Other Compensation (\$)	
Scott Glenn Chairman, Chief Executive Officer	2006	\$ 1,199	\$	\$	\$		\$	\$
	2005	\$ 1,289	\$	\$	\$	99,000(1)	\$	\$
	2004	\$	\$	\$	\$	100,543(2)	\$	\$
Francesca DiNota Chief Financial Officer, Secretary as of 4/18/2006	2006	\$124,846		\$	\$	15,000(3)	\$	\$
	2005	\$ 43,846(4)		\$	\$	35,000(4)	\$	\$
	2004	\$		\$	\$		\$	\$
Edward Steube Chief Executive Officer Subsidiary	2006	\$200,000		\$	\$		\$	\$
	2005	\$ 73,076(4)	\$	\$	\$	120,000(4)	\$	\$
	2004	\$	\$	\$	\$		\$	\$
Bret Megargel Vice-President, Secretary until 4/18/2006	2006	\$ 1,199	\$	\$	\$	18,000(5)	\$	\$
	2005	\$155,135(6)	\$	\$	\$	48,000(6)	\$	\$
	2004	\$	\$	\$	\$		\$	\$

1. Options granted January 25, 2005 for 25,000 shares at an exercise price of \$3.50 as well as options granted on August 10, 2005 for 74,000 shares at an exercise price of \$2.70.

2. Options granted on November 30, 2004, with an exercise price of \$3.50 per share.

3.

Options granted on October 17, 2006 at an exercise price of \$1.01.

4. Compensation from August 11, 2005 through December 31, 2005 and options granted on August 10, 2005, with an exercise price of \$2.70. In addition to the options listed, on April 25, 2007, Mr. Steube was granted option for an additional 100,000 shares at an exercise price of \$1.31 with an expiration date of April 25, 2017.
5. Options granted on January 24, 2006 at an exercise price of \$3.00.
6. Compensation paid to Mr. Megargel as Vice President of Marketing and Business Development and 30,000 options granted January 25, 2005, with an exercise price of \$3.00 and options granted

on August 10,
2005 for 18,000
shares, with an
exercise price of
\$2.70.

Table of Contents**Stock Option Grants and Exercises**

The Company's Executive Officers are eligible for grants of options under the Company's 2000 Stock Incentive Plan (Plan). As of December 31, 2006, there were 1,430,387 available for grant under the Plan.

The following tables set forth information with respect to the stock options issued to Executive Officers for the fiscal year ended December 31, 2006 and information with respect to the number of securities underlying exercised options held by the Executive Officers as of December 31, 2006, and the value of unexercised in-the-money options (i.e., options for which the current market value of the Common Stock underlying such options exceeds the exercise price):

Name	No. of Securities Underlying Options	Percent of Total Options Granted to Employees	Exercise Price (\$/share)	Expiration Date
Francesca DiNota				October 17, 2016
Chief Financial Officer	15,000	18.1%	\$1.01	January 24, 2016
Bret Megargel, Vice President	18,000	21.7%	\$3.00	

Aggregated Option Exercises Last Fiscal Year and Fiscal Year End Option Values

Name	Shares		Number of Securities		Value of Unexercised In-the-Money Options at Fiscal Year	
	Acquired		Underlying Unexercised Options at Fiscal Year End		End (\$)	
	On Exercise(#)	Value Realized	Exercisable	Unexercisable (2)}	Exercisable	Unexercisable (1)
Scott Glenn	-0-	-0-	89,783	109,760	\$	\$
Francesca DiNota	-0-	-0-	12,031	37,969	\$	\$ 14,850
Edward J. Steube	-0-	-0-	41,250	78,750	\$	\$
Bret Megargel	-0-	-0-	48,000	18,000	\$	\$

(1) Calculated based on the estimated fair market value of the Company's Common Stock as of December 31, 2006, less the exercise price payable upon the exercise of such options. Such estimated fair market value as of

December 31,
2006 was \$2.00,
the last
transaction price
posted at the
close of trading
on
December 31,
2006.

DESCRIPTION OF EMPLOYEE BENEFIT PLANS:

2000 Stock Incentive Plan

In 2000, the Company established a stock option plan, the 2000 Stock Option Plan, which provided for 500,000 shares of common stock for issuance. At the time of the merger with Allergy Free in 2004, the Plan was amended to increase the number of shares available to 5,000,000 shares, which were converted to 100,000 shares after the 50:1 reverse stock split. During 2005, the Plan was again amended to increase the number of shares available under the Plan to 350,000. In 2006, the Shareholders approved an increase to the number of shares available under the Plan to 2,000,000. The 2000 Option Plan provides for the discretionary grant of options, stock appreciation rights (SARs), and stock bonuses to employees and directors of and consultants to the Company. Options granted under the 2000 Plan may be either incentive stock options, as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the Code), or non-statutory stock options.

The purpose of the 2000 Stock Option Plan is to attract and retain qualified personnel, to provide additional incentives to employees, officers, directors and consultants of the Company and to promote the success of the Company's business. Under the Plan, Planet may grant or issue incentive stock options and non-statutory stock options to eligible participants, provided that incentive stock options may only be granted to employees of Planet. The 2000 Stock Option Plan also allows shares of common stock to be issued under a Stock Bonus Program through direct and immediate issuances. Similar to stock options granted under the Plan, stock bonus awards may be subjected to a vesting schedule determined by the Board of Directors. Option grants under the Plan are discretionary. Options granted are subject to vesting as determined by the Board, provided that the option vests as to at least 20% of the shares subject to the

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option per year. The maximum term of a stock option is ten years, but if the optionee at the time of grant has voting power over more than 10% of the Company's outstanding capital stock, the maximum term is five years. If an optionee terminates his or her service to Planet, such optionee may exercise only those option shares vested as of the date of termination, and must affect such exercise within the period of time after termination set forth in the optionee's option. The exercise price of incentive stock options granted must be at least equal to the fair market value of the Common Stock of the Company on the date of grant. The exercise price of options granted to an optionee who owns stock possessing more than 10% of the voting power of Planet's outstanding capital stock must equal at least 110% of the fair market value of the common stock on the date of grant. Payment of the exercise price may be made in cash, by delivery of other shares of the Company's common stock or by any other form of legal consideration that may be acceptable to the Board.

401(k) Plan

The Company provides a defined contribution 401(k) savings plan (the "401(k) Plan") in which all full-time employees of the Company are eligible to participate. Eligible employees are permitted to contribute pre-tax salary to the 401(k) Plan subject to IRS limitations. Company contributions to the 401(k) Plan are at the discretion of the Board of Directors. There have been no Company contributions to the 401(k) Plan in 2006 or 2005.

EMPLOYMENT AGREEMENTS AND CHANGES IN CONTROL ARRANGEMENTS

The Company has entered into an employment agreement with the President/CEO and Chairman of the Board of the Company for a three-year period, which expires on November 29, 2007. The contract provides for a salary of \$100 per month (plus healthcare and other benefits) until it is determined by the Board that the Company can afford to pay compensation comparable to CEOs of other similar companies. In exchange for foregoing a salary, the Company granted stock options exercisable at the then fair market value at such time as may be required to maintain the aggregate number of stock options granted to an amount not less than five (5%) percent of the issued and outstanding stock of the Company (on a fully diluted basis) during his three year term of employment. For the years ended December 31, 2006 and 2005, the stock-based compensation expense related to the options held totaled \$144,433 and \$102,030, respectively. Effective April 25, 2007, Mr. Glenn resigned as Chief Executive Officer.

During 2005, the Company entered into an employment agreement with the Subsidiary's President and Chief Executive Officer and director for a four-year period, which expires in 2009. The contract provides for an annual salary of \$200,000 (plus healthcare and other benefits) as well as a discretionary bonus for superior performance for exceeding sales, gross profit and profit plans for the year. The Company also granted stock options to acquire 120,000 shares of the Company's common stock at \$2.70 per share with 25% of the options vesting on August 10, 2006, and the balance at the rate of 1/36th of the balance per month, subject to any acceleration as provided under the Company's 2000 Stock Option Plan. In 2006, Mr. Steube was elected President and Chief Executive Officer of the Company and in April 2007 was granted additional stock options to acquire 100,000 shares of the Company's common stock at an exercise price of \$1.31 with an expiration date of April 25, 2017.

In January 2005, the Company entered into an agreement with the Vice President of Marketing and Business Development, effective February 1, 2005, at an annualized salary of \$96,000. In March 2005, the annual salary was increased to \$192,000 and he was issued 30,000 shares of stock options at \$3.00 with accelerated vesting if certain marketing and development objectives were met by year end. These options became fully vested in December 2005. In December 2005, the compensation was reduced to \$100 per month and he was issued 18,000 additional stock options to purchase the Company's stock at \$2.70. These shares became fully vested during 2006. On January 24, 2006, he was issued 18,000 stock options at \$3.00 under standard vesting as provided by the Company's 2000 Stock Option Plan. Effective July 26, 2007, Mr. Megargel resigned to explore other business opportunities and has been retained as a consultant.

The Company has entered into a Consulting Agreement with Leslie White, Planet's former CFO, pursuant to which she retains the 30,000 options granted to her as Chief Financial Officer plus an hourly rate to be determined.

On April 24, 2007, the Company entered into an employment with the Company's CFO and Secretary, Francesca DiNota, for a term of three years at an annualized salary of \$132,000 and eligibility to earn a discretionary annual performance bonus.

Table of Contents**ITEM. 11 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCK HOLDER MATTERS****Equity Compensation Plan Information**

(Information as of December 31, 2006)

	(a)	(b)	(c)
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a))
Equity compensation plans approved by securityholders	569,613	\$ 2.86	1,430,387(2)
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	569,613	\$ 2.86	1,430,387(2)

(1) There are no equity compensation plans not approved by the Shareholders.

(2) The Company has 1,430,387 securities available for issuance under the 2000 Stock Option Plan

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On November 30, 2004, Planet acquired all of the assets of Allergy Free, LLC, which is the historical business described in this 10-KSB for approximately 1.65 million shares of Planet stock (after giving effect to the reverse stock split), a convertible note of \$274,300, and assumption of debt. The transaction was completed pursuant to an Agreement and Plan of Merger between Planet and Allergy Free, LLC. (Agreement) As a result of the acquisition, Allergy Free's historical financial information is included in the consolidated financial results of Planet. Allergy Free, LLC, was and is controlled by Scott Glenn, who became Planet's Chairman, President and CEO.

Windamere III, LLC acquired 586,000 common stock shares in the Company which increased its holding in the Company to 22.2% of the outstanding shares. Fog City Fund, LLC acquired 500,000 common stock shares in the Company. With this acquisition, Fog City now owns 12.5% of the Company's common stock.

During 2006, Windamere III, LLC loaned the Company \$500,000 for two years at an interest rate of 7%. The uncollateralized notes are payable in the amounts of \$250,000 on June 1, 2008 and \$250,000 on August 7, 2008.
THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE SLATE OF CANDIDATES FOR THE BOARD OF DIRECTORS.

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PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors has selected J. H. Cohn LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007, and has further directed that management submit the selection of independent registered public accounting firm for ratification by the shareholders at the Annual Meeting. J. H. Cohn LLP has audited the Company's financial statements since 2001. Prior to 2001, PricewaterhouseCoopers LLP audited the Company's financial statements since its inception in 1991. Representatives of J. H. Cohn LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Shareholder ratification of the selection of J. H. Cohn LLP as the Company's independent registered public accounting firm is not required by the Company's current Bylaws or otherwise. However, the Board is submitting the selection of J. H. Cohn LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Board in its discretion may direct the appointment of different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

The affirmative vote of the holders of a majority of the shares presented in person or represented by proxy and voting at the Annual Meeting will be required to ratify the selection of J. H. Cohn LLP. For purposes of this vote, abstentions and broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

Audit Fees

For professional services rendered by the independent registered public accounting firm for the audit of the Company's annual financial statements and review of the unaudited financial statements included in the Company's quarterly reports on Form 10-QSB. The aggregate fees billed by the Company's independent registered public accounting firm, J.H. Cohn LLP, for 2006 and 2005 were \$209,882 and \$175,930, respectively.

Audit Related Fees

The aggregate fees billed in 2006 and 2005 by the Company's independent registered public accounting firm for assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of the Company's financial statements are in the amount of \$3,000 and \$8,500, respectively.

Tax Fees

No fees were billed in 2006 and 2005 by the Company's independent registered public accounting firm for tax compliance, tax advice and tax planning.

All Other Fees

No fees were billed in 2006 and 2005 by the Company's independent registered public accounting firm for any other services, other than Audit Fees and Audit Related Fees.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 4. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED FROM SHAREHOLDERS WILL BE VOTED IN FAVOR OF PROPOSAL 3.

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**PROPOSAL 4
OTHER MATTERS**

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

Information attached as Exhibits and incorporated by reference into this Proxy Statement

Exhibit A	Agreement and Plan of Merger	A-1
Exhibit B	Form of Certificate of Incorporation	B-1
Exhibit C	Bylaws of Delaware Corporation	C-1