



2411 E. LOOP 820 N.
FORT WORTH, TX 76118
(855) 458-4100

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON AUGUST 25, 2020**

TO THE STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of PharmChem, Inc., a Delaware corporation (the "Company"), will be held on August 25, 2020, at 10:00 a.m., local time, at the law offices of Fennemore Craig, P.C., Biltmore Center, 2394 E. Camelback Road, Suite 600, Phoenix, AZ 85016 for the following purposes:

1. To elect directors to serve for the ensuing year and until their successors are duly elected and qualified.
2. To ratify the appointment of Whitley Penn LLP as independent auditors for the Company for its 2020 fiscal year.
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

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

Only stockholders of record at the close of business on July 17, 2020 are entitled to notice of and to vote at the Meeting.

All stockholders are cordially invited to participate in the Meeting. To assure your representation at the Meeting, you are urged to vote as promptly as possible either online, by phone or by mail. See the attached proxy for complete voting instructions. NOTE: You must have your control number (printed on the proxy/ballot) to vote using the web or by phone.

Joseph W. Halligan
President & Chief Executive Officer

Fort Worth, Texas
July 17, 2020

IMPORTANT: Whether or not you plan to participate in the Meeting, you are requested to vote as described above.

SPECIAL NOTE: In 2003, the Company filed Form 15 with the Securities and Exchange Commission (SEC) effectively terminating its registration under the Securities Exchange Act of 1934. Under this filing, the Company does not believe it is subject to the SEC's reporting requirements, including this Proxy Statement. The Company has no plans to revoke this filing.



To Our Stockholders:

We are pleased to invite you to the Annual Meeting of Stockholders (the “Meeting”) to be held at the law offices of Fennemore Craig, P.C., Biltmore Center, 2934 E. Camelback Road, Suite 600, Phoenix, AZ 85016, at 10:00 a.m., local time, and at any adjournment thereof, for the purposes set forth herein and in the accompanying Notice of the Meeting of Stockholders.

INFORMATION CONCERNING SOLICITATION AND VOTING

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date or by attending the Meeting and voting in person.

Record Date

Stockholders of record at the close of business on July 17, 2020 are entitled to notice of the Meeting and to vote at the Meeting. At the record date, 5,852,593 shares of the Company’s Common Stock were issued and outstanding.

Voting and Solicitation; Quorum

As permitted under Delaware law, the Bylaws of the Company do not provide for cumulative voting for the election of directors. Each stockholder of record is entitled to one vote for each share held. The presence, in person or by proxy, of a majority of shares outstanding on the record date constitutes a quorum to transact business at the Meeting. Abstentions and broker “non-votes” are counted as present and entitled to vote for purposes of determining a quorum. A broker “non-vote” occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

An affirmative vote of a plurality of the votes duly cast is required for the election of a director. Abstention and broker “non-votes” are not counted for the purposes of the election of directors. For each other item, the affirmative vote of a majority of the shares, present in person or represented by proxy, will be required for approval. An abstention is counted as a vote against and a broker “non-vote” is not counted for purposes of approving such other items.

An automated system administered by the Company’s transfer agent tabulates the proxies received prior to the date of the Meeting. Proxies received on the date of the Meeting at or prior to the time of voting are tabulated manually by a representative of the Company.

The cost of soliciting proxies will be borne by the Company. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by certain of the Company’s directors, officers and regular employees, without additional compensation, personally or by telephone or facsimile. The Company may also retain a professional solicitor to assist in the solicitation of proxies.

Deadline for Receipt of Stockholder Proposals

Proposals of stockholders of the Company which are intended to be presented by such stockholders at the Company's 2021 Annual Meeting of Stockholders (the "2021 Meeting") must be received by the Company no later than May 27, 2021 and must otherwise comply with the Company's Bylaws in order to be brought before the 2021 Meeting. The Company's Bylaws provide that, to be timely, a stockholder's notice of a proposal to be presented at an annual meeting must be delivered to and received by the Secretary of the Company at least ninety days in advance of the anniversary date of the preceding year's annual meeting. Such advance notice must be delivered to and received by the Secretary of the Company, 2411 E. Loop 820 N., Fort Worth, TX 76118, no later than May 27, 2021 in order to be timely for the 2021 Meeting.

The Company intends to publish the date of its 2021 Meeting on its website at least 120 days prior to the date of the meeting.

The Bylaws of the Company further require that such a proposal, among other things, include (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Company's books of the stockholder proposing such business, (iii) the class and number of shares of the Company which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business, and (v) if applicable, any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, in such stockholder's capacity as a proponent of a stockholder proposal.

Any description in this notice of the Company's Bylaws is not, and does not purport to be, a complete summary of the applicable provisions and is qualified in its entirety by reference to the text of such provisions in the Company's Bylaws.

COMMON STOCK

The Company's common stock trades on the OTCIQ Exchange under the symbol PCHM. Investors will note a "Stop Sign" on the PharmChem page denoting "OTC Pink – No Information".

PROPOSAL ONE:

ELECTION OF DIRECTORS

Nominees

A Board of three (3) directors is to be elected at the Meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Company's three (3) nominees named below. If any nominee of the Company is unable or declines to serve as a director at the time of the Meeting, the proxies will be voted for any nominee who is designated by the present Board to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director. The term of office of each person elected as a director will continue until the next Meeting of Stockholders or until a successor has been elected and qualified.

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Principal Occupation</u>
Joseph W. Halligan	75	1995	President and Chief Executive Officer of the Company
Richard D. Irwin	85	1987	Qualified Investor
David A. Lattanzio	77	2014	Vice President, Finance

Mr. Halligan has been President and Chief Executive Officer of the Company since November 1995. From 1988 to 1995, Mr. Halligan was President and Chief Executive Officer of E.S.I. Consulting Group, a private consulting practice, specializing in advising and operating high growth, consumer and service-oriented companies. Before forming his consulting practice, Mr. Halligan served from 1983 to 1987 as President and CEO of a privately held company, Laura Scudder's, Inc. From 1969 to 1983, Mr. Halligan served as Senior Vice President of Fotomat Corporation and President of its subsidiary, Video Services of America.

He has served on the board of directors of numerous companies, been involved in the turnaround of several companies and their eventual sale at attractive valuations.

Mr. Irwin has been a member of the Board of Directors of the Company since 1987 and has served as Chairman of the Board since 1995. Mr. Irwin has since retired as co-founder and President of Grumman Hill Associates, Inc. (“Grumman Hill”), a venture capital firm headquartered in New Canaan, Connecticut. Prior to founding Grumman Hill in 1985, he served as a Managing Director of Dillon, Read & Co., Inc. from 1983 to 1985. Mr. Irwin has served on the board of directors of both public and private companies and has been heavily involved in venture capital operations.

Mr. Lattanzio has been PharmChem’s Vice President, Finance and Chief Financial Officer since April 1996, Secretary since January 1997 and Director since November 2014. He oversees and monitors the financial and administrative aspects of our operations. Following his retirement notification in 2016, he has wound down his involvement in the day-to-day responsibilities. From 1995 to March 1996, Mr. Lattanzio performed private consulting for several companies, including PharmChem. He served as Vice President, Finance and Chief Financial Officer of Mission Foods from 1991 to 1995; of Presto Food Products from 1988 to 1990; Laura Scudder from 1985 to 1988; and John Sexton & Co from 1984 to 1985. Prior to that time, he was Vice President – Systems & Logistics of Star-Kist Foods from 1980 to 1983 and Corporate Controller of H. J. Heinz Company from 1971 - 1980. Mr. Lattanzio holds a B.B.A. in Accounting from the University of Notre Dame and is a Certified Public Accountant.

Board Meetings and Committees

The Board of the Company held a total of four telephonic meetings during the year ended December 31, 2019. Each director attended all meetings held in 2019 except for Mr. Irwin who missed one meeting.

Director Nominations

Recommended qualifications for consideration as a board nominee may vary according to the particular areas of expertise being sought as a complement to the existing board composition. However, minimum recommended qualifications include high level leadership experience in business activities, breadth of knowledge about issues affecting the Company, experience on other boards of directors and time available for meetings and consultation on the Company’s business matters. The Company seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution the Board, the Company and its stockholders. The Board selects and recommends candidates for nomination as directors for stockholders to consider and vote upon at the annual meeting.

The Company’s Bylaws provide that a stockholder wishing to nominate a candidate for election to the Board at any meeting must submit a written notice of his or her intent to make such a nomination to the Secretary of the Company to be received at least ninety days in advance of the anniversary date of the prior year’s meeting. However, if the date of the current year's meeting has been changed by more than 30 days from the date of the prior year's meeting, then such nomination must be delivered to or mailed and received by the Secretary of the Company no later than 90 calendar days in advance of the date of the current year's meeting or the tenth day following the day on which a public announcement of such meeting is first made. If the date of the 2021 Meeting is not changed by more than 30 days from the date of the 2020 meeting, then such notice of nomination must be mailed to and received by the Secretary of the Company no later than May 27, 2021. The Company intends to publish the date of its 2021 Meeting on its website at least 120 days prior to the date of the meeting.

In order to be valid, a stockholder’s notice to the Secretary of the Company must set forth (a) as to each person whom the stockholder proposes to nominate (i) his or her name, age, business address and residence address, (ii) his or her principal occupation or employment, (iii) the number of shares of the Company’s Common Stock owned beneficially or of record by the person, and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors, and (b) as to the stockholder giving the notice, (i) the name, business address and record address of the stockholder, (ii) the number of shares of the Company’s Common Stock that are owned beneficially and of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in such notice, and (v) any other information relating to such stockholder required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors Further,

such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

Additional Nominees

Stockholders of the Company entitled to vote for the election of directors at the Meeting may nominate additional directors for election. All other notice requirements and nomination procedures set forth in the Company’s By-Laws shall continue to be in effect.

Compensation

Each Board member who is not also an employee of the Company has the right to a fee of \$1,000 per telephonic meeting in consideration of services as a director. Each Board member who is not an employee of the Company is also entitled to an annual retainer fee of \$20,000. Board members are also reimbursed for their expenses for each meeting attended other than telephonically. Except as described above, directors do not receive additional compensation for their services as directors of the Company.

Vote Required; Recommendation of Board of Directors

The affirmative vote of a plurality of the votes duly cast is required for the election of a director. Abstentions and broker “non-votes” are counted as present and entitled to vote for purposes of determining a quorum but are not counted for the purposes of the election of directors. **THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” NOMINEES JOSEPH W. HALLIGAN, RICHARD D. IRWIN AND DAVID A. LATTANZIO.**

PROPOSAL TWO:

**RATIFICATION OF APPOINTMENT OF
INDEPENDENT AUDITORS**

The Board has selected Whitley Penn LLP to audit the financial statements of the Company for 2020.

**Fees related to services provided to the Company by
Whitley Penn LLP in fiscal year:**

	<u>2019</u>
Audit Fees	\$38,345
Tax Fees (tax return preparation)	<u>3,165</u>
Total Fees	<u>\$41,510</u>

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” RATIFICATION OF THE SELECTION OF WHITLEY PENN LLP.

OTHER MATTERS

The Company knows of no other matters to be submitted to the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named on the enclosed proxy card to vote the shares they represent in accordance with the best judgment of such persons.

THE BOARD OF DIRECTORS

Fort Worth, Texas
July 17, 2020

PHARMCHEM, INC.
 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF
 DIRECTORS
 ANNUAL MEETING OF STOCKHOLDERS AUGUST 25, 2020

The undersigned stockholder of PharmChem, Inc., a Delaware corporation, hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders dated July 17, 2020, and hereby appoints Joseph W. Halligan and David A. Lattanzio, and each of them individually, proxy and attorney-in-fact, with full power of substitution, on behalf and in the name of the undersigned, to represent the undersigned at the Annual Meeting of Stockholders of PHARMCHEM, INC., to be held on August 25, 2020 at 10:00 a.m. local time, at the law offices of Fennemore Craig, Biltmore Center, 2394 E. Camelback Road, Phoenix, AZ 85016 and at any adjournment(s) thereof, and to vote all shares of Common Stock which the undersigned would be entitled to vote if then and there personally present on the matters set forth below.

THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR LISTED BELOW, FOR THE RATIFICATION OF WHITLEY PENN LLC AS THE COMPANY'S AUDITORS FOR 2020, AND AS SAID PROXIES DEEM ADVISABLE ON SUCH OTHER MATTERS AS MAY COME BEFORE THE MEETING.

Either of such attorneys-in-fact or substitutes shall have and may exercise all of the powers of said attorneys-in-fact hereunder.

PHARMCHEM, INC.
FOR HOLDERS AS OF JULY 17, 2020,
TO BE RECEIVED BY AUGUST 24, 2020.

YOUR VOTE IS IMPORTANT. THANK YOU FOR VOTING.

VOTE BY INTERNET – www.proxyvote.com

Use the internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on August 24, 2020. Have your consent card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

VOTE BY PHONE – 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on August 24, 2020. Have your consent card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your consent card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK OR VOTE BY INTERNET OR PHONE.

E53770-273673

KEEP THIS PORTION FOR YOUR RECORDS

THIS CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

PHARMCHEM, INC.

The Board of Directors recommends you vote FOR the following:

- | | For | Against | Abstain |
|---------------------------|--------------------------|--------------------------|--------------------------|
| 1. ELECTION OF DIRECTORS: | | | |
| (A) JOSEPH W. HALLIGAN | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) RICHARD D. IRWIN | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) DAVID A. LATTANZIO | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Board of Directors recommends you vote FOR the following proposal:

- | | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| 2. PROPOSAL TO RATIFY THE APPOINTMENT OF WHITLEY PENN LLP AS INDEPENDENT AUDITORS FOR THE COMPANY FOR 2020 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Board of Directors does not have a recommendation on the following proposal:

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 3. UPON SUCH OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING, OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

CHECK HERE IF YOU PLAN TO ATTEND THE MEETING

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

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Signature (PLEASE SIGN WITHIN BOX)

Date

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Signature (PLEASE SIGN WITHIN BOX)

Date