

Higher One Holdings, Inc.
Form DEF 14A
April 21, 2015

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

SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
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 under §240.14a-12

HIGHER ONE HOLDINGS, INC.
(Name of Registrant as Specified In Its Charter)

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

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- No fee required
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(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

HIGHER ONE HOLDINGS, INC.
115 Munson Street
New Haven, Connecticut 06511

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 3, 2015

To the Stockholders of Higher One Holdings, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders ("Annual Meeting") of Higher One Holdings, Inc., a Delaware corporation (the "Company"), will be held on June 3, 2015 at 9:00 a.m. local time at 115 Munson Street, New Haven, Connecticut for the following purposes:

1. To elect three directors to hold office until the 2018 meeting of stockholders or until their successors are elected;
2. To ratify the selection, by the Audit Committee of the Board of Directors, of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2015;
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only stockholders who owned our common stock at the close of business on April 6, 2015 can vote at this meeting or any adjournments that take place.

Our Board of Directors recommends that you vote FOR the election of director nominees named in Proposal One of the proxy statement; and FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

The Proxy Statement accompanying this Notice provides the date, time and location of the Annual Meeting; the matters to be acted upon at the meeting and the Board of Directors' recommendation with regard to each matter; and information on how to attend the meeting and vote in person.

You are cordially invited to attend the Annual Meeting, but whether or not you expect to attend in person, you are urged to mark, date and sign your proxy card and return it by mail or follow the alternative voting procedures described in the proxy card.

By Order of the Board of Directors

Thomas D. Kavanaugh
Corporate Secretary
April 21, 2015

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Important Notice Regarding Availability of Proxy Materials for the Annual Meeting to be held on June 3, 2015: You may go to <http://www.proxyvote.com> to vote your shares and the Proxy Statement and the 2014 Annual Report to Shareholders are also available at <http://ir.higherone.com/>

HIGHER ONE HOLDINGS, INC.
115 Munson Street
New Haven, Connecticut 06511

PROXY STATEMENT
FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS
June 3, 2015

The Board of Directors of Higher One Holdings, Inc. is soliciting your proxy to vote at the Annual Meeting of Stockholders to be held on June 3, 2015 at 9:00 a.m., local time, and any adjournment or postponement of that meeting (the "Annual Meeting"). The Annual Meeting will be held at 115 Munson Street, New Haven, Connecticut. We intend to mail the Notice of Internet Availability of Proxy Materials and make this proxy statement and accompanying materials first available on or about April 21, 2015 to stockholders of record as of April 6, 2015 (the "Record Date"). The only voting securities of the Company are shares of common stock, \$0.001 par value per share (the "common stock"), of which there were 47,831,813 shares outstanding as of the Record Date. We need the holders of a majority in voting power of the shares of common stock issued and outstanding and entitled to vote present in person or represented by proxy to hold the Annual Meeting.

In this proxy statement, we refer to Higher One Holdings, Inc. as the "Company," "Higher One," "we" or "us" and the Board of Directors as the "Board." When we refer to the Company's fiscal year, we mean the twelve-month period ending December 31 of the stated year.

The Company's annual report on Form 10-K for fiscal year 2014, which contains consolidated financial statements for fiscal 2014 accompany this proxy statement and are also available in the "Investor Relations" section of our website at <http://ir.higherone.com/>. You also may obtain a copy of the Company's annual report on Form 10-K for fiscal year 2014 without charge by writing to Investor Relations at the Company's address above.

THE PROXY PROCESS AND STOCKHOLDER VOTING

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 6, 2015 will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 47,831,813 shares of common stock issued and outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If, on April 6, 2015, your shares were registered directly in your name with Higher One's transfer agent, Computershare, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy over the telephone, on the Internet, or, if you received a paper copy of the proxy materials, by mail, as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Agent

If, on April 6, 2015, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials are being

forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy card from your broker or other agent.

What am I being asked to vote on?

You are being asked to vote

FOR:

The election of three Class II directors to hold office until our 2018 annual meeting of stockholders;

The ratification of the selection by the Audit Committee of our Board of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

In addition, you are entitled to vote on any other matters that are properly brought before the Annual Meeting.

How do I vote?

You may vote by mail or follow any alternative voting procedure described on the proxy card. To use an alternative voting procedure, follow the instructions on each proxy card that you receive.

For Proposal One, you may either vote "For" the three nominees, "Withhold All" of the nominees or "For All Except" any nominee you specify. For Proposal Two, you may either vote "For" or "Against" or "Abstain." The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting. Alternatively, you may vote by proxy by mail, over the Internet or by telephone. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. Even if you have submitted a proxy before the Annual Meeting, you may still attend the Annual Meeting and vote in person. In such case, your previously submitted proxy will be disregarded.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote using a proxy card, simply complete, sign and date the proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote by proxy over the Internet, you may go to <http://www.proxyvote.com> to vote your shares. You will be required to provide the control number found on your proxy card.

To vote by telephone, you may vote by proxy by calling the toll free number found on the proxy card.

Beneficial Owner: Shares Registered in the Name of Broker, Bank or Other Agent

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction card and voting instructions with these proxy materials from that organization rather than from us. Simply follow the instructions on the voting instruction card to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker, bank or other agent, or contact your broker, bank or other agent to request a proxy form.

Who counts the votes?

Broadridge Financial Solutions, Inc. ("Broadridge") has been engaged as our independent agent to tabulate stockholder votes. Any executed proxy card will be returned directly to Broadridge for tabulation.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of a majority in voting power of the shares of common stock issued and outstanding and entitled to vote are present in person or represented by proxy at the Annual Meeting. On the Record Date, there were 47,831,813 shares outstanding and entitled to vote. Accordingly, 23,915,907 shares must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote at the Annual Meeting. Abstentions and broker non-votes (so long as the broker votes on one proposal) will be counted towards the quorum requirement. If there is no quorum, either the chairperson of the Annual Meeting or a majority in voting power of the stockholders entitled to vote at the Annual Meeting, present in person or represented by proxy, may adjourn the Annual Meeting to another time or place.

What is a broker non-vote?

Brokers who hold shares for the accounts of their clients may vote such shares either as directed by their clients or in the absence of such direction, in their own discretion if permitted by the stock exchange or other organization of which they are members. Members of the New York Stock Exchange are permitted to vote their clients' proxies in their own discretion as to certain "routine" proposals, such as the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal Two). If a broker votes shares that are not voted by its clients for or against a "routine" proposal, those shares are considered present and entitled to vote at the Annual Meeting. Those shares will be counted towards determining whether or not a quorum is present and will be taken into account in determining the outcome of all of the proposals. Proposal Two is considered a "routine" proposal. However, where a proposal is not "routine," a broker who has received no instructions from its client generally does not have discretion to vote its clients' uninstructed shares on that proposal. When a broker indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular proposal, the missing votes are referred to as "broker non-votes." Those shares would be considered present for purpose of determining whether or not a quorum is present (so long as the broker votes on one proposal), but would not be considered entitled to vote on the proposal. Depending upon the vote required for approval of the "non-routine" proposal, broker non-votes may or are not have an effect on the outcome of the proposals. Proposal One is considered a "non-routine" proposal.

Because brokers cannot vote "uninstructed" shares on behalf of their customers for "non-routine" matters, it is important that stockholders vote their shares.

What vote is required for each proposal and how are votes counted?

For Proposal One, directors will be elected by a plurality of the votes cast, which means that the three nominees receiving the highest number of "For" votes will be elected. Abstentions and broker non-votes will have no effect with regard to Proposal One, because approval of a percentage of shares present or outstanding is not required for this proposal.

To be approved, Proposal Two requires the affirmative vote of the holders of a majority in voting power of the shares of common stock which are present in person or by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an "Against" vote on the proposal.

Broadridge will separately count "For" and "Withhold" votes with respect to Proposal One and "For" and "Against" votes and abstentions with respect to Proposal Two.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 6, 2015.

How do I vote via Internet or telephone?

You may vote by proxy via the Internet by following the instructions provided on the proxy card. You may also vote by proxy by calling the toll free number found on the proxy card. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for eligible stockholders of record will close at 11:59 p.m. Eastern Time on June 2, 2015. The giving of such a telephonic or Internet proxy will not affect your right to vote in person should you decide to attend the Annual Meeting.

The telephone and Internet voting procedures are designed to authenticate stockholders' identities, to allow stockholders to give their voting instructions and to confirm that stockholders' instructions have been recorded properly.

What if I return a proxy card but do not make specific choices?

If we receive a signed and dated proxy card and the proxy card does not specify how your shares are to be voted, your shares will be voted "For" each of the nominees under Proposal One and "For" Proposals Two. If any other matter is properly presented at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, officers and employees may also solicit proxies in person, by telephone or by other means of communication. Directors, officers and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one set of materials?

If you receive more than one set of materials, your shares are registered in more than one name or are registered in different accounts. In order to vote all the shares you own, you must either sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

- You may submit another properly completed proxy with a later date.

- You may send a written notice that you are revoking your proxy to Higher One Holdings, Inc., 115 Munson Street, New Haven, Connecticut 06511, Attention: General Counsel and Secretary.

- You may attend the Annual Meeting and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

If your shares are held by your broker, bank or other agent, you should follow the instructions provided by them.

When are stockholder proposals due for next year's Annual Meeting?

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To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing no later than January 4, 2016 to Higher One Holdings, Inc., 115 Munson Street, New Haven, Connecticut 06511, Attention: General Counsel and Secretary. If you wish to submit a proposal to be voted on at next year's meeting that is not to be included in next year's proxy materials pursuant to the SEC's shareholder proposal procedures or to nominate a director, you must do so between January 5, 2016 and February 3, 2016. You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

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

Voting results will be announced by the filing of a current report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended current report on Form 8-K within four business days of the day the final results are available.

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PROPOSAL ONE

ELECTION OF DIRECTORS

We currently have ten directors. Our Board has determined all of our current directors and nominees (other than Messrs. Lasater, Sheinbaum and Volchek) meet the independence requirements of the New York Stock Exchange and the federal securities laws. Mr. Biddelman is currently chairman of the Board.

Our Board is currently divided into three classes, denominated as classes I, II and III. Members of each class hold office for staggered three-year terms. At each annual meeting of stockholders, successors to the directors in the class whose term expires at that annual meeting are elected for three-year terms. Messrs. Volchek, Robinson and Cromwell serve as class I directors with terms expiring at the annual meeting of stockholders to be held in 2017. Messrs. Hartheimer, Lasater and McFadden serve as class II directors with terms expiring at this Annual Meeting. Messrs. Lasater and McFadden will not be standing for reelection and we are nominating Michael E. Collins and Sheldon Goldfarb for their seats, as indicated below. Mr. Sheinbaum, Mr. Biddelman, Ms. Braunstein and Mr. Anderson serve as class III directors with terms expiring at the annual meeting of stockholders to be held in 2016.

Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three 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 the Board 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. Directors are elected by a plurality of the votes cast at the meeting.

The following table sets forth, for the class II nominees and our other current directors who will continue in office after the Annual Meeting, information with respect to their ages and positions/offices held with the Company:

Name	Age	Title
Paul Biddelman	69	Chairman of the Board of Directors
Marc Sheinbaum	57	President, Chief Executive Officer and Director
Thomas Anderson	52	Director
Samara Braunstein	45	Director
David Cromwell	70	Director
Robert Hartheimer	57	Director
Lowell Robinson	66	Director
Mark Volchek	37	Director
Michael E. Collins	63	Director Nominee
Sheldon Goldfarb	63	Director Nominee

Set forth below is certain biographical information for each of these individuals.

Nominees for Election to a Three-Year Term Expiring at the 2018 Annual Meeting of Stockholders

Robert Hartheimer has been a director of Higher One since his appointment in January 2012. Mr. Hartheimer is the managing member of Hartheimer LLC, based in Washington, D.C., which provides senior-level consulting services to banks, investment firms and financial services companies on financial, regulatory, strategic and governance matters. From 2002 to 2008, Mr. Hartheimer was a Managing Director at Promontory Financial Group, a preeminent regulatory consulting firm. In 1991, Mr. Hartheimer joined the Federal Deposit Insurance Corporation, where he and a small team created the Division of Resolutions to analyze and sell failed banks. He went on to serve as the director of that division. Mr. Hartheimer's other past positions include senior roles at investment banks, including: Merrill Lynch; Smith Barney; and Friedman Billings Ramsey. Mr. Hartheimer has served as a director of three banks or their holding companies in the last twenty years; Sterling Financial Corporation and Sterling Bank; three E*Trade banks; and Merrick Bank. Mr. Hartheimer chaired the Credit and Risk Committee of Sterling Financial Corporation and chaired the Audit Committees for the E*Trade banks and Merrick Bank. Mr. Hartheimer received a bachelor's degree from Hamilton College and a Master of Business Administration from The Wharton School of the University of Pennsylvania. We believe that Mr. Hartheimer should serve on our Board because he brings to it his extensive experience in the financial services industry, the bank regulatory community and investment banking.

Michael E. Collins, a director nominee to our Board, began working at the Federal Reserve Bank of Philadelphia in 1974 as an assistant examiner, rising through the examiner levels, to become Vice President in 1992, Senior Vice President and Lending Officer in 1994, and Executive Vice President in 2009, a role he served in until his retirement from the Federal Reserve Bank in June of 2011. In September of 2011, Mr. Collins joined TD Bank as an Executive Vice President and serviced as President and Chief Executive Officer of its subsidiary, TD USA, from March 2013 to July 2013. From July of 2013 until December 2014, Mr. Collins was the Chairmen of the Board of Advisors of the American Bankers Association's Stonier National Graduate School of Banking, an executive management school for the financial services industry. Mr. Collins earned a bachelor's degree in economics and marketing from Susquehanna University and is a graduate of the Stonier Graduate School of Banking and the University of Virginia, Graduate School of Retail Bank Management. In 2003, he completed the Advanced Management Program at Harvard Business School. We believe Mr. Collins' 35 plus years as a Banking and Finance Executive, including his career at the Federal Reserve Bank, and his extensive knowledge in the fields of international and domestic bank regulation, make him an ideal nominee to serve on our Board.

Sheldon Goldfarb, a director nominee to our Board, was General Counsel of RBS Americas and a member of RBS senior management in the US since 2007. He provided strategic leadership to the management of legal risk and managed an integrated legal function of over 70 lawyers. Prior to that, Mr. Goldfarb was managing director and general counsel of RBS Greenwich Capital, a position he had held since 1994. There he led its Legal, Compliance, Corporate Communications and Government relations functions. Before joining RBS Greenwich Capital, he was vice president and deputy general counsel of Goldman Sachs & Co. and a partner in the law firm of Fulbright & Jaworski (formerly Reavis & McGrath). He began his career in the Division of Enforcement of the Securities and Exchange Commission. Mr. Goldfarb is active in a variety of industry groups and is a frequent speaker at industry-wide conferences. He sat on the Managing Board of The Clearing House Association and was a trustee and member of the Executive Committee of the Institute for International Bankers; is past chairman of the Securities Industry and Financial Markets Association's (SIFMA) General Counsels Committee; and served on the executive committee and as treasurer of SIFMA's Compliance and Legal Division. He is a member of the Board of Trustees of the Binghamton University Foundation, a past president of the SEC Alumni Association and was a member of the Board of Trustees of the SEC Historical Society. He earned his BA from Binghamton University and a JD cum laude from Syracuse

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University College of Law. We believe that Mr. Goldfarb should serve on our Board due to his experience in executive management, strategic leadership, banking and securities regulation and risk management acquired through his service as an executive and general counsel at financial institutions as well as his time with the SEC.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH NOMINEE NAMED ABOVE.

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Directors Continuing in Office until the 2016 Annual Meeting of Stockholders

Marc Sheinbaum has served as a president and chief executive officer of Higher One and a member of our Board since April 16, 2014. Mr. Sheinbaum is an experienced leader and general manager with over 25 years of consumer financial services experience. From 2007 to 2013, Mr. Sheinbaum served as President and CEO of JPMorgan Chase's auto and student loans business, and previously held the position of President and CEO of GE Money Services. Mr. Sheinbaum holds a BS from State University of New York at Albany and an MBA from New York University. We believe that Mr. Sheinbaum should serve on our Board because of his executive management experience and deep insight into the consumer finance industry.

Paul Biddelman has been a director of Higher One since 2002. Mr. Biddelman has been president of Hanseatic Corporation, a private investment company and the manager of our former investor, Hanseatic Americas LDC, since 1997, where he has primary private investment responsibilities. He is also a director of Blue Ridge Real Estate Company and SystemOne Technologies, Inc. Mr. Biddelman has served on numerous boards of both public and private companies. Mr. Biddelman holds a BS from Lehigh University, a JD from Columbia Law School and an MBA from Harvard Business School. We believe that Mr. Biddelman's service on the boards of numerous public companies has provided him with valuable experience and insight into the issues faced by such companies which, together with the deep knowledge of our company derived from his long-standing relationship with us, leads us to believe he should serve on our Board.

Samara Braunstein has been a director of Higher One since 2013. Ms. Braunstein is a strategic marketing consultant, and the founder of HudsonView Group Associates, LLC. Prior to that, she was the Founder and Chief Executive Officer of Wellgate Products, LLC, an over-the-counter consumer healthcare products company with distribution nationwide and in Canada through many of the largest retail chains, from 2003 until 2008, when the business was acquired by a strategic buyer. Previously, she was a Director in Interactive Marketing at America Online, Inc. (then a subsidiary of AOL Time Warner Inc.), and held a variety of consumer marketing roles at Warner-Lambert Company and Revlon, Inc. She has also worked in private equity at Golder, Thoma & Cressey, and began her career in Mergers and Acquisitions at The First Boston Corporation. Ms. Braunstein is a member of the Dean's Advisory Committee and the Honors Alumni Council at the University of Michigan. Ms. Braunstein holds a BA in Economics from the University of Michigan. The Company believes that Ms. Braunstein's entrepreneurial experience, her experience in consumer marketing and media, and her finance background will contribute valuable perspective to the Board.

Thomas N. Anderson has been a director since he was appointed in August 2015. Mr. Anderson is CEO of Exeter Finance Corp. Previously, he was a Partner and Co-Founder of MassBay Capital, LLC from 2010 to 2014. Prior to founding MassBay Capital, LLC, Mr. Anderson served as President and Chief Executive Officer of EducationDynamics and was the President and Chief Executive Officer of Integrity Interactive Corporation. Previously he held executive management positions at the SLM Corporation (formerly Sallie Mae, Inc.), Upromise, Inc., Capital One Financial Corporation and McKinsey & Company. Mr. Anderson holds a bachelor's degree in mathematics from Dartmouth College and an M.B.A. from Sloan School of Management at Massachusetts Institute of Technology. Mr. Anderson also serves on the boards of Constant Contact and Exeter Finance Corp. We believe that Mr. Anderson should serve on our Board due to the experience in executive management and financial services he has acquired through his service as an executive at numerous financial institutions.

Directors Continuing in Office until the 2017 Annual Meeting of Stockholders

Mark Volchek is one of our founders and currently serves as a director on our Board. Mr. Volchek served as our chief executive officer from July 2012 until January 2014 and as our president and chief executive officer from January 2014 until April 2014. Mr. Volchek remained a full-time employee of the Company through May 16, 2014 and thereafter was a part-time employee of the Company through the completion of a transition period which ended on December 31, 2014. From 2002 until May 2012, he served as chairman of our Board, and from 2002 until June 2012, he served as our chief financial officer. From 2000 to 2002, he served as our chief executive officer. Mr. Volchek is a

founding officer of the Yale Entrepreneurial Society, a not-for-profit organization that promotes entrepreneurship among Yale students, faculty and alumni and served on its board from 1999 to 2010. From 2007 until 2014, Mr. Volchek was the chairman of the board of the Tweed New Haven Airport Authority. Other past civic roles have included positions on the New Haven Economic Development Commission and the Regional Growth Partnership strategic planning committee. Mr. Volchek holds a BA and an MA in economics from Yale University. Mr. Volchek, having cofounded and led the company as an executive over the course of the last 14 years, brings institutional knowledge to the Board, especially in regard to our finances and strategy, and therefore should serve on our Board.

David Cromwell has been a director of Higher One since 2001. Mr. Cromwell has been an adjunct professor of entrepreneurship at the Yale School of Management since 1996. Prior to that, he worked for 30 years in various positions at JPMorgan & Company in New York and London. From 2000 to 2009, Mr. Cromwell was chairman of the board and co-founder of CE University, Inc., an online provider of continuing education for insurance professionals. He helped found and serves as a faculty advisor to one of our early investors, Sachem Ventures, a student-run venture capital fund at the Yale School of Management. Mr. Cromwell has served as an advisor to numerous venture-backed and growth companies in Connecticut. Mr. Cromwell holds a BA in Economics from Ohio Wesleyan University and an MBA from New York University, Stern School of Business. We believe that Mr. Cromwell should serve on our Board as he brings to it substantial experience as an advisor to companies such as ours.

Lowell Robinson, a director of Higher One since his election at the 2014 Annual Meeting, served as the chief financial officer and chief operating officer of MIVA, Inc., an online advertising network, from August 2007 through March 2009. He joined MIVA in 2006 as chief financial officer and chief administrative officer. He was chief financial officer and chief administrative officer for HotJobs.com and Advo Inc. and held senior financial positions at Citigroup Inc. and Kraft Foods Inc. In addition, he was special counsel to the president (interim chief financial officer) for NYU/Polytechnic. He also previously served as the president of LWR Advisors. Mr. Robinson is on the board of EVINE Live, Inc.; served on the board of directors of The Jones Group from 2005-2014 where he chaired the audit committee; was on the board of Local.com Corporation from 2011 to 2012; the board of directors of International Wire Group Inc. from 2003-2009 and the board of directors of Independent Wireless One, Diversified Investment Advisors and Edison Schools Inc. He is a member of the Smithsonian Libraries advisory board, the board of the Metropolitan Opera Guild, was on the board of advisors for the University of Wisconsin Business School (2006-2010) and is currently on the Dean's Advisory Board for the Department of Economics. Mr. Robinson earned a Bachelor of Arts in Economics from the University of Wisconsin and a Master of Business Administration from Harvard Business School. We believe Mr. Robinson should serve on our Board due to his vast finance, strategic, operational and governance experience having served as an executive and director of several other publically traded companies.

Executive Officers

The following is biographical information for our executive officers not discussed above.

Name	Age	Title
Christopher Wolf	53	Chief Financial Officer
Casey McGuane	40	Chief Operating Officer
Robert Reach	58	Chief Sales Officer

Christopher Wolf has served as our chief financial officer since March 2013. From 2007 to 2011, Mr. Wolf served as executive vice president and chief financial officer of publicly-traded Acxiom Corporation, where he had full responsibility for leadership of the corporate finance organization of this multinational marketing services and information management company. From 2011 to 2012, he served as executive vice president and chief financial officer of First Advantage Background Services, a privately held talent acquisition enterprise. Over the last two decades, he has held executive and senior advisory positions with Catalina Marketing Corporation and Boulder Brands Inc., among other companies. Mr. Wolf holds a BS in Accounting from Florida State University and a Master of Accounting degree from the University of North Carolina.

Casey McGuane has been our Chief Operating Officer since July 2013. He joined Higher One in 2000 and served as our chief service officer from January 2009 until July 2013. Since July 2009, Mr. McGuane has served as a director of the Connecticut Association of Human Services, a not-for-profit organization in Hartford, Connecticut, and has served as president of the board since July 2013. Mr. McGuane holds a BA in psychology from the University of Rhode Island.

Robert Reach has been our chief sales officer since 2009 and our vice president of sales from 2004 to 2009. He served as the vice president of sales for Metatec Corporation from 1995 to 1997. Additionally, from 2000 to 2001, Mr. Reach served as director of partner relations for HNC Software, an industry leader in credit card fraud prevention and analytic software. Mr. Reach holds a BA in English from Franklin and Marshall College.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 15, 2015 (unless otherwise indicated) regarding the beneficial ownership of our common stock by:

- each person or group who is known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our named executive officers;
- each of our current directors and each director nominee; and
- all of our current executive officers, directors and each director nominee as a group.

"Beneficial ownership" for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities or has the right to acquire such powers within 60 days. The information does not necessarily indicate beneficial ownership for any other purpose, including economic interest. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. For purposes of the calculations in the table below, the number of shares of common stock deemed outstanding includes

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shares issuable upon exercise of options or settlement of restricted stock units held by the respective person which may be exercised within 60 days after March 15, 2015. For purposes of calculating each person's percentage ownership, shares of common stock issuable pursuant to stock options exercisable within 60 days after March 15, 2015 are included as outstanding and beneficially owned for that person or group, but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

Applicable percentage ownership is based on 47,669,440 shares of common stock outstanding on March 15, 2015.

Name and Address of Beneficial Owner(1) 5% Stockholders	Shares of Common Stock Beneficially Owned as of March 15, 2015			
	Number(2)		Percentage	
Lightyear Capital	6,736,554	(3)	14.4	%
Wellington Management Group LLP	4,354,238	(4)	9.1	%
Deccan Value Investors L.P.	4,441,730	(5)	9.3	%
Named Executive Officers, Directors and Director Nominees				
Marc Sheinbaum	583,973	(6)	1.2	%
Mark Volchek	1,997,666	(7)	4.2	%
Christopher Wolf	293,189	(8)	*	
Casey McGuane	381,646	(9)	*	
Robert Reach	314,240	(10)	*	
Thomas Anderson	88,039	(11)	*	
Paul Biddelman	163,567	(12)	*	
Samara Braunstein	87,419	(13)	*	
David Cromwell	197,840	(14)	*	
Robert Hartheimer	113,767	(15)	*	
Miles Lasater	1,719,687	(16)	3.6	%
Patrick McFadden	172,930	(17)	*	
Lowell Robinson	87,738	(18)	*	
Michael E. Collins (Director Nominee)	0			
Sheldon Goldfarb (Director Nominee)	0			
All current executive officers and directors as a group (13 person)	6,201,701	(6)-(18)	12.7	%

* Less than one percent (1%)

- The addresses for the listed beneficial owners are as follows: for Lightyear Capital, 9 West 57th Street, 31st Floor, New York, New York 10019; for Wellington Management Group LLP, 280 Congress Street, Boston, MA 02210;
- (1) for Deccan Value Investors, L.P. One Fawcett Plance, Greenwich, CT 06830; and for each director and executive officer, c/o Higher One Holdings, Inc., 115 Munson Street, New Haven, Connecticut 06511.
 - (2) Includes options held by each shareholder, if any, that are currently exercisable or will become exercisable within 60 days of March 15, 2015.
Reference is hereby made to the Schedule 13G/A filed by Lightyear Fund II, L.P. ("Lightyear Fund II") filed on February 2, 2015 for information about the number of shares held by such reporting person and the nature of its beneficial ownership. Includes 6,700,859 shares of common stock directly held by Lightyear Fund II and 35,695 shares of common stock held by Lightyear Co-Invest Partnership II, L.P. ("Lightyear Co-Invest II"). As the general partner of Lightyear Fund II, Lightyear Fund II GP, L.P. ("Lightyear Fund II GP") may be deemed to share voting and/or dispositive power over such securities. As the general partner of Lightyear Fund II GP and Lightyear Co-Invest II, Lightyear Fund II GP Holdings, LLC ("Lightyear Fund II GP Holdings") may also be
 - (3) deemed to share voting and/or dispositive power over such securities. However, each of Lightyear Fund II GP and Lightyear Fund II GP Holdings disclaims beneficial ownership of the shares held by Lightyear Fund II and Lightyear Co-Invest. The managing member of Lightyear Fund II GP Holdings, LLC is LY Holdings, LLC, and Mr. Mark Vassallo is the managing member of LY Holdings, LLC. LY Holdings, LLC and Mr. Vassallo have separately filed a Schedule 13D reporting their beneficial ownership of shares of common stock, including beneficial ownership over the shares of common stock held by Lightyear Fund II and Lightyear Co-Invest II, which filing shall not be deemed an admission that either Mr. Vassallo or LY Holdings, LLC is the beneficial owner of such securities.
Reference is hereby made to the Schedule 13G/A filed by Wellington Management Group filed on February 12, 2015 for information about the number of shares held by such reporting person and the nature of its beneficial
 - (4) ownership. Wellington Management Group LLP's beneficial ownership percentage was calculated using the total number of shares of common stock outstanding as of March 15, 2015.
Reference is hereby made to the Schedule 13G/A filed by Deccan Value Investors L.P. on February 13, 2015 for information about the number of shares held by such reporting person and the nature of its beneficial ownership.
 - (5) Deccan Value Investors L.P.'s beneficial ownership percentage was calculated using the total number of shares of common stock outstanding as of March 15, 2015.
Includes 253,204 shares of common stock, 83,332 options to purchase common stock exercisable within 60 days
 - (6) after March 15, 2015 and 247,437 restricted stock units, each of which represents the right to receive one share of common stock shares upon vesting and.
Includes 1,876,137 shares of common stock, 96,273 options to purchase common stock exercisable within 60
 - (7) days after March 15, 2015 and 25,256 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause.
 - (8) Includes 60,997 shares of common stock and 232,192 restricted stock units, each of which represents the right to receive one share of common stock shares upon vesting.
Includes 41,875 shares of common stock, 197,858 options to purchase common stock exercisable within 60 days
 - (9) after March 15, 2015 and 141,913 restricted stock units, each of which represents the right to receive one share of common stock shares upon vesting.
Includes 13,276 shares of common stock, 168,037 options to purchase common stock exercisable within 60 days
 - (10) after March 15, 2015 and 132,927 restricted stock units, each of which represents the right to receive one share of common stock shares upon vesting.
Includes 66,766 restricted stock units, each of which represents the right to receive one share of common stock at
 - (11) the time of termination from the Board other than for cause and 21,273 options to purchase common stock exercisable within 60 days after March 15, 2015.
Includes 40,090 restricted stock units, each of which represents the right to receive one share of common stock at
 - (12) the time of termination from the Board other than for cause and 123,477 options to purchase common stock exercisable within 60 days after March 15, 2015.
 - (13)

Includes 35,100 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause and 52,319 options to purchase common stock exercisable within 60 days after March 1, 2015.

- (14) Includes 34,273 shares of common stock held by Hillhouse Advisors, Inc., 28,800 options to purchase common stock exercisable within 60 days after March 15, 2015 held by Sachem Ventures, LLC, 94,677 options to purchase common stock exercisable within 60 days after March 15, 2015 held by David Cromwell and 40,090 restricted stock units held by David Cromwell, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause. David Cromwell is the president of Hillhouse Advisors, Inc., which is the Managing Member of Sachem Ventures, LLC, and Mr. Cromwell controls the voting of shares held by Sachem Ventures, LLC and by Hillhouse Advisors, Inc. Mr. Cromwell may be deemed to be the beneficial owner of shares owned by Sachem Ventures, LLC. and Hillhouse Advisors, Inc. Mr. Cromwell disclaims beneficial ownership of any securities owned by Sachem Ventures, LLC and Hillhouse Advisors, Inc.

- (15) Includes 40,090 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause and 73,677 options to purchase common stock exercisable within 60 days after March 15, 2015.

- (16) Includes 1,051,484 shares of common stock held by Miles Lasater, 154,674 shares of common stock held by the Miles Hanson Lasater 2009 GRAT, 196,000 shares of common stock held by the Miles Lasater 2012 Spray Trust, 196,000 shares of common stock held by the Glyn Elizabeth Lasater 2012 Spray Trust, 96,273 options to purchase common stock exercisable within 60 days after March 15, 2014 held by Miles Lasater and 25,256 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause. Miles Lasater is married to Glyn Elizabeth Lasater, who is the trustee of the Miles Hanson Lasater 2009 GRAT. Mr. Lasater may be deemed to be the beneficial owner of shares owned by the Miles Hanson Lasater 2009 GRAT, the Miles Lasater 2012 Spray Trust and the Glyn Elizabeth Lasater 2012 Spray Trust. Mr. Lasater disclaims beneficial ownership of any securities owned by the Miles Hanson Lasater 2009 GRAT, the Miles Lasater 2012 Spray Trust and the Glyn Elizabeth Lasater 2012 Spray Trust, except to the extent of his pecuniary interest therein.

- (17) Includes 40,090 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause and 132,840 options to purchase common stock exercisable within 60 days after March 15, 2015.

- (18) Includes 66,465 restricted stock units, each of which represents the right to receive one share of common stock at the time of termination from the Board other than for cause and 21,273 options to purchase common stock exercisable within 60 days after March 15, 2015.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of our common stock, to file initial reports of beneficial ownership of our stock and reports of changes in beneficial ownership of our stock with the SEC. Executive officers, directors and greater than 10% beneficial owners are required by the SEC to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely upon a review of the copies of such forms furnished to us and written representations from our directors and executive officers, we believe that during the year ended December 31, 2014 all Section 16(a) filing requirements applicable to our directors, executive officers and greater than 10% beneficial owners were complied with on a timely basis.

Committees of the Board of Directors

Our Board has established standing committees in connection with the discharge of its responsibilities. These committees include an audit committee, a compensation committee and a nominating and corporate governance committee. The Board may also establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our certificate of incorporation and bylaws.

Audit Committee

The audit committee of our Board, which consists of Messrs. Robinson (chair as of February 6, 2015), McFadden (chair through February 5, 2015), Biddelman and Hartheimer, assists our Board in overseeing the preparation of our financial statements, the independent registered public accounting firm's qualifications and independence, the performance of our internal audit function and independent registered public accounting firm and our compliance with legal and regulatory requirements. Each of the members of the audit committee qualifies as an "audit committee financial expert" as such term is defined in the regulations under the Securities Exchange Act of 1934, as amended, or the Exchange Act. All of the members of the audit committee are independent, as determined in accordance with the rules of the New York Stock Exchange and any relevant federal securities laws and regulations. A copy of the audit committee charter is available on the Company's website at <http://ir.higherone.com/>.

Compensation Committee

The compensation committee of our Board consists of Ms. Braunstein (chair) and Messrs. Biddelman, Cromwell and McFadden. All of the members of the compensation committee are independent, as determined in accordance with the rules of the New York Stock Exchange and any relevant federal securities laws and regulations. The compensation committee has overall responsibility for evaluating and approving our executive officer incentive compensation, benefit, equity-based or other compensation plans, policies and programs. The compensation committee reviewed the Compensation Discussion and Analysis and recommended its inclusion in the amendment to the Company's annual report on Form 10-K and the Company's proxy statement. A copy of the compensation committee charter is available on the Company's website at <http://ir.higherone.com/>.

Risk and Compliance Committee

The risk and compliance committee of our Board was formed on October 30, 2014 and consists of Messrs. Hartheimer (chair), Robinson and Anderson. All of the members of the risk and compliance committee are independent, as determined in accordance with the rules of the New York Stock Exchange and any relevant federal securities laws and regulations. Copies of the risk and compliance committee charter and the Company's corporate governance guidelines are available on the Company's website at <http://ir.higherone.com/>.

The risk and compliance committee assists the Board of Directors in fulfilling its oversight responsibility relating to the Company's enterprise risk management governance and practices, the Company's compliance with laws and regulations that affect the Company's business, the Company's compliance with provisions of its agreements with banking partners concerning banking-related law compliance, the Company's actions in response to any formal or informal enforcement actions issued by any bank supervisory agency or other government agency and the Company's cybersecurity.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee currently consists of Messrs. Biddelman (chair), Cromwell and Ms. Braunstein. All of the members of the nominating and corporate governance committee are independent, as determined in accordance with the rules of the New York Stock Exchange and any relevant federal securities laws and regulations. Copies of the nominating and corporate governance committee charter and the Company's corporate governance guidelines are available on the Company's website at <http://ir.higherone.com/>.

The nominating and corporate governance committee assists our Board in implementing sound corporate governance principles and practices. Our nominating and corporate governance committee identifies individuals qualified to become Board members and recommends to our Board the director nominees for the next annual meeting of shareholders. It also reviews the qualifications and independence of the members of our Board and its various committees on a regular basis and makes any recommendations the committee members may deem appropriate from time to time concerning any recommended changes in the composition of our Board.

We have no formal policy regarding Board diversity. Our nominating and corporate governance committee and Board may therefore consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity. Our nominating and corporate governance committee's and Board's priority in selecting Board members is identification of persons who will further the interests of our stockholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among Board members and the person's strength of character and judgment, professional and personal experiences and expertise relevant to our business strategy.

The nominating and corporate governance committee reviews the qualifications of any candidate recommended by shareholders of the Company when seeking to fill positions on the Board. As a shareholder, you may recommend a person for consideration as a nominee for director by writing to the nominating and corporate governance committee of the Board, c/o Higher One Holdings, Inc., 115 Munson Street, New Haven, Connecticut 06511, Attention: General Counsel and Secretary. Recommendations must include the name and address of the shareholder making the recommendation, a representation setting forth the number of shares of our common stock beneficially owned by the recommending shareholder, a statement from the recommended nominee that expresses his or her intent to serve on the Board if elected, biographical information about the recommended nominee, any other information the stockholder believes would be helpful to the nominating and corporate governance committee in evaluating the recommended nominee and a description of all arrangements or understandings between the recommending shareholder and each nominee and any other person concerning the nomination. The evaluation process for nominees recommended by stockholders is the same as for candidates recommended by any other source.

Board Leadership Structure

The Company is focused on its corporate governance practices and values independent Board oversight as an essential component of strong corporate performance to enhance stockholder value. Our commitment to independent oversight is demonstrated by the fact that a majority of our directors is independent. Mr. Biddelman currently serves as chairman of the Board. The Board believes that this leadership structure is appropriate given that the size of the Board permits regular communication among all of the independent directors, and between the independent directors and the Company's senior management. As the chairman of the Board, Mr. Biddelman acts as the principal interface between

the Company's independent directors and senior management and presides over Board meetings, meetings of non-management and independent directors, or meetings held in executive session. Our Board believes that the current Board leadership structure is best for the Company and its stockholders at this time.

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Role of the Board of Directors in Risk Oversight

The primary function of our Board is oversight, which includes defining and enforcing standards of accountability that enable senior management to execute their responsibilities fully and in the interests of stockholders. Consistent with that function, the following are the primary responsibilities of the Board: reviewing the Company's strategic plans and objectives, including, among other considerations, the principal risk exposures of the Company; evaluating the performance of the Company and its senior management, which includes (i) overseeing the conduct of the Company's business to evaluate whether it is being effectively managed, and (ii) selecting, regularly evaluating and planning for the succession of the president and chief executive officer and other members of senior management as the Board deems appropriate, including fixing the compensation of such individuals; providing advice and counsel to the president and chief executive officer and other senior management of the Company; overseeing compliance by the Company with applicable laws and regulations; monitoring the Company's accounting and financial reporting practices and reviewing the Company's financial and other controls; and overseeing management with a goal of ensuring that the assets of the Company are safeguarded through the maintenance of appropriate accounting, financial and other controls.

The audit committee, which is comprised solely of independent directors, assists the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the Company's financial reporting internal control system (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit services function; (iii) the annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Company with legal and regulatory requirements; (v) the implementation and effectiveness of the Company's disclosure controls and procedures; (vi) the evaluation of enterprise risk issues; and (vii) the fulfillment of the other responsibilities set out in the audit committee's charter.

Audit Committee Report

The audit committee has reviewed and discussed the audited financial statements included within the annual report on Form 10-K with management. The audit committee has discussed with our independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61 as amended. The audit committee has received the written disclosures and the letter from our independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence. Based on the foregoing review and discussion, the audit committee recommended to the Board that the audited financial statements be included in our annual report on Form 10-K for fiscal year 2014.

Lowell Robinson (Chair)

Paul Biddelman

Robert Hartheimer

Patrick McFadden

Meetings of the Board of Directors, Board and Committee Member Attendance and Annual Meeting Attendance

Our Board met 20 times during the last fiscal year, and the non-management and independent directors met in executive session 6 times. During the last fiscal year, the audit committee of the Board met 15 times; the compensation committee of the Board met 12 times; and the nominating and corporate governance committee of the Board met 6 times; and the newly formed risk and compliance committee met 2 times. During 2014, each Board member attended 75% or more of the aggregate of the meetings of the Board and of the committees on which he or she served and was eligible to attend.

We encourage all of our directors and nominees for director to attend our Annual Meeting. All but two directors attended the Annual Meeting held on June 11, 2014.

Code of Ethics

We have adopted a written code of ethics, which we refer to as our Code of Business Conduct, that applies to directors, executive officers and all employees of the Company, including our principal executive officer and principal financial officer. The Code of Business Conduct is posted on our website at <http://ir.higherone.com>. Any updates or amendments to the Code of Business Conduct, and any waiver that applies to a director or executive officer, will also be posted on the website.

Stockholder and Interested Party Communications with the Board of Directors

Should stockholders or other interested parties wish to communicate with the Board or any specified individual directors, such correspondence should be sent to Higher One Holdings, Inc., 115 Munson Street, New Haven, Connecticut 06511, Attention: General Counsel and Secretary. The Company's General Counsel and Secretary will forward the communication to the Board members.

PROPOSAL TWO

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of our Board has engaged PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015, and is seeking ratification of such selection by our stockholders at the Annual Meeting. PricewaterhouseCoopers LLP has audited our financial statements since the fiscal year ending December 31, 2000. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our bylaws nor other governing documents or law require stockholder ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm. However, the audit committee is submitting the selection of PricewaterhouseCoopers LLP to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the audit committee will reconsider whether or not to retain PricewaterhouseCoopers LLP. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of a 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 our stockholders.

Principal Accountant Fees and Services

The following table sets forth the aggregate fees paid or accrued for professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements for fiscal years 2014 and 2013 and the aggregate fees paid or accrued for audit-related services and all other services rendered by PricewaterhouseCoopers LLP for fiscal years 2014 and 2013 (in thousands of dollars).

	Fiscal Year 2014	Fiscal Year 2013
Audit fees	\$ 1,076	\$ 927
Audit-related fees	186	476
Tax fees	74	112
All other fees	2	2
Total	\$ 1,338	\$ 1,517

The category of "Audit fees" includes fees for our annual audit, quarterly reviews and services rendered in connection with regulatory filings with the SEC.

The category of "Audit-related fees" includes compliance audits, internal control evaluations and services associated with acquired businesses.

The category of "Tax fees" includes fees for tax compliance, tax advice and tax planning services.

The category of "All other fees" includes the licensing of accounting and finance research technology owned by PricewaterhouseCoopers LLP.

All above audit services, audit-related services and tax services were pre-approved by the audit committee, which concluded that the provision of such services by PricewaterhouseCoopers LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The audit committee's outside auditor independence policy provides for pre-approval of all services performed by the outside auditors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The purpose of this compensation discussion and analysis section is to provide information about the material elements of compensation that are paid, awarded to, or earned by our "named executive officers," who consist of each person who served as our principal executive officer and principal financial officer during fiscal year 2014, and the three other most highly compensated executive officers at the end of fiscal year 2014. For fiscal year 2014, our named executive officers were:

- Marc Sheinbaum, President and Chief Executive Officer as of April 16, 2014
- Mark Volchek, Chief Executive Officer through April 15, 2014
- Christopher Wolf, Chief Financial Officer
- Casey McGuane, Chief Operating Officer
- Robert Reach, Chief Sales Officer

Effective April 16, 2014, Mr. Volchek no longer serves as the Company's President and Chief Executive Officer due to the appointment of Marc Sheinbaum to that role and subsequently left the Company on December 31, 2014.

When designing our executive compensation program each year, we strive to implement good corporate governance practices and align executive interests with those of our shareholders. Our compensation program in fiscal year 2014 reflects our belief that executive compensation should be incentive-driven, and thus contains a mix of short-term and long-term incentives to appropriately motivate our executives. Consistent with our "pay-for-performance" philosophy, we also believe that a portion of executive pay should be performance-based. Our executive compensation practices reflect this philosophy in the following ways:

Our short-term annual cash bonus plan is based on individual and Company performance. If actual performance for the adjusted EPS measure does not meet the threshold specified, no amount is earned. If actual performance does not meet the threshold specified for the other performance measures, no amount will be earned with respect to such measure.

Our long-term equity plan allows us to grant a variety of incentive awards, including options, stock appreciation rights, restricted stock, restricted stock units and other stock awards.

Except for a severance protection agreement with Mr. Wolf and an employment agreement with Mr. Sheinbaum (please see "Employment and Severance Protection Arrangements" below), we do not maintain severance or change in control agreements with our executive officers, and the change in control provisions under our Amended and Restated 2010 Equity Incentive Plan which provide for accelerated vesting of equity awards are currently double-trigger (other than the performance-based options granted in 2013 discussed below, which provide that any portion of the performance-based option that remains eligible to be earned following the date of the change in control will become exercisable immediately prior to the consummation of the change in control, and any portion of the performance-based option that was not earned prior to the consummation of the change in control will expire).

Our named executive officers are not entitled to any executive perquisites, tax gross-up payments or supplemental pensions.

Compensation Philosophy and Objectives

Our compensation philosophy is to provide a base salary that is competitive among comparable companies but to focus primarily on rewarding positive performance that encourages our named executive officers to grow the Company. As a result, our executive compensation program emphasizes incentive compensation over guaranteed base salaries. We have offered a mix of short-term and long-term incentives consisting of cash bonuses, stock options and restricted stock in order to motivate achievement of the Company's annual business plan and creation of long-term stockholder value. Our named executive officers earn an annual cash bonus based on Company performance. They also receive equity awards along with other key employees. Our named executive officers have received no benefits or perquisites in addition to those offered to all employees of the Company. We believe that our compensation program should remain focused on the essentials necessary to retain and reward our experienced named executive officers and to attract others to the Company as needed.

We held a non-binding advisory vote on our executive compensation program (commonly referred to as the "say on pay" vote) at our annual meeting held on June 11, 2014. Our 2014 say on pay proposal received substantial majority support from stockholders. We interpreted this stockholder support as an acknowledgment that our executive compensation program and practices are reasonable and well-aligned with stockholder expectations and, taking such support into consideration, have maintained our compensation structure in 2015. At our 2011 annual meeting, our stockholders voted in favor of the proposal to hold say on pay votes every three years and the Board adopted the proposal. Our next say on pay vote will be held at our annual meeting of stockholders in 2017. In the future, we will continue to consider the outcome of our triennial say on pay votes when making compensation decisions regarding our named executive officers.

Role of the Compensation Committee

The compensation committee has the responsibility of evaluating, reviewing and approving the compensation plans, policies and programs of the Company, and ensuring that such plans, policies and programs provide appropriate incentives to recruit, motivate and retain employees.

The compensation committee meets from December through March in order to review the compensation from the prior year and set its compensation policy for the coming year. During these meetings, the compensation committee reviews and approves the compensation of named executive officers, including base salary, annual incentive bonus and equity compensation.

During this period, the committee confers with our president and chief executive officer to establish annual goals for him and the other named executive officers. The president and chief executive officer discusses the specific accomplishments of the executive team during the prior year, as well as the team's business development plans for the upcoming year, which the committee uses to help it set the annual targets for the named executive officers' bonus opportunities. The president and chief executive officer also provides relevant information to the committee regarding specific challenges or opportunities facing the executive team in the upcoming year, such as changes in the Company's business development plan, anticipated hiring of new employees and retention of current employees, and exploration of new avenues of business growth. The committee also obtains self-evaluations from the other named executive officers. The committee meets in executive session without the presence of the named executive officers in order to evaluate the officers' performance with respect to the goals set by the committee, market compensation data, and our performance and shareholder return during the year.

Since the Company's initial public offering in 2010, the compensation committee has engaged Steven Hall & Partners to assist the committee in examining our compensation levels and structures in the context of other similar public companies and in designing a program that properly compensates and motivates the executive team in light of the Company's circumstances. The compensation committee has continued to work with Steven Hall & Partners in benchmarking executive and director compensation and setting compensation levels.

Steven Hall & Partners does not have any relationship or arrangement with the Company other than its engagement as a consultant to the compensation committee.

Compensation Benchmarking and Peer Group

For 2014 compensation, the compensation committee engaged Steven Hall & Partners to perform a study regarding executive compensation programs at comparative companies. The comparative information provided by Steven Hall & Partners was obtained from publicly filed reports of each company in the comparative peer group, as well as from nationally recognized compensation surveys. The study benchmarked compensation against the Company's peer group. The process utilized by Steven Hall & Partners in determining the peer group was consistent with the process utilized in 2013 and included the following: identification of companies in the business services, financial transaction and/or technology industries; review of potential peers within the Company's SIC code; review of companies in the identified industries and SIC codes that recently went public; and "peers of peers" analysis. These potential peers were then narrowed down based upon business description and through a review of 1-, 3- and 5- year revenue growth, adjusted EBITDA, net income and market cap. Two comparators (Netspend Holdings, Inc. and TNS, Inc) from the 2013 peer group were removed due to their acquisition, otherwise there were no adjustments to the composition of the peer group in 2014. The 2014 peer group consisted of the following twelve companies:

- Blackbaud, Inc.

- Bottomline Technologies, Inc.
- Cardtronics, Inc.
- Ebix, Inc.