Polycom CEO Resigns after Expenses Questioned

Associated Press

San Jose, CA (AP) — Videoconferencing equipment maker Polycom Inc. said Tuesday that its CEO has resigned after the board found "irregularities" in his expense submissions.

Polycom said that Andrew Miller resigned on Friday and accepted responsibility for the expense reports, which the company did not detail.

The amounts involved would not alter any of the company's financial statements and didn't involve other employees, Polycom said. Miller had also served as president and a director of the San Jose, Calif., company.

Shares of Polycom fell 63 cents, or 5.6 percent, to $10.55 in after-hours trading. The stock had closed down 4 percent to $11.18, up nearly 7 percent in 2013.

The company said in a filing with the Securities and Exchange Commission that it reached an agreement Tuesday under which Miller will remain employed through Aug. 15 and get a lump-sum of $500,000, minus some withholdings, early next year, as well as a lump-sum cash payment equal to 12 months' worth of reimbursements under the COBRA health benefits program. He will also be eligible to get his bonus for the first half of 2013 and keep his company-issued laptops and other electronic devices.

Kevin Parker, 53, chairman of the board and a managing principal at private equity firm Bridge Growth Partners LLC, was named interim CEO. He has been a Polycom director since 2005.

Polycom announced the CEO's departure on the same day that it released second-quarter financial results. The company said that net income fell to $5.3 million, or 3 cents per share, from $6.3 million, or 4 cents per share, a year earlier.

Excluding special items such as stock-based compensation expenses, earnings fell to 15 cents from 22 cents per share.

Analysts, who usually exclude items, had expected 14 cents per share.

Revenue dipped 4 percent to $345.2 million, beating the analysts' forecast of $341.4 million, according to FactSet.

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