

CAI International, Inc.
Form DEF 14A
April 27, 2012

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 (Amendment No.)

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-12

CAI INTERNATIONAL, 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)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

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

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

CAI INTERNATIONAL, INC.

Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
(415) 788-0100

NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS

Time and Date

10:00 a.m. Pacific Daylight Time on June 8, 2012.

Place

The offices of Perkins Coie LLP, located at 3150 Porter Drive, Palo Alto, California 94304.

Items of Business

1. To elect two directors nominated by the Board of Directors to serve for the ensuing three years and until their successors are elected.
2. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012.
3. To hold an advisory (non-binding) vote on the compensation paid to our executive officers, as disclosed pursuant to Item 402 of Regulations S-K.
4. To approve an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares.
5. To consider any other business that may properly come before the meeting.

Adjournments and Postponements

Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned and postponed.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

Record Date

Only stockholders of record at the close of business on April 20, 2012 are entitled to vote at the Annual Meeting or any postponement or adjournment of the meeting. As of that date, there were 19,295,359 shares of common stock outstanding. A list of stockholders of record will be maintained and open for examination by any of our stockholders,

for any purpose relating to the Annual Meeting, during regular business hours at the address listed above for ten days prior to the meeting.

Voting

As owners of CAI, your vote is important. Whether or not you are able to attend the Annual Meeting in person, it is important that your shares be represented. Please read this proxy statement and submit your proxy or voting instructions as soon as possible. You may submit your proxy for the annual meeting by completing, signing, dating and returning your proxy card in the pre-addressed envelope provided, or by following the instructions on your voting instruction card. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers About the Proxy Materials and the Annual Meeting beginning on page 1 of the proxy statement and the instructions on the proxy card or voting instruction card. You may attend the meeting in person even though you have sent in your proxy or voting instruction card.

This proxy statement is first being sent or made available to stockholders on or about April 27, 2012.

On behalf of our Board of Directors, thank you for your participation in this important annual process.

By Order of the Board of Directors,

/s/ Victor Garcia

Victor Garcia

President and Chief Executive Officer

San Francisco, California

April 27, 2012

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to Be Held on June 8, 2012.

This Proxy Statement and the 2011 Annual Report are available at:
<http://investor.capps.com/annual-proxy.cfm>

CAI INTERNATIONAL, INC.
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105

PROXY STATEMENT

For Annual Meeting of Stockholders
To Be Held on June 8, 2012

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why am I receiving these materials?

A: The Board of Directors of CAI International, Inc. is providing these proxy materials for you in connection with CAI's Annual Meeting of Stockholders, which will take place on Friday, June 8, 2012. As a stockholder, you are invited to attend the Annual Meeting and are entitled to and requested to vote on the items of business described in this proxy statement.

Q: What is included in these materials?

A: These materials include:

- Our proxy statement for the Annual Meeting;
- Our 2011 Annual Report to Stockholders, which includes our audited consolidated financial statements; and
- The proxy card for the Annual Meeting.

Q: What items will be voted on at the Annual Meeting?

A: The items that will be voted on at the Annual Meeting are:

1. The election of two directors nominated by the Board of Directors;
2. A proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;
3. A proposal to hold an advisory (non-binding) vote on the compensation paid to our executive officers, as disclosed pursuant to Item 402 of Regulations S-K;
4. A proposal to approve an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares; and

5. Any other business that may properly come before the Annual Meeting.

Q: What are our Board of Directors' voting recommendations?

A: Our Board of Directors recommends that you vote your shares (i) "FOR" the nominees to the Board of Directors, (ii) "FOR" the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012, (iii) "FOR" the approval of the compensation paid to the Company's executive officers as disclosed in this proxy statement and (iv) "FOR" the proposed amendment to the CAI International, Inc. 2007 Equity Incentive Plan.

Q: Where will the Annual Meeting be held?

A: The Annual Meeting will be held at the offices of Perkins Coie LLP located at 3150 Porter Drive, Palo Alto, California 94304.

Q: Where are CAI's principal executive offices located, and what is CAI's main telephone number?

A: Our principal executive offices are located at Steuart Tower, 1 Market Plaza, Suite 900, San Francisco, CA 94105. Our main telephone number is (415) 788-0100.

Q:What information is contained in the proxy statement?

A:The information included in the proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of directors and most highly paid executive officers, and certain other required information.

Q:How may I obtain CAI's Annual Report on Form 10-K filed with the SEC?

A:Our Annual Report on Form 10-K for the year ended December 31, 2011 is included in our 2011 Annual Report to Stockholders. Stockholders may request an additional free copy of our Annual Report on Form 10-K for the year ended December 31, 2011 from:

CAI International, Inc.
Attn: Investor Relations
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Phone: (415) 788-0100

We will also furnish any exhibit to the Form 10-K if specifically requested. Copies of our Annual Report on Form 10-K for the year ended December 31, 2011 are also available in the SEC Filings portion of the Investor Relations section of our website at www.capps.com and in the SEC's EDGAR database on the SEC's website at www.sec.gov.

Q: What shares can I vote?

A:Each share of CAI common stock issued and outstanding as of the close of business on April 20, 2012, the Record Date, is entitled to one vote on all items being voted upon at the Annual Meeting. You may vote all shares owned by you as of this time, including (1) shares held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner through a broker, trustee or other nominee, such as a bank. On the Record Date, we had 19,295,359 shares of common stock issued and outstanding.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A:Most of our stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record: If your shares are registered directly in your name with our transfer agent, Computershare Stockholder Services, Inc., you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by us. As the stockholder of record, you have the right with these proxy materials to grant your voting proxy directly to us or to vote in person at the meeting. We have enclosed or sent a proxy card for you to use in granting your voting proxy to us.

Beneficial Owner: If your shares are held in a brokerage account (in street name) or by another person on your behalf, you are considered the beneficial owner of those shares, and these proxy materials are being forwarded to you by your broker or other nominee together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote your shares, and you are also invited to attend the Annual Meeting.

Since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the meeting unless you obtain a “legal proxy” from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

Q: How can I attend the Annual Meeting?

A: You are entitled to attend the Annual Meeting only if you were a CAI stockholder as of the close of business on April 20, 2012, or you hold a valid proxy for the Annual Meeting.

Q: How can I vote my shares in person at the Annual Meeting?

A: Shares held in your name as the stockholder of record may be voted in person at the Annual Meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

Q: How can I vote my shares without attending the Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted by proxy without attending the Annual Meeting. Stockholders of record of CAI common stock may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. CAI stockholders who are the beneficial owners of shares held in a brokerage account, or by another person on their behalf, may vote by mail by completing, signing and dating the voting instruction card provided by their broker, trustee or nominee and mailing it in the accompanying pre-addressed envelope.

Q: Can I change my vote?

A: You may change your vote at any time prior to the vote at the Annual Meeting. If you are the stockholder of record, you may change your vote by submitting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation of your proxy to our Secretary prior to your shares being voted or by attending the Annual Meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. If you are the beneficial owner of shares held in a brokerage account, or that are held by another person on your behalf, you may change your vote by submitting new voting instructions to your broker, trustee or nominee as provided in the voting instruction card, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

Q: Who can help answer my questions?

A: If you have any questions about the Annual Meeting or how to vote or revoke your proxy, you should contact:

CAI International, Inc.
Attn: Investor Relations
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Phone: (415) 788-0100

If you need additional copies of this proxy statement or voting materials, please contact us as described above.

Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within CAI or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide written comments on their proxy cards, which are forwarded to our management.

Q: How many shares must be present or represented to conduct business at the Annual Meeting?

A: The quorum requirement for holding the Annual Meeting and transacting business is that holders of a majority of shares of CAI common stock entitled to vote must be present in person or represented by proxy. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

Q: How are votes counted?

A: In the election of directors, you may vote "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees.

For any other item of business, you may vote "FOR," "AGAINST" or "ABSTAIN." If you "ABSTAIN," the abstention has the same effect as a vote "AGAINST."

If you provide specific instructions in your proxy card or voting instruction card with regard to a certain item, your shares will be voted as you instruct on such items. If you are a stockholder of record and you sign and return your proxy card, without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board of Directors ("FOR" CAI's nominees to the Board of Directors, "FOR" the proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012, "FOR" the resolution on the Company's executive compensation and "FOR" the proposal to approve an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares), and in the discretion of the proxy holders on any other matters that properly come before the meeting.

Q: What is the voting requirement to approve each of the proposals?

A: For Proposal No. 1, election of directors, members of the Board of Directors are elected by a plurality of the votes cast, provided that a majority of the shares of common stock are present or represented and entitled to vote at the Annual Meeting. The candidates who receive the greatest number of votes will be elected directors.

Proposal No. 2, the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2012, requires the affirmative vote of a majority of the votes cast on the matter, in person or by proxy, at the Annual Meeting. Each outstanding share will be entitled to one vote. The results of this vote will not be binding on the Board of Directors.

Proposal No. 3, the advisory resolution on the Company's executive compensation, requires the affirmative vote of a majority of the votes cast on the matter, in person or by proxy, at the Annual Meeting. Each outstanding share will be entitled to one vote. The results of this vote will not be binding on the Board of Directors.

For Proposal No. 4, the proposal to approve an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares, Delaware law requires the affirmative vote of the majority of shares present in person or by proxy and entitled to vote at the Annual Meeting. In addition to the Delaware law requirements, NYSE rules require approval by a majority of votes cast on Proposal No. 4, provided that the total votes cast on that proposal must represent over 50% in interest of all securities entitled to vote on the proposal.

Abstentions are shares that abstain from voting on a particular matter. Under Delaware law, abstentions effectively count as being present for purposes of determining whether a quorum of shares is present at a meeting. Abstentions have no effect on Proposal No. 1, election of directors, since approval by a percentage of the shares present or outstanding is not required. Abstentions will have the same effect as a vote against Proposal No. 2, ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2012, Proposal No. 3, advisory resolution on the Company's executive compensation, and Proposal No. 4, approval of an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares.

Under the rules of the NYSE, if your broker holds your shares in its name (also known as "street name"), and does not receive voting instructions from you, the broker is permitted to vote your shares only on "discretionary" matters. Proposal No. 2, ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2012, is the only discretionary matter that a broker is permitted to vote on at this annual meeting. Because of the additional requirement for approval under NYSE rules, broker non-votes will have the same effect as a vote against Proposal No. 4, approval of an amendment to the CAI International, Inc. 2007 Equity Incentive Plan to increase the number of shares reserved for issuance under the 2007 Equity Incentive Plan by 200,000 shares. Broker non-votes are generally not considered votes present in person or by proxy and entitled to vote at the Annual Meeting and therefore will have no direct impact on any other proposal. We urge you to give voting instructions to your broker on all voting items.

Q: Is cumulative voting permitted for the election of directors?

A: No. Each share of CAI common stock outstanding as of the close of business on April 20, 2012 is entitled to one vote on each matter that may come before the Annual Meeting.

Q: What happens if additional matters are presented at the Annual Meeting?

A: Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason one of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate as may be nominated by the Board of Directors, unless the Board of Directors chooses to reduce the number of directors serving on the Board of Directors.

Q: Who will serve as inspector of elections?

A: The inspector of elections will be Nadine Teixeira, Vice President, International Legal Affairs of CAI.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: How may I obtain a separate set of voting materials?

A: If you share an address with another stockholder, you may receive only one set of proxy materials (including our annual report to stockholders and proxy statement) unless you have provided contrary instructions. If you wish to receive a separate set of proxy materials now or in the future, we will promptly deliver a separate copy of these materials to you upon written or oral request made to us:

CAI International, Inc.
Attn: Investor Relations
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Phone: (415) 788-0100

Similarly, if you share an address with another stockholder and have received multiple copies of our proxy materials, you may write to us at the above address or fax number to request delivery of a single copy of these materials.

Q: Who will bear the cost of soliciting votes for the Annual Meeting?

A: We are making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. In addition to mailing these proxy materials, proxies or votes may be solicited in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. Upon request, we will reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K, which we expect to file with the Securities and Exchange Commission, or SEC, within four business days following the Annual Meeting.

Q: What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?

A: You may submit proposals, including director nominations, for consideration at future stockholder meetings.

Stockholder Proposals: For a stockholder proposal to be considered for inclusion in our proxy statement for the Annual Meeting next year, the written proposal must be received by our Secretary at our principal executive offices no later than December 28, 2012. If the date of next year's Annual Meeting is moved more than 30 days before or after the anniversary date of this year's Annual Meeting, the deadline for inclusion of proposals in our proxy statement is instead a reasonable time before we begin to print and mail our proxy materials. Such proposals must also comply with our bylaws provisions regarding business to be brought before a stockholder meeting and SEC regulations regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

CAI International, Inc.
Attn: Corporate Secretary
Steuart Tower

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1 Market Plaza, Suite 900
San Francisco, CA 94105
Fax: (415) 788-3430

For a stockholder proposal that is not intended to be included in our proxy statement as described above, the stockholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of CAI common stock to approve that proposal, provide the information required by our bylaws and give timely notice to our Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Secretary:

- not earlier than the close of business on February 8, 2013; and
- not later than the close of business on March 10, 2013.

Nomination of Director Candidates: You may propose director candidates for consideration by the Board of Directors' Nominating and Corporate Governance Committee. Any such recommendations should include the nominee's name and qualifications for Board of Directors membership and should be directed to the Chair of our Nominating and Corporate Governance Committee by fax or mail addressed to:

CAI International, Inc.
Attn: Chair of the Nominating and Corporate Governance Committee
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Fax: (415) 788-3430

In addition, our bylaws permit stockholders to nominate directors for election at an annual stockholder meeting. To nominate a director, the stockholder must deliver to our Secretary timely notice in accordance with our bylaws, which require that the notice be received by our Secretary within the time period described above under "Stockholder Proposals." Pursuant to our bylaws, the notice must include, among other things, the information that would be required in a proxy statement or other filings required to be made in connection with soliciting proxies for the election of that nominee in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, disclosure of specified compensatory and other material relationships between the stockholder proponent and its affiliates, on the one hand, and the director nominees and their affiliates, on the other hand, disclosure of all ownership interests in the Company held by the stockholder proponent, including, among other things, all ownership interests, hedges, economic incentives and rights to vote any shares of any security of the Company, in light of increased use by investors of derivative instruments that are not reflected in an investor's beneficial ownership of the Company's securities, and a completed director questionnaire provided by each nominee for election or reelection to the Board of Directors. The notice should be addressed to our Secretary as follows:

CAI International, Inc.
Attn: Corporate Secretary
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Fax: (415) 788-3430

Copy of Bylaw Provisions: If you wish to make a proposal or nominate a director, you are advised to review our bylaws regarding the requirements that must be satisfied in order for a stockholder proposal or director nomination to be considered at an Annual Meeting. You may contact our Secretary as indicated above for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

Q: How may I communicate with CAI's Board of Directors or the independent directors on CAI's Board of Directors?

A: You may submit any communication intended for our Board of Directors or the independent directors by directing the communication by mail or fax addressed to:

CAI International, Inc.
Attn: Chairman of the Board of Directors
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Fax: (415) 788-3430

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

Our Board of Directors currently consists of seven directors and is divided into three classes: Class I, Class II and Class III. At the Annual Meeting, two Class II directors will be elected to serve for a term of three years and until their respective successors are elected and qualified, or until the death, resignation or removal of such director.

Hiromitsu Ogawa and William Liebeck have been nominated for election as the Class II directors at this Annual Meeting. Proxies will be voted for the election of Mr. Ogawa and Mr. Liebeck unless the authority to vote for is withheld. Each nominee has indicated that he is able and willing to serve if elected. If, however, any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who is designated by the current Board of Directors to fill the vacancy. If any nominee should be unable or unavailable to serve prior to the election, the Board of Directors may recommend another nominee, and Timothy B. Page and Nadine Teixeira, in their capacity as proxy holders, will vote the proxies for the nominee.

There are also five continuing directors. Marvin Dennis, Gary Sawka and Victor Garcia are serving as Class I directors until our 2014 annual meeting of stockholders. Masaaki (John) Nishibori and David G. Remington are serving as Class III directors until our 2013 annual meeting of stockholders.

There are no arrangements or understandings between any director or executive officer and any other person pursuant to which he or she is or was to be selected as a director or officer of CAI. There are no family relationships among our executive officers and directors.

If you sign your proxy card or voting instruction card, but do not give instructions with respect to the voting of directors, your shares will be voted “FOR” the persons nominated by the Board of Directors. If you wish to give specific instructions with respect to voting for directors, you may do so by following the instructions on your proxy card or voting instruction card.

	Age	Director since
Class II Director Nominees		
Hiromitsu Ogawa	71	1989

Hiromitsu Ogawa is our founder, Chairman of the Board of Directors of the Company and holder of 33.0% of our common stock. Mr. Ogawa voluntarily resigned from his position as Executive Chairman in June 2009. He has also been a partner of Quest Venture Partners since 2008. From 1989 to November 2006, he served as our Chief Executive Officer. Prior to starting our company in 1989, he was with ITEL Containers International Corp., a lessor of cargo containers for use exclusively in international shipping, for 12 years as Vice President of Marketing for Japan/Korea. Earlier in his career, he also held the position of Executive Managing Director of Heublein Japan Co. Ltd., a food and beverage manufacturing and distribution company. He was also Sales Promotion Manager with Coca-Cola Japan Co. Ltd., a manufacturer and seller of soft drinks and related operations. Mr. Ogawa graduated from Kyoto University of

Foreign Studies with a B.A. As our founder, largest stockholder and former Chief Executive Officer, Mr. Ogawa has intimate knowledge of the Company and industry which gives him unique insights into the Company's operations, strategic goals, and challenges.

William Liebeck

56

2007

William Liebeck is a director and chairman of the Board of Directors' Compensation Committee. He is currently a Partner at Crane Street Capital, LLC, a private equity firm, where he is Chief Executive Officer. From the periods 1988 to 1995, 1997 to 2005 and 2007 to 2009, Mr. Liebeck was a Partner at three private equity firms, Equivest Partners, Thoma Cressey Equity Partners and Englefield Capital, LLC, respectively. Mr. Liebeck holds a B.A. from the University of California at Berkeley and an M.B.A. from Stanford University. Mr. Liebeck's extensive knowledge of the capital markets, strategic planning and mergers and acquisitions from his private equity background provides invaluable expertise to our Board of Directors in matters regarding the Company's capital requirements and strategic direction.

Continuing Class I Directors

Marvin Dennis

74

2007

Marvin Dennis is a director and chairman of the Board of Directors' Audit Committee. Mr. Dennis currently serves as the President of Dennis & Company, a financial consulting company he founded in 1996. From 1974 to 1996, Mr. Dennis served as Chief Financial Officer of Trans Ocean Ltd., a maritime container lessor company he co-founded. Mr. Dennis holds a B.S. from the University of Illinois, a J.D. from DePaul University and a M.B.A. from Harvard University. Mr. Dennis brings extensive and deep industry knowledge to the Board of Directors, and his experience as financial consultant and Chief Financial Officer of Trans Ocean Ltd. is invaluable with respect to financial and accounting issues.

Gary M. Sawka

65

2011

Gary M. Sawka has served as a director since June 2011. From September 2010 to June 2011, Mr. Sawka served as our Interim Chief Financial Officer and Interim Senior Vice President, Finance. Since March 2012, Mr. Sawka has served as Board Treasurer of Industry Initiatives for Science and Math Education (IISE), a Silicon Valley industry-education partnership addressing the critical need to develop a highly skilled workforce in math, science and technological fields. Prior to September 2010, he served as a member of our Board of Directors beginning in May 2007. From September 2008 to October 2010, he served as Senior Vice President, Finance and Chief Financial Officer of Questcor Pharmaceuticals, Inc., a specialty pharmaceuticals company. From October to December 2010 he was employed with Questcor Pharmaceuticals, Inc. on a part time basis as Special Projects, Finance. From February 2007 to April 2008, he served as Chief Financial Officer for Tripath Technology, Inc., a former NASDAQ-listed semiconductor company, during its Chapter 11 reorganization and its reverse merger. From August 2006 to February 2007, he served as a consulting Chief Financial Officer to Tripath Technology, Inc. From 2002 to 2006, Mr. Sawka worked as a financial consultant for several NASDAQ-listed companies. From 2000 to 2001, he served as Executive Vice President and Chief Financial Officer of ePlanning Securities, a national, representative-owned, independent FINRA Broker / Dealer. During the period from 1984 to 2002, Mr. Sawka served as Vice President and Chief Financial Officer of Tvia, Inc., a semiconductor company, PrimeSource Corporation, an

international container leasing company specializing in high service leases, and Itel Containers International Corporation, at the time, the world's largest international container leasing company. Mr. Sawka has an MBA from Harvard University Graduate School of Business Administration and a BS in Accounting from the University of Southern California. Mr. Sawka brings extensive management and consulting experience with public companies and with Itel Containers, another international container leasing company, which will bring valuable financial, operational, governance and strategic expertise to our Board.

Victor M. Garcia

44

2011

Victor M. Garcia has served as our President and Chief Executive Officer and member of our Board since June 2011. From September 2010 to June 2011, he also served as our Senior Vice President and Chief Operating Officer. In addition, Mr. Garcia previously served as our Senior Vice President and Chief Financial Officer from November 2006 through September 2010. From July 1990 to October 31, 2006, he was employed by Banc of America Securities, the investment banking subsidiary of Bank of America, where he was a Managing Director and senior banker in the Transportation Group within the Global Corporate and Investment Bank. Mr. Garcia holds a B.S. from Babson College. Mr. Garcia has been selected as a director because as our President and Chief Executive Officer, he will bring to the Board a unique insight on the management of the company and as our former Chief Financial Officer brings knowledge of the financial facets of the company.

Continuing Class III Directors

Masaaki (John) Nishibori

67

1993

Masaaki (John) Nishibori has served as a member of our Board of Directors since 1993. Mr. Nishibori previously served as our President and Chief Executive Officer from November 2006 to June 2011. In addition, Mr. Nishibori was our Senior Vice President and Chief Financial Officer from 1993 to November 2006. From 1973 to 1993, Mr. Nishibori was a commercial banker for The First National Bank of Boston. From 1970 to 1973, Mr. Nishibori was a management consultant at Arthur D. Little, Inc., an international management consulting firm in Cambridge, Massachusetts. Mr. Nishibori is a graduate of Hitotsubashi University and holds an M.B.A. from Columbia University. In addition to his institutional knowledge from his long tenure of service to the Company and his position as the executive leader of our Company, Mr. Nishibori's significant financial expertise, including extensive experience with capital markets and commercial financing transactions, is invaluable to the Board of Directors.

David G. Remington

70

2010

David G. Remington is a director and chairman of the Board of Directors' Nominating and Corporate Governance Committee. From 2004 to the present, he has served as a gubernatorial appointee to the Executive Board of Energy Northwest, a nuclear and renewable power utility, where he chairs the Compensation Subcommittee. Beginning in December 2010, Mr. Remington has served on the board of Next IT, a private software company, where he chairs the Audit Committee. Since 2001, he has served as a board member of a non-profit that is developing a regional science center and for the last 5 years he has been a board member of an angel investment fund. He is a retired senior financial executive with 40 years of experience in corporate finance, investment and commercial banking. From February 1996 until December 2004, he served as a Senior Vice President and Chief Financial Officer of Itron, Inc. Prior to his service with Itron, Inc., Mr. Remington served in various executive roles as a Managing Director for Dean Witter Reynolds, Inc. and as President of Steiner Financial Corporation. He holds a bachelor's degree in electrical engineering from the University of California at Berkeley and a master's degree from the Harvard Business School. Mr. Remington's extensive financial experience with nearly 40 years of work in corporate finance, investment and commercial banking, is invaluable with respect to financial and accounting issues.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE FOR THE ELECTION OF THE NOMINEES TO THE BOARD OF DIRECTORS

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

We are committed to sound corporate governance principles. Such principles are essential to running our business efficiently and to maintaining our integrity in the marketplace. Our Corporate Governance Guidelines and Code of Business Conduct and Ethics are available in the “Documents & Charters” portion of the Investor Relations section of our website at www.capps.com. Our Code of Business Conduct and Ethics applies to all contractors, consultants and service providers of CAI. A copy of our Corporate Governance Guidelines and Code of Business Conduct and Ethics will be provided to any stockholder who requests it from us at the following address:

CAI International, Inc.
Attn: Investor Relations
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Phone: (415) 788-0100

Board Independence

The Board of Directors has reviewed the relationships between CAI and each of its directors, including former directors, who served as directors during any part of fiscal 2011. The Board of Directors has determined that none of our current directors, except Hiromitsu Ogawa, the Chairman of our Board of Directors, Masaaki (John) Nishibori, our former President and Chief Executive Officer and Victor M. Garcia, our current President and Chief Executive Officer, has a material relationship with us (either directly, through a family member or as a partner, officer or stockholder of any organization that has a relationship with us), and each director, other than Messrs. Ogawa, Nishibori and Garcia, is independent within the meaning of our director independence standards, which reflect exactly the New York Stock Exchange director independence standards. These independence standards are available in the “Documents & Charters” portion of the Investor Relations section of our website at www.capps.com and a copy of such standards will be provided to any stockholder who requests it from us at the following address:

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San Francisco, CA 94105
Phone: (415) 788-0100

The Board of Directors will annually appoint a Presiding Non-Management Director from among the independent directors. The Presiding Non-Management Director will serve as a focal point and facilitator to assist the independent directors in fulfilling their responsibilities. Mr. Marvin Dennis is currently appointed as our Presiding Non-Management Director. The process by which the Board of Directors selects the Presiding Non-Management Director is described under the “Documents & Charters” portion of the Investor Relations section of our website at www.capps.com.

Board Structure and Committee Composition

Mr. Ogawa serves as the Chairman of the Board of Directors and Mr. Garcia serves as both our Chief Executive Officer and as a director. We believe that having a separate Chairman and Chief Executive Officer is appropriate given the current characteristics of our management. Mr. Ogawa, as founder and previous Chief Executive Officer, is intimately familiar with our business and industry, and most capable of effectively identifying strategic priorities,

leading Board of Directors discussions and defining our strategic objectives. Mr. Garcia, as the Chief Executive Officer, is the individual selected by the Board of Directors to manage us on a day-to-day basis, and his direct involvement in our operations allows him to provide valuable insights with respect to strategic planning and the operational requirements to meet our short- and long-term objectives. Our independent directors bring experience, oversight and expertise from outside the company and industry.

Our Board of Directors has the authority to appoint committees to perform certain management and administrative functions. Our Board of Directors has the following three standing committees: (1) Audit, (2) Compensation, and (3) Nominating and Corporate Governance. The membership and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board of Directors. During fiscal 2011, the Board of Directors held eighteen meetings. Each director attended at least 75% of all Board of Directors and applicable committee meetings which he served during his tenure as a director in fiscal 2011. Non-management directors meet in executive session on a regular basis, generally at each scheduled Board of Directors meeting. Directors are encouraged to attend annual meetings of our stockholders. All of our directors attended last year's annual meeting of stockholders. The following table shows committee service for our seven current directors for fiscal 2011:

Name of Director	Audit	Compensation	Nominating and Corporate Governance
Nonemployee Directors:			
Hiromitsu Ogawa, Chairman			
Marvin Dennis	X*	X	X
William Liebeck	X	X*	X
David G. Remington	X	X	X*
Masaaki (John) Nishibori			
Gary Sawka	X	X	X
Employee Director:			
Victor Garcia, Chief Executive Officer			

—
X = Committee member

* = Chair

Audit Committee. The functions of the Audit Committee include oversight of the integrity of our financial statements, performance of our internal audit services function, our compliance with legal and regulatory requirements, the implementation and effectiveness of our disclosure controls and procedures, the annual independent audit of our financial statements, and the evaluation of the performance, qualifications and independence of our independent auditors. Our Audit Committee is directly responsible for the appointment, retention, compensation, evaluation, termination and oversight of the work of any independent auditor engaged for the purpose of issuing an audit report or related work, as well as pre-approving all non-audit services. The purpose and responsibilities of our Audit Committee are set forth in the Audit Committee Charter approved by our Board of Directors on July 30, 2009. All of the directors currently serving on our Audit Committee, Mr. Dennis, Mr. Liebeck, Mr. Remington and Mr. Sawka, qualify as “independent,” as such term is defined in Section 10A(m) under the Securities Exchange Act of 1934, as amended, Rule 10A-3 promulgated thereunder, and in Section 303A.02 of the New York Stock Exchange Manual. Mr. Dennis, Mr. Liebeck, Mr. Remington and Mr. Sawka each have accounting or related financial management expertise as required by the NYSE’s requirements and qualify as “audit committee financial experts,” as defined in Regulation S-K, as promulgated by the Securities and Exchange Commission. During fiscal 2011, the Audit Committee held five meetings.

The report of the Audit Committee is included on page 24 of this proxy statement. The charter of the Audit Committee is available in the “Documents & Charters” portion of the Investors section of our website at www.capps.com and a copy of such charter will be provided to any stockholder who requests it from us at the following address:

CAI International, Inc.
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San Francisco, CA 94105
Phone: (415) 788-0100

Compensation Committee . The Compensation Committee has overall responsibility for evaluating and approving our executive officer incentive compensation, benefit, severance, equity-based or other compensation plans, policies and programs. The Compensation Committee determines the compensation for the Chief Executive Officer and recommends to the Board of Directors for its approval compensation levels for our directors and other executive officers, and such other senior employees as the Compensation Committee may determine. The Compensation Committee is also responsible for producing a report for inclusion in our proxy statement. In addition, the Compensation Committee assists the Board of Directors in discharging the responsibility of the Board of Directors for settler functions relating to the Company’s compensation and benefits programs generally. The purpose and responsibilities of our Compensation Committee are set forth in the Compensation Committee Charter approved by our Board of Directors on April 7, 2010. All of the directors currently serving on our Compensation Committee, Mr. Dennis, Mr. Liebeck, Mr. Remington and Mr. Sawka, qualify as “independent,” as such term is defined in Section 303A.02 of the NYSE Manual. During fiscal 2011, the Compensation Committee held nine meetings.

The Compensation Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Compensation Committee. Additionally, the Compensation Committee shall have the sole authority and responsibility to engage and terminate any outside consultant to assist in evaluating and determining appropriate compensation levels for the Chief Executive Officer or other members of management and to approve the terms of any such engagement and the fees of any such consultant. Our Compensation Committee engaged Pearl Meyer & Partners to review our executive compensation policies and levels and to assist the Committee in setting compensation for our executives in 2011. In considering director compensation and perquisites, the Compensation Committee may request that management report to the Compensation Committee periodically on the status of the Board of Director's compensation and perquisites in relation to other similarly situated companies.

Mr. Ogawa, our Chairman, and Mr. Garcia, our chief executive officer, participate in all discussions and decisions regarding salaries and incentive compensation for all of our executive officers, except during discussions regarding their own salary and incentive compensation. While the Compensation Committee looks to Messrs. Ogawa and Garcia to make recommendations with respect to specific compensation decisions for the executive officers other than the Chief Executive Officer, all decisions regarding the compensation of our executive officers are made solely by the Board of Directors upon the recommendation of the Compensation Committee.

The report of the Compensation Committee is included beginning on page 23 of this proxy statement. The charter of the Compensation Committee is available in the "Documents & Charters" portion of the Investors section of our website at www.capps.com and a copy of such charter will be provided to any stockholder who requests it from us at the following address:

CAI International, Inc.
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1 Market Plaza, Suite 900
San Francisco, CA 94105
Phone: (415) 788-0100

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee assists our Board of Directors in promoting our best interests and the best interests of our stockholders through the implementation of sound corporate governance principles and practices. In furtherance of this purpose, the Nominating and Corporate Governance Committee identifies individuals qualified to become directors and recommends to our Board of Directors the director nominees for the next annual meeting of stockholders. It is also responsible for reviewing the structure and composition of our Board of Directors committees and making any recommendations the committee members may deem appropriate from time to time concerning any recommended changes in the composition of our Board of Directors and its committees. The Nominating and Corporate Governance Committee also recommends to our Board of Directors the corporate governance guidelines and standards regarding the independence of outside directors applicable to CAI and reviews such guidelines and standards and the provisions of the Nominating and Corporate Governance Committee Charter on a regular basis to confirm that such guidelines, standards and charter remain consistent with sound corporate governance practices and with any legal or regulatory requirements of The New York Stock Exchange. The Nominating and Corporate Governance Committee also monitors our Board of Directors and our compliance with any commitments made to our regulators or otherwise regarding changes in corporate governance practices and is responsible for leading our Board of Directors in its annual review of our Board of Directors' performance.

The purpose and responsibilities of our Nominating and Corporate Governance Committee are set forth in the Nominating and Corporate Governance Committee Charter approved by our Board of Directors on April 7, 2010. All of the directors currently serving on our Nominating and Corporate Governance Committee, Mr. Dennis, Mr. Liebeck,

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Mr. Remington and Mr. Sawka, qualify as “independent,” as such term is defined in Section 303A.02 of the NYSE Manual. During fiscal 2011, the Nominating and Corporate Governance Committee held one meeting.

The Nominating and Corporate Governance Committee’s charter is available in the “Documents & Charters” portion of the Investors section of our website at www.capps.com and a copy of such charter will be provided to any stockholder who requests it from us at the following address:

CAI International, Inc.
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Steuart Tower
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San Francisco, CA 94105
Phone: (415) 788-0100

Our Board of Directors may establish other committees from time to time to facilitate the management of our business and affairs.

Consideration of Nominees. The Nominating and Corporate Governance Committee utilizes a variety of methods for identifying nominees for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current Board of Directors members, professional search firms, stockholders or other persons.

In evaluating candidates, including candidates nominated by stockholders, the Nominating and Corporate Governance Committee seeks to achieve a balance of strength of character, judgment, business experience, specific areas of expertise, factors relating to the composition of the Board of Directors (including its size and structure) and diversity on the Board of Directors. Directors are expected to attend all or substantially all Board of Directors meetings and meetings of the Committees of the Board of Directors on which they serve. Directors are also expected to spend the necessary time to discharge their responsibilities and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board of Directors.

Stockholder Nominees. The Nominating and Corporate Governance Committee will consider properly submitted stockholder nominations for candidates for membership on the Board of Directors. Any stockholder nominations proposed for consideration by the Nominating and Corporate Governance Committee should include the nominee's name and qualifications for Board of Directors membership and should be addressed to:

CAI International, Inc.
Attn: Chair of the Nominating and Corporate Governance Committee
Steuart Tower
1 Market Plaza, Suite 900
San Francisco, CA 94105
Fax: (415) 788-3430

For a description of the process for nominating directors in accordance with our bylaws, see "Questions and Answers about the Proxy Materials and the Annual Meeting—What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?" on page 5.

The Board's Role in Risk Oversight

One of the Board of Directors' primary responsibilities under our Corporate Governance Guidelines is reviewing our strategic plans and objectives, including our principal risk exposures. The Audit Committee is also responsible for evaluating enterprise risk issues and discusses our major risk exposures, whether financial, operating or otherwise, with management, the head of internal audit (or the internal audit service providers), and the independent auditors. The Board of Directors addresses at least annually, the principal current and our future risk exposures. The Board of Directors receives regular reports from members of senior management on areas of material risk to CAI, including operational, financial, legal and regulatory, and strategic and reputation risks.

MANAGEMENT

The following table sets forth certain information regarding our current executive officers who are responsible for overseeing the management of our business, and two key employees as of April 27, 2012. For biographical information about Mr. Garcia, who is also a member of our Board of Directors, see page 8 above.

Name	Age	Position
Executive Officers:		
Victor M. Garcia	44	President, Chief Executive Officer and Director
Timothy B. Page	59	Chief Financial Officer
Daniel J. Hallahan	56	Senior Vice President, Global Marketing
Nadine B. Teixeira	44	Vice President, International Legal Affairs and Secretary
Camille G. Cutino	52	Vice President, Operations and Human Resources

Key Employees:

Matthew Easton	39	Vice President, Information Technology
David B. Morris	45	Vice President, Finance and Corporate Controller

Executive Officers

Timothy B. Page has served as our Chief Financial Officer since May 2011. From 2008 to 2011, Mr. Page was Chief Financial Officer of Port Logistics Group, Inc., a logistics services company. From 2004 until 2008, Mr. Page was the Chief Financial Officer of Quality Distribution, Inc., a NASDAQ-listed bulk chemical transportation company, with over 100 locations in the U.S., Mexico and Canada. From 2001 to 2004, Mr. Page was the Chief Financial Officer of Perry Ellis International, Inc., a NASDAQ-listed global apparel company. Mr. Page holds an M.B.A. from the University of Wisconsin-Milwaukee.

Daniel J. Hallahan has served as our Senior Vice President, Global Marketing since February 2010. Mr. Hallahan previously served as Vice-President, Marketing in Europe from July 1992 to February 2010. Prior to joining CAI, Mr. Hallahan served as Director of Marketing of Amphibious Container Leasing and ITEL Containers International Corporation.

Nadine B. Teixeira has served as CAI's Vice-President, International Legal Affairs since July 2010 and as Secretary since April 2011. Ms. Teixeira served as CAI's Director, International Legal Affairs, from February 2009 to July 2010. Prior to joining CAI, Ms. Teixeira was an Associate and Special Counsel at Perkins Coie LLP and Cooley LLP, respectively, with a focus on venture capital funds and public companies. From August 1999 to August 2005, Ms. Teixeira was a corporate partner at Demarest e Almeida Advogados, Brazil. She received her LL.M in Corporate Governance & Practice from Stanford Law School in 2005 and her Bachelor of Law from the Law School of the University of São Paulo, Brazil, in 1990.

Camille G. Cutino has served as our Vice President, Operations and Human Resources since October 2011. She previously served the company as our Vice President, Operations from January 2000 through September 2011 and as our Director of Operations from July 1992 through December 1999. She consulted with the company from May 1991 through June 1992. Prior to joining CAI, she was the director of operations at Itel Containers International, Inc., a lessor of cargo containers for use exclusively in international shipping, where she served from 1980 through 1991. She holds a B.S. from San Francisco State University.

Key Employees

Matthew Easton has served as our Vice President of Information Technology since August 2010. From 2000 through 2010, Mr. Easton served as our Information Technology manager. From 1998 through 2000, Mr. Easton was an information technology contractor for our company. Prior to joining CAI, Mr. Easton was an Analysis Manager for California major accounts at AT&T Inc. (formerly, SBA Communications Inc.), a telephone communications company.

David B. Morris has served as our Vice President, Finance and Corporate Controller since May 2011. From 2008 to 2011, Mr. Morris served as Senior Director, Finance, and prior to that as Director, SEC Reporting, of Celera Corporation, a NASDAQ-listed healthcare company. Previously, Mr. Morris was a Senior Audit Manager at KPMG LLP with a focus on public companies. Mr. Morris received a Bachelor of Engineering from the University of Bristol, U.K. in 1988. Mr. Morris is a U.K. Chartered Accountant and a California-licensed Certified Public Accountant.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of Our Compensation Programs

The Board of Directors and the Compensation Committee believe that compensation for our named executive officers, who are identified in the 2011 Summary Compensation Table below, should be tied to corporate performance. The primary objectives of the executive compensation program are to:

- Provide competitive compensation packages that enable us to attract and retain talented executives;
- Motivate named executive officers to achieve our short- and long-term business strategies; and
 - Align named executive officer compensation with stockholder value.

How We Set Compensation

We have compensation programs for our named executive officers that are designed to offer compensation that is competitive with compensation offered by competitors and companies of similar size and complexity within the intermodal container and similar industries.

Mr. Ogawa, our Chairman of the Board of Directors, and Mr. Garcia, our current chief executive officer, in consultation with our Board of Directors and the Compensation Committee, set the compensation of our executive officers. Generally, we have sought to provide compensation packages to our executive officers that are fair and competitive. The compensation for our Chief Executive Officer and Chief Financial Officer for fiscal 2011 was set pursuant to individual employment agreements entered into with each of them.

The Compensation Committee looks at data from publicly available compensation data provided by our compensation consultant, Pearl Meyer & Partners, from a selected group of peer organizations with comparable revenue. For 2011, the selected peer organizations consisted of: Aircastle Ltd., Echo Global Logistics, Inc., Express-1 Expedited Solutions, Inc., GATX Corporation, Marlin Business Services Corp., McGrath Rentcorp., Mobile Mini, Inc., Pacer International, Inc., Resource America, Inc., SeaCube Container Leasing Ltd., TAL International, Inc., Textainer Group Holdings Ltd and Willis Lease Finance Corporation. While the compensation data presented may identify a certain percentile, the Compensation Committee did not target any specific percentile with regard to any specific element of compensation or total compensation.

In establishing the compensation of our named executive officers, we based the amounts primarily on a subjective assessment of the market data and the business judgment of the Compensation Committee members, the individual performance of each named executive officer in recent periods, the employment agreement of each named executive officer, if any, and each named executive officer's level of responsibility for our key objectives and potential for future responsibility and promotion.

The following table sets forth the percentage of each named executive officer's total compensation that was paid in the form of base salary and cash incentive awards for fiscal 2011 based on the amount reported as Total Compensation in the Summary Compensation Table:

Name	Cash Compensation as a Percentage of Total Compensation
------	---

Masaaki (John) Nishibori	90.5%
Victor M. Garcia	28.6%
Timothy B. Page	49.5%
Gary M. Sawka	90.0%
Daniel J. Hallahan	95.8%
Nadine B. Teixeira	91.0%
Camille G. Cutino	91.7%

Elements of Compensation

Our compensation program for our named executive officers consists of:

- base salary and benefits;
- cash bonuses; and
- long-term, equity-based compensation.

Base Salaries

We generally set the base salary of each of our named executive officers at a level we believe compensates these individuals adequately for the work they are expected to perform in their respective positions, and we consider the base salaries paid to similarly-positioned executives by our selected peer organizations. We increased Mr. Garcia's base salary effective June 3, 2011, in connection with his appointment as our President and Chief Executive Officer. Mr. Page was appointed as our Chief Financial Officer effective May 9, 2011. Mr. Nishibori's base salary in effect for 2011 until he retired as our President and Chief Executive Officer effective June 3, 2011 was \$556,500. We increased base salaries for Mr. Hallahan, Ms. Teixeira and Ms. Cutino for 2011 in recognition of the exceptional service provided by each of them to us, as shown in the following table.

Name	2010 Annual Base Salary	2011 Annual Base Salary
Victor M. Garcia	\$360,150	\$520,000
Timothy B. Page	—	\$350,000
Daniel J. Hallahan	\$321,578	\$337,310
Nadine B. Teixeira	\$224,400	\$250,000
Camille G. Cutino	\$178,080	\$215,000

Cash Bonuses

We provide cash bonuses for each of our named executive officers. The cash bonuses to executive officers, other than Mr. Garcia, are paid at the discretion of the Compensation Committee. Our Board of Directors allocates a general pool for all cash bonuses, except for the bonus to Mr. Garcia. From this bonus pool, our Compensation Committee then determines the cash bonuses to be paid to each other named executive officer. When setting the discretionary cash bonuses for our other executive officers, the Compensation Committee considers several factors, including the overall performance of our company, the individual executive's role in our performance and the individual executive's job performance. The Compensation Committee may also award additional discretionary cash bonuses in its discretion.

The Compensation Committee awarded bonuses to the named executive officers for fiscal 2011 based on its review and analysis of their positions, responsibilities and performance, as well as their anticipated responsibilities and potential contributions to growth in stockholder value. The Compensation Committee analyzed our performance relative to peer companies and the compensation comparables of peer companies in validating its conclusions.

Under Mr. Garcia's employment agreement, he is entitled to receive a bonus of up to 60% of his base salary, with one-half of the bonus for 2011 to be based on our achievement of a certain level of pretax net profits for 2011 and the other half to be based on a subjective evaluation of Mr. Garcia's performance. For future years, Mr. Garcia's bonus and performance objectives will be recommended by the Compensation Committee and approved by our Board of Directors. As a result of exceeding his performance objectives, Mr. Garcia's bonus paid for 2011 was equal to 61.5% of his base salary as of December 31, 2011.

For fiscal 2011, in addition to the \$25,000 cash signing bonus prescribed in his employment agreement, Mr. Page received a discretionary cash bonus equal to \$140,000, or 40.0% of his base salary. Mr. Nishibori received a discretionary cash bonus equal to \$126,000, or approximately 22.6% of his base salary. Ms. Teixeira received a discretionary cash bonus equal to \$105,000, or approximately 42.0% of her base salary. Ms. Cutino received a discretionary cash bonus equal to \$100,000, or approximately 46.5% of her base salary. Mr. Hallahan received a discretionary cash bonus equal to \$170,000, or approximately 50.4% of his base salary. Such bonuses were paid in recognition of the exceptional service provided by each of them during fiscal 2011.

Severance and Change-in-Control Payments

We have entered into written agreements with Mr. Garcia and Mr. Page pursuant to which they will receive severance benefits in the event their employment is terminated by us other than for cause, by the executive for good reason, or as a result of death or disability. We had entered into similar agreements with Mr. Nishibori and Ms. Teixeira pursuant to their employment agreements that terminated in June 2011 and August 2011, respectively. We provided these benefits to attract and retain qualified executive officers who could obtain similar positions at other companies. These potential payments are discussed further under “Potential Payments Upon Termination or Change in Control” below.

Other Benefits

Our named executive officers are eligible to participate in all our employee benefit plans, such as medical, dental, vision, group life, disability and our 401(k) plan, in each case on the same basis as other employees. In addition, we pay for additional life insurance policies for certain of our named executive officers. We also pay golf club monthly dues for certain of our executive officers. All of these other benefits are included as part of the benefits package to retain highly qualified executives. We also provide vacation and other paid holidays to all employees, including our executive officers.

At our annual meeting of stockholders in June 2011, we held our first advisory vote to approve the compensation of our named executive officers ("say-on-pay"). The compensation of our named executive officers reported in our 2011 proxy statement was approved by over 99% of the votes cast at the 2011 annual meeting. We believe this affirms our stockholders' support of our approach to executive compensation, and we did not change its approach in 2011. We will continue to consider the outcome of our say-on-pay votes when making future compensation decisions for our named executive officers.

2011 Summary Compensation Table

The following table provides information concerning the compensation of our named executive officers for the fiscal year ended December 31, 2011.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Masaaki (John) Nishibori(2) Former President and Chief Executive Officer	2011	\$ 266,879	\$ 126,000	—	—	\$ 63,353 (3)	\$ 456,232
	2010	\$ 543,250	—	—	\$ 390,107	\$ 70,331	\$ 1,003,688
	2009	\$ 530,000	—	\$ 207,624	\$ 156,610	\$ 77,871	\$ 972,105
Victor M. Garcia(4) President and Chief Executive Officer	2011	\$ 452,500	—	\$ 1,893,527	\$ 319,800	\$ 36,092 (5)	\$ 2,701,919
	2010	\$ 345,858	\$ 352,465	—	—	\$ 32,572	\$ 730,895
	2009	\$ 343,000	\$ 237,200	\$ 83,050	—	\$ 32,104	\$ 695,354
Gary M. Sawka(6) Former Interim Chief Financial Officer	2011	\$ 163,891	\$ 50,000	\$ 102,219	—	\$ 33,396 (7)	\$ 349,506
	2010	\$ 146,058	—	\$ 50,360	—	\$ 4,874	\$ 201,292
Timothy B. Page(8) Chief Financial Officer	2011	\$ 225,481	\$ 165,000	\$ 346,212	—	\$ 52,168 (9)	\$ 788,861
Daniel J. Hallahan Senior Vice President, Global Marketing	2011	\$ 330,824	\$ 170,000	—	—	\$ 21,916 (10)	\$ 522,740
	2010	\$ 296,686	\$ 193,000	—	—	\$ 15,215	\$ 504,901
Nadine B. Teixeira Vice President, International Legal Affairs	2011	\$ 237,200	\$ 105,000	—	—	\$ 33,886 (11)	\$ 376,086
	2010	\$ 214,200	\$ 100,000	—	—	\$ 31,252	\$ 345,452

Camille Cutino	2011	\$ 188,183	\$ 100,000	—	—	\$ 25,968	(12)	\$ 314,151
Vice President, Operations and Human Resources	2010	\$ 173,840	\$ 75,000	—	—	\$ 24,539		\$ 273,379
	2009	\$ 169,600	\$ 40,000	\$ 124,575	—	\$ 30,635		\$ 364,810

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- (1) These amounts reflect the aggregate grant date fair value for stock options and stock awards computed in accordance with FASB ASC Topic 718 “Compensation—Stock Compensation,” excluding the effect of any estimated forfeitures. For information on the method and assumptions used to calculate the compensation costs, see Note 11 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011.
- (2) Mr. Nishibori retired as our President and Chief Executive Officer effective June 3, 2011. Mr. Nishibori continues to serve on our Board of Directors. The amount reported as “salary” includes \$28,583 in fees paid for service as a nonemployee director after June 3, 2011.
- (3) Other compensation for 2011 includes \$25,022 for health and dental insurance premiums, \$968 for life and disability insurance premiums, \$2,782 in golf club dues, \$9,275 for 401(k) matching contributions, \$2,475 for office parking fees and \$22,831 for accrued vacation.
- (4) Mr. Garcia was appointed as our President and Chief Executive Officer effective June 3, 2011. Mr. Garcia previously served as our Senior Vice President and Chief Operating Officer.
- (5) Other compensation for 2011 includes \$16,864 for health and dental insurance premiums, \$1,756 for life and disability insurance premiums, \$1,732 in life insurance premiums, \$9,800 for 401(k) matching and \$5,940 in office parking fees.

- (6) Mr. Sawka served as our Interim Chief Financial Officer from September 29, 2010 until May 9, 2011, when he was appointed as our Interim Senior Vice President, Finance, serving in that capacity until June 3, 2011. Mr. Sawka was elected as a member of our Board of Directors on June 3, 2011. The amount reported as “salary” includes \$36,583 in fees paid for service as a nonemployee director after June 3, 2011, and the amount reported as “Option Awards” consists of the grant date fair value of an option granted to Mr. Sawka to purchase 10,000 shares of our common stock as part of his director compensation
- (7) Other compensation for 2011 includes \$12,817 for health and dental insurance, \$1,016 for life and disability insurance, \$5,000 for 401(k) matching contributions, \$2,255 in office parking fees and \$12,308 for accrued vacation.
- (8) Mr. Page was appointed as our Chief Financial Officer on May 9, 2011.
- (9) Other compensation for 2011 includes \$11,026 for health and dental insurance, \$864 for life and disability insurance, \$4,667 for 401(k) matching contributions, \$803 in office parking fees and \$34,808 for relocation costs
- (10) Other compensation for 2011 includes \$3,936 for health and dental insurance and \$17,980 for car allowance.
- (11) Other compensation for 2011 includes \$16,864 for health and dental insurance, \$1,757 for life and disability insurance, \$2,634 in life insurance premiums, \$7,116 for 401(k) matching and \$5,515 in office parking fees.
- (12) Other compensation for 2011 includes \$11,582 for health and dental insurance, \$1,755 for life and disability insurance, \$184 in life insurance premiums, \$7,527 for 401(k) matching and \$4,920 in office parking fees.

2011 Grants of Plan-Based Awards Table

The following table provides information regarding grants of plan based awards for each of our named executive officers for 2011.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (1)
		Threshold (\$)	Target (\$)	Maximum (\$)			
Masaaki (John) Nishibori	—	—	—	—	—	—	—
Victor M. Garcia	4/29/2011	—	—	—	150,000	\$25.16	\$1,893,527
		—	—	\$312,000			
Gary M. Sawka	6/3/2011	—	—	—	10,000	(2) \$21.62	\$102,219
Timothy B. Page	5/9/2011	—	—	—	30,000	\$23.14	\$346,212
Daniel J. Hallahan	—	—	—	—	—	—	—
Nadine B. Teixeira	—	—	—	—	—	—	—
Camille Cutino	—	—	—	—	—	—	—

(1) These amounts reflect the aggregate grant date fair value for stock options and stock awards computed in accordance with FASB ASC Topic 718 “Compensation—Stock Compensation,” excluding the effect of any estimated forfeitures. For information on the method and assumptions used to calculate the compensation costs, see Note 11 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011.

- (2) Granted to Mr. Sawka as a nonemployee director and vests in full on the anniversary of the grant date.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Victor M. Garcia. Mr. Garcia became our President and Chief Executive Officer on June 3, 2011. Mr. Garcia previously served as our Senior Vice President and Chief Operating Officer from September 2010 to June 2011. We entered into an employment agreement with Mr. Garcia in April 2011 in connection with his promotion as our President and Chief Executive Officer. The employment agreement is effective until May 1, 2014 and automatically renews for an additional three-year period, unless the agreement is terminated earlier by us for death, disability, company insolvency or “cause,” by Mr. Garcia for “good reason,” as described further on page 20, or by either party with at least 90 days written notice prior to the end of the term. Pursuant to his employment agreement, Mr. Garcia is entitled to an annual bonus as described above under the heading “Cash Bonus” and was granted a stock option to purchase 150,000 shares of our common stock, subject to vesting.

Timothy B. Page. Mr. Page became our Chief Financial Officer in May 2011. We entered into an employment agreement with Mr. Page effective mid-May 2011 in connection with his appointment as our Chief Financial Officer. Pursuant to his employment agreement, Mr. Page’s annual base salary is \$350,000 and he is entitled to a cash bonus of at least 40% of his base salary in 2011. Mr. Page’s base salary and cash bonus for 2012 and beyond will be determined by our Board of Directors in their discretion. In addition, pursuant to his employment agreement, we granted Mr. Page a stock option to purchase 30,000 shares of our common stock, subject to vesting, and we also agreed to pay Mr. Page a \$25,000 signing bonus and any reasonable relocation expenses in connection with his move to the San Francisco Bay area. Mr. Page is also entitled to certain benefits upon his termination by us for cause or in connection with a change in control as describe further on page 20.

Masaaki (John) Nishibori. Mr. Nishibori retired as our President and Chief Executive Officer effective June 3, 2011. Prior to his retirement, Mr. Nishibori's received compensation based on his employment agreement. Effective June 3, 2011, we entered into a Continuing Services Agreement with Mr. Nishibori in connection with his retirement. Pursuant to the Continuing Services Agreement, among other things, (i) as long as Mr. Nishibori continues as a member of the Board, he and his spouse are eligible to participate in our health insurance plans to the extent permitted under such plans, (ii) Mr. Nishibori's continued service as a Director is deemed to constitute "continuous service" such that the stock option grants that have been previously granted to Mr. Nishibori pursuant to our 2007 Equity Incentive Plan will continue to vest so long as he remains a Director, and (iii) following vesting in full of Mr. Nishibori's currently-held stock options, Mr. Nishibori will be eligible to receive annual stock option grants that may be awarded to other outside members of the Board.

2011 Outstanding Equity Awards at Fiscal Year-End Table

The following table provides information regarding the number and estimated value of outstanding stock options and unvested stock awards held by each of our named executive officers as of December 31, 2011.

Name	Grant Date	Option Awards			
		Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date
Masaaki (John) Nishibori	5/15/2007	259,980	—	\$ 15.00	5/14/2017
	6/5/2009	62,500	37,500 (1)	\$ 5.60	6/4/2019
Victor M. Garcia	5/15/2007	130,200	—	\$ 15.00	5/14/2017
	6/5/2009	25,000	15,000 (1)	\$ 5.60	6/4/2019
	4/29/2011	—	150,000 (1)	\$ 25.16	4/29/2021
Gary M. Sawka	5/15/2007	12,500	—	\$ 15.00	5/14/2017
	5/22/2008	7,500	—	\$ 15.30	5/21/2018
	6/5/2009	10,000	—	\$ 5.60	6/4/2019
	6/4/2010	10,000	—	\$ 13.48	6/3/2020
	6/3/2011				