

Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

MILESTONE SCIENTIFIC INC/NJ  
Form PRE 14A  
May 23, 2003

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Milestone Scientific 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.

MILESTONE SCIENTIFIC INC.

Notice of Annual Meeting of Stockholders to be held on June 27, 2003

-----  
The Annual Meeting of Stockholders of Milestone Scientific Inc. (the "Company") will be at the offices of Morse, Zelnick, Rose & Lander, LLP 405 Park Avenue (14th Floor), New York, NY 10022 on Friday, June 27, 2003, at 9:00 a.m., Eastern Daylight Time, for the purpose of considering and acting upon the following:

1. Election of five (5) Directors.
2. Amendment to the Certificate of Incorporation to increase the authorized capitalization by adding a new class of 5,000,000 shares of preferred stock, par value \$.0001 per share, issuable in series, each with such rights, preferences and privileges as are determined by the Board of Directors when designating each series.
3. Any and all matters incident to the foregoing, and such other business as may legally come before the meeting and any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on May 30, 2003 as

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

the record date for determining the stockholders having the right to notice of and to vote at the meeting.

By order of the Board of Directors

Leonard Osser  
Chairman of the Board

Livingston, New Jersey  
May 30, 2003

-----  
IMPORTANT: Every stockholder, whether or not he or she expects to attend the annual meeting in person, is urged to execute the proxy and return it promptly in the enclosed business reply envelope.

Sending in your Proxy will not prevent you from voting your stock at the meeting if you desire to do so, as your Proxy is revocable at your option.

We would appreciate your giving this matter your prompt attention.

MILESTONE SCIENTIFIC INC.

-----

PROXY STATEMENT  
For Annual Meeting of Stockholders  
to be Held June 27, 2003

-----

Proxies in the form enclosed with this statement are solicited by Milestone Scientific Inc. ("Milestone" or "the Company") to be used at the Annual Meeting of stockholders to be held at the offices of Morse, Zelnick, Rose & Lander, LLP 405 Park Avenue (14th Floor), New York, NY 10022 on Friday, June 27, 2003, at 9:00 a.m., Eastern Daylight Time, for the purposes set forth in the Notice of Meeting and this Proxy Statement. Milestone's principal executive offices are located at 220 South Orange Avenue, Livingston Corporate Park, Livingston, New Jersey 07039. The approximate date on which this statement and the accompanying proxy will be mailed to stockholders is June 3, 2003.

### THE VOTING AND VOTE REQUIRED

On the record date for the meeting, May 30, 2003, there were outstanding 12,633,370 shares of common stock of the Company (the "Common Stock"), each of which will be entitled to one vote.

Directors are elected by a plurality of the votes cast at the meeting. The Amendment to the Certificate of Incorporation requires the affirmative vote of a majority of the outstanding shares for adoption.

All shares represented by valid proxies will be voted in accordance with the instructions contained therein. In the absence of instructions, proxies will be voted FOR each of the stated matters being voted on at the meeting. A proxy may be revoked by the stockholder giving the proxy at any time before it is voted, either by oral or written notice, and a prior proxy is automatically revoked by a stockholder giving a subsequent proxy or attending and voting at the meeting. Attendance at the meeting, however, in and of itself does not

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

revoke a prior proxy. In the case of the election of directors, shares represented by a proxy marked "WITHHOLD AUTHORITY" to vote for all five nominees will not be counted in determining whether a plurality vote has been received for the election of directors. Shares represented by proxies marked "ABSTAIN" on any other proposal will not be counted in determining whether the requisite vote has been received for such proposal. In instances where brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned proxies ("broker non-votes"), those shares will not be included in the vote totals and, therefore, will have no effect on the outcome of the vote.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows certain information with respect to beneficial ownership of the Company's Common Stock on March 29, 2003 by all persons known to be the beneficial owners of more than 5% of its outstanding shares, by each director and by all Directors and Officers of the Company, as a group. No Executive Officer or Director of the Company is involved in any material legal proceedings.

Name of Beneficial Owner(1) (2)	Shares of Common Stock Beneficially Owned	Percentage of Class
-----		
Executive Officers and Directors		
Leonard Osser	3,515,141 (3)	26.46%
Stuart J. Wildhorn	21,334 (4)	*
Thomas M. Stuckey	77,300 (5)	*
Paul Gregory	12,572 (6)	*
Jeffrey Fuller	20,000	*
Leslie Bernhard	0	*

Name of Beneficial Owner(1) (2)	Shares of Common Stock Beneficially Owned	Percentage of Class
-----		
Leonard M. Schiller	33,016 (7)	*
All Directors & Officers as a group	3,659,363	30.53%
5% and Greater Stockholders		
K. Tucker Andersen c/o Cumberland Associates, LLC 1114 Avenue of the Americas New York, New York 10036	1,612,599 (9)	13.2%
Cumberland Associates, LLC 1114 Avenue of the Americas New York, New York 10036	1,171,672 (10)	8.87%
Robert Gintel Florida Intangible Tax Trust 6 Greenwich Office Park Greenwich, CT 06831	1,347,000 (11)	12.18%

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

\*Less than 1%

- (1) The addresses of the persons named in this table are as follows: Leonard A. Osser, 220 South Orange Avenue, Livingston Corporate Park, Livingston, NJ 07039; Thomas M. Stuckey, 220 South Orange Avenue, Livingston Corporate Park, Livingston, NJ 07039; Stuart Wildhorn, 220 South Orange Avenue, Livingston Corporate Park, Livingston, NJ 07039; Paul Gregory, Innovative Programs Associates Inc., 300 Mercer Street, New York, New York 10003; and Leonard M. Schiller, Schiller, Klein & McElroy, P.C., 33 North Dearborn Street, Suite 1030, Chicago, Illinois 60602.
- (2) A person is deemed to be a beneficial owner of securities that can be acquired by such person within 60 days from the filing of this proxy statement upon the exercise of options and warrants or conversion of convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not held by any other person) and that are exercisable or convertible within 60 days from the filing of this report have been exercised or converted. Except as otherwise indicated, and subject to applicable community property and similar laws, each of the persons named has sole voting and investment power with respect to the shares shown as beneficially owned. All percentages are determined based on the number of all shares, including those underlying options exercisable within 60 days from the filing of this proxy statement held by the named individual, divided by 12,633,370 outstanding shares on November 4, 2002 and those shares underlying options exercisable within 60 days from the filing of this proxy statement, held by the named individual.
- (3) Includes (i) 614,183 shares issuable upon exercise of stock options within 60 days of the date hereof, which are exercisable at \$.80 and (ii) warrants immediately exercisable to purchase 35,714 shares at \$1.75 per share.
- (4) Includes 16,667 shares subject to stock options, exercisable within 60 days of the date hereof at \$2.50 per share and 4,667 shares subject to stock options, exercisable within 60 days of the date hereof at \$.75 per share.
- (5) Includes 21,000 shares subject to stock options, exercisable within 60 days of the date hereof at \$3.00 per share, 25,000 shares subject to stock options, exercisable within 60 days of the date hereof at \$16.50 per share, and 16,667 shares subject to stock options, exercisable within 60 days of the date hereof at \$2.1875 per share, 4,667 shares subject to stock options exercisable within 60 days of the date hereof at \$2.50 per share and 2,333 shares subject to stock options exercisable within 60 days of the date hereof at \$.75 per share. Mr. Stuckey disclaims beneficial ownership of (i) 10,000 shares, which are held by his wife as custodian for their children, and (ii) 1,700 shares which are owned by his wife in her IRA.
- (6) Includes 150 shares held by Mr. Gregory's wife and 12,422 shares subject to stock options, exercisable within 60 days of the date hereof at \$2.1875 per share.
- (7) Includes 12,422 shares subject to stock options, exercisable within 60 days of the date hereof at \$2.1875 per share.
- (8) Includes 728,694 shares subject to stock options and 35,714 shares subject to warrants all of which are exercisable within sixty (60) days of the date hereof.
- (9) Based solely upon an amendment to Schedule 13G filed by K. Tucker Andersen

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

with the Securities and Exchange Commission on 1/17/02.

2

- (10) Based solely upon an amendment to Schedule 13G filed by Cumberland Associates, LLC with the Securities and Exchange Commission on 2/14/03.
- (11) The 1,347,000 shares attributable to the Trust are owned by the Trust or other entities, which the Trust owns or is otherwise affiliated with, including Gintel & Co., Gintel Asset Management, Inc., and the Gintel Fund. The Trust is the 100% shareholder of Gintel Asset Management, Inc. (the investment advisor to Gintel Fund) and Gintel & Co., LLC, and Robert M. Gintel is the beneficiary of the Trust. Excludes 150,000 shares held by Gintel Partners Fund LP of which Robert Gintel, Chief Executive Officer of Gintel Asset Management, Inc. is a controlling partner, 110,000 shares held by Barbara Gintel (Robert Gintel's spouse),

### Equity Compensation Plan Information

The following table summarizes the (i) options granted under the Milestone 1997 Stock Option Plan, and (ii) options and warrants granted outside the Milestone 1997 Stock Option Plan, as of December 31, 2002. The shares covered by outstanding options and warrants are subject to adjustment for changes in capitalization stock splits, stock dividends and similar events. No other equity compensation has been issued.

	Number of securities(1) to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights
Equity Compensation Plan Tab		
-----		
Equity Compensation Plans Approved By Security Holders		
Grants under the Milestone Scientific, Inc. 1997 Stock Option Plan .....	741,844	\$4.08
Equity Compensation Plans Not Requiring Approval By Security Holders		
Aggregate Individual Option Grants .....	513,500	\$3.91
Aggregate Individual Warrant Grants .....	1,004,816	\$1.45
Total .....	2,260,160	\$2.87

(1) Reflect shares of Milestone Common Stock.

The aggregate individual option grants outside the Stock Option Plan referred to in the table above include options granted to consultants and providers of

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

certain services to the company. The aggregate individual warrant grants referred to in the table above include warrants granted to investors in the company as part of private placements and credit line arrangement.

### ELECTION OF DIRECTORS

Five directors are to be elected at the Annual Meeting, each for a term of one year and until the election and qualification of a successor.

It is intended that votes pursuant to the enclosed proxy will be cast for the election of the five nominees named below. In the event that any such nominee should become unable or unwilling to serve as a Director, the Proxy will be voted for the election of such person, if any, as shall be designated by the Board of Directors (the "Board"). Management has no reason to believe these nominees will not be available for election.

The nominees for election and certain information about them are shown in the following table:

3

#### Nominees for Election

LEONARD OSSER, 55, has been Chief Executive Officer and a director of the Company since July 1991, and the President and Chief Executive Officer of Spintech, a subsidiary of the Company, since November, 1995. From July 1991 until July 1997, he also served as President and Chief Financial Officer of the Company.

PAUL GREGORY, 65, has been a director of the Company since April 1997. Mr. Gregory has been a business and insurance consultant at Innovative Programs Associates Inc. and Paul Gregory Associates Inc. since January 1995 and January 1986, respectively, where he services, among other entities, foreign and domestic insurance groups, law and accounting firms and international corporations.

LEONARD M. SCHILLER, 62, has been a director of the Company since April 1997. Mr. Schiller has been a partner in the law firm of Schiller, Klein & McElroy, P.C. in Chicago, Illinois since 1977. He has also served as the President of The Dearborn Group, a residential property management and real estate acquisition company.

JEFFREY FULLER, 57 has been a director Milestone since January 16, 2003. Mr. Fuller is president and owner of a municipal water supply systems, Hudson Valley Water Company and Lake Lenape Water Company, and in addition has been an executive recruiter since 1995.

LESLIE BERNHARD, 59, is the co-founder, president, chief executive officer and director of AdStar, Inc., a reporting company, the leading application service provider for the newspaper classified advertising industry.

The Board unanimously recommends a vote FOR the election of each of the nominees.

#### Board of Directors and Committees

The Board held five meetings, the Audit Committee two meetings and the Compensation Committee one meeting during fiscal year 2002. The Company does not have a nominating committee. All directors attended more than 75% of the aggregate number of meetings of the Board and its committees. Stephen A. Zelnick

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

resigned from the Board of Directors on August 19, 2002, Jeffrey Fuller was appointed to the Board on January 16, 2003 and Leslie Bernhard was appointed to the Board on May 19, 2003.

The Compensation Committee reviews and recommends to the Board the compensation and benefits of all officers of the Company, reviews general policy matters relating to compensation and benefits of employees of the Company, and administers the issuance of stock options to the Company's officers, employees, directors and consultants. The Compensation Committee is comprised of Leonard M. Schiller, Paul Gregory and Jeffrey Fuller.

The Audit Committee was established to meet with management and the Company's independent accountants to determine the adequacy of internal controls and other financial reporting matters. The Board has adopted a written charter for the Audit Committee. The Audit Committee reviewed the Company's audited financial statements for the year ended December 31, 2002 and met with the management of the Company to discuss such audited financial statements. The Audit Committee has discussed with the Company's independent accountants, J. H. Cohn LLP, the matters required to be discussed pursuant to Statement on Accounting Standards No. 61. The Audit Committee has received the written disclosures and the letter from J. H. Cohn LLP required by the Independence Standards Board Standard No. 1. The Audit Committee has discussed with J. H. Cohn LLP its independence from management and the Company. J. H. Cohn LLP had full and free access to the Audit Committee. Based on its review and discussions, the Audit Committee recommended to the Board of Directors that the

4

audited financial statements be included in the Company's Annual Report on Form 10-KSB. The Audit Committee is comprised of Leonard M. Schiller, Paul Gregory and Jeffrey Fuller, all of whom are independent (as defined in Section 121(A) of the American Stock Exchange Listing Standards).

### COMPENSATION OF DIRECTORS AND OFFICERS AND RELATED MATTERS

#### Executive Compensation.

The following Summary Compensation Table sets forth all compensation earned, in all capacities, during the fiscal years ended December 31, 2002, 2001, and 2000 by (i) the Company's Chief Executive Officer and (ii) the most highly compensated executive officers, other than the CEO, who were serving as executive officers at the end of the 2002 fiscal year and whose salary as determined by Regulation S-B, Item 402, exceeded \$100,000 (the individuals falling within categories (i) and (ii) are collectively referred to as the "Named Executives").

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation	Awards
		Salary (\$)	Common Stock Underlying Options (#)
Leonard A. Osser			
Chief Executive	2002	351,800 (1)	50,000
Officer and	2001	350,967 (2)	50,000
Chairman	2000	265,407 (3)	50,000
Stuart J. Wildhorn Senior Vice	2002	155,400	7,000

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

President	2001	93,750	50,000
Thomas M. Stuckey			
Chief Financial	2002	136,267 (4)	7,000
Officer and Vice	2001	116,905	10,000
President	2000	114,051	25,000

- 
- (1) Includes \$320,000 in deferred compensation, of which \$284,000 earned as Chairman and CEO of Milestone and \$36,000 earned as President and CEO of Spintech. It excludes \$19,049 paid by Milestone to Marilyn Elson, a certified public account, who was employed by Milestone to render professional tax services. Ms. Elson is the wife of Mr. Osser.
- (2) Includes \$350,000 in deferred compensation, of which \$314,000 earned as Chairman and CEO of Milestone and \$36,000 earned as President and CEO of Spintech. The deferred compensation was paid subsequent to year end through the issuance of 625,000 units, each consisting of one share of common stock and one six-year warrant to purchase one share of common stock at prices ranging from \$.80-\$2.00. It excludes \$20,850 paid by Milestone to Marilyn Elson, a certified public account, who was employed by Milestone to render professional tax services. Ms. Elson is the wife of Mr. Osser.
- (3) Includes \$141,346 in deferred compensation and \$21,000 earned as President and Chief Executive Officer of Spintech. The deferred compensation was paid subsequent to year end through the issuance of 176,683 units, each consisting of one share of common stock and one six-year warrant to purchase one share of common stock at prices ranging from \$.80-\$2.00.

### Stock Options

The following tables show certain information with respect to incentive and non-qualified stock options granted in 2002 to Named Executives under the Company's 1997 Stock Option Plan and the aggregate value at May 1, 2003 of such options. In general, the per share exercise price of all options is

5

equal to the fair market value of a share of Common Stock on the date of grant. No options granted to Named Executives have been exercised.

#### Option Grants in 2002 Individual Grants of Options

Name	Number of Shares of Common Stock Underlying Option #	Percent of Total Options Granted to Employees in 2002	Exercise Price (\$/Sh)	Expiration Date
-----	-----	-----	-----	-----
Leonard A. Osser	50,000 (1)	28.9%	\$.55	01-01-07
Stuart J. Wildhorn	7,000 (2)	4%	\$.75	07-27-07
Thomas M. Stuckey	7,000 (2)	4%	\$.75	07-27-07

- 
- (1) Options vested 01-01-03
- (2) One third vested when issued and one third vesting on each of the next two anniversaries.



## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

### Aggregated 2002 Year End Options Values for Options granted prior to and during 2002

Name	Number of Shares of Common Stock Underlying Unexercised Options at 12-31-2002 Exercisable/Unexercisable	Value of Unexercised In-The-Money Options At 12-31-2002 (1) Exercisable/Unexercisable
Leonard A. Osser	0 // 200,000	\$0 // \$0
Stuart J. Wildhorn	19,000 // 38,000	\$0 // \$0
Thomas M. Stuckey	71,667 // 16,333	\$0 // \$0

(1) Based on the closing price on May 15, 2003 of \$.35 as quoted on the American Stock Exchange.

#### Employment Contracts

As of January 1, 1998 the Company entered into an Employment Agreement with Mr. Osser which provides for an initial term expiring on December 31, 2002, with a two-year non-competition period at the end of the term. The term is automatically increased for successive one-year periods unless prior to December 1 of any year either party notifies the other of its election not to extend the term. Under the Agreement, Mr. Osser serves as Chief Executive Officer and is required to work on a full-time basis. Under the Employment Agreement, Mr. Osser receives annual base pay of \$350,000, increasing to reflect cost of living adjustments commencing on January 1, 2001. In addition, during each January from 1998 through 2002 the Company has granted to Mr. Osser, pursuant to the Employment Agreement, an option to purchase 50,000 shares of Common Stock exercisable only during the last 30 days of the five-year option term unless the Company achieves certain financial goals to be specified annually by the Compensation Committee. Additionally, as soon as financial statements for each year commencing with 1998 are completed, the Company shall grant the executive an additional option to purchase up to 50,000 shares depending upon the achievement of specified performance goals. Further, Mr. Osser shall receive the opportunity to earn cash bonuses of up to \$200,000 per year depending upon the achievement of performance targets to be specified by the Option Committee.

On July 7, 1998, at his sole discretion, Mr. Osser implemented a voluntary reduction of his annual base salary, reducing his annual base pay from \$350,000 to \$188,462. The voluntary reduction has been described by Mr. Osser as being both temporary and having no effect upon his rights under his Employment Agreement with the Company. Such reduction remained in effect until August 5, 2000. At that time, Mr.

6

Osser began to defer his salary at the \$350,000 annual base. At December 31, 2000, his deferred compensation was \$141,346. In December 2001, Milestone reached an agreement with Mr. Osser to satisfy the \$491,346 of unpaid salary. The agreement calls for the issuance of 614,183 units. Each unit consists of one share of Milestone common stock and one warrant to purchase an additional share of such common stock. The warrants will be exercisable at \$.80 per share through January 31, 2003, thereafter at \$1.00 per share through January 31, 2006, and thereafter at \$2.00 per share through January 31, 2007, at which time they will expire. On March 31, 2003, Mr. Osser signed an agreement deferring \$640,000 of his annual salary until April 1, 2003.

#### Compensation of Directors

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

In 2003, each non-employee directors was granted a five-year option to purchase 20,000 shares of our Common Stock at an exercise price of \$1.50 per share, a price above the fair market value of a share of Common Stock on the date of grant. The option vests over two years. A similar option was granted to Leslie Bernhard upon her appointment to the Board in 2003. Directors receive no cash compensation.

### AMENDMENT TO CERTIFICATE OF INCORPORATION

On May 14, 2003 the Board of Directors adopted, subject to Stockholder approval, an amendment to Milestone's Certificate of Incorporation increasing the authorized capitalization by 5,000,000 shares of Preferred Stock, par value \$.0001 per share, issuable in series, each series possessing such rights, preferences and privileges as are determined by the Board of Directors upon the designation of that series. If the outstanding shares of any series are given voting rights, they will vote together with the Common Stock as one class and such voting rights will not be superior to the voting rights of the Common Stock. Nonconvertible shares of any series will not be granted more than one vote per share and each share of a convertible series will not be granted the right to more than one vote for each share of Common Stock into which it is convertible. Stockholder authorization of this class of Preferred Stock would leave within the discretion of the Board the determination of matters such as dividend rights or interest rates, conversion privileges, redemption prices, liquidation preferences and other rights and enable the Board to fix these rights without additional Stockholder approval. Authorization for preferred stock of the type now being sought by Milestone, sometimes referred to as "Variable Preferred Stock" or "Blank Check Preferred Stock" is possessed by many corporations and would provide Milestone with a flexible financial instrument which could be used by it in merger or acquisition transactions, in satisfaction of existing indebtedness, in payment of trade creditors or in future financing transactions. Accordingly, the Board believes, that having authorized "Blank Check" Preferred Stock will provide Milestone with increased flexibility in structuring and a greater possibility of effecting one or more of the foregoing transactions. However, at the present time there are no agreements or any specific plans with respect to the use of this Preferred Stock.

The Board recommends a vote FOR this proposal.

### Certain Relationships and Related Transactions

In December 2001, the Company reached an agreement with Mr. Osser to satisfy \$491,346 of his deferred compensation through the issuance of 614,183 units, each unit consisted of one share of Milestone common stock and one warrant to purchase an additional share of each stock. These units were issued to Mr. Osser in January 2002.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent (10%) of a registered class of the Company's

equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than ten percent (10%) stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

## Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

To the best of the Company's knowledge, based solely on review of the copies of such forms furnished to the Company, or written representations that no other forms were required, the Company believes that all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) shareholders were complied with during 2002.

### MISCELLANEOUS

#### Other Matters

Management knows of no matter other than the foregoing to be brought before the Annual Meeting of Stockholders, but if such other matters properly come before the meeting, or any adjournment thereof, the persons named in the accompanying form of proxy will vote such proxy on such matters in accordance with their best judgment.

#### Reports and Financial Statements

The Company's Annual Report to Stockholders for the year ended December 31, 2002, including Audited Financial Statements, is included with this proxy material. The Financial Statements contained therein are incorporated by reference and are deemed part of this soliciting material.

#### Solicitation of Proxies

The entire cost of the solicitation of proxies will be borne by Milestone. Proxies may be solicited by directors, officers and regular employees of Milestone, without extra compensation, by telephone, telegraph, mail or personal interview. Solicitation is not to be made by specifically engaged employees or paid solicitors. Milestone will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses for sending proxies and proxy material to the beneficial owners of its Common Stock.

#### Stockholder Proposals

Stockholder proposals intended to be presented at the Company's 2004 Annual Meeting must be received by the Company for inclusion in the Company's proxy statement relating to that meeting not later than March 1, 2004. Such proposals should be addressed to Thomas M. Stuckey, Chief Financial officer, Milestone Scientific Inc., 220 South Orange Avenue, Livingston Corporate Park, Livingston, New Jersey 07039.

EVERY STOCKHOLDER, WHETHER OR NOT HE OR SHE EXPECTS TO ATTEND THE ANNUAL MEETING IN PERSON, IS URGED TO EXECUTE THE PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED BUSINESS REPLY ENVELOPE.

By order of the Board of Directors

Leonard Osser  
Chairman of the Board

Livingston, New Jersey  
May 30, 2003

MILESTONE SCIENTIFIC INC.

This proxy is solicited by the Board of Directors for the Annual Meeting

Edgar Filing: MILESTONE SCIENTIFIC INC/NJ - Form PRE 14A

on Friday, June 27, 2003

The undersigned hereby appoints Leonard Osser and Thomas M. Stuckey, and each of them, with full power of substitution, the attorneys and proxies of the undersigned to attend the Annual Meeting of Stockholders of Milestone Scientific Inc. (the "Company") to be held on Friday, June 27, 2003 at the offices of Morse, Zelnick, Rose & Lander, LLP 405 Park Avenue (14th Floor), New York, NY 10022 on Friday, June 27, 2003, at 9:00 a.m., Eastern Daylight Time, a.m., and at any adjournment thereof, hereby revoking any proxies heretofore given, to vote all shares of common stock of the Company held or owned by the undersigned as indicated on the proposals as more fully set forth in the Proxy Statement, and in their discretion upon such other matters as may come before the meeting.

- 1. ELECTION OF DIRECTORS---Leonard Osser, Leslie Bernhard, Jeffrey Fuller, Paul Gregory and Leonard M. Schiller.

For all nominees | |
Withhold authority to vote for all nominees | |
For all nominees, Except nominee(s) written below.

- 2. Approval of Amendment to the Certificate of Incorporation adding a new class of Preferred Stock

FOR | | AGAINST | | ABSTAIN | |

(Continued, and to be signed, on Reverse Side)

The shares represented by this Proxy will be voted as directed or if no direction is indicated, will be voted FOR all nominees for director and FOR the proposal.

The undersigned hereby acknowledges receipt of the Notice of, and Proxy Statement for, the aforesaid Annual Meeting.

Dated: \_\_\_\_\_, 2003

-----
Signature of Stockholder

-----
Signature of Stockholder

DATE AND SIGN EXACTLY AS NAME APPEARS HEREON EACH JOINT TENANT MUST SIGN WHEN SIGNING AS ATTORNEY, EXECUTOR, TRUSTEE, ETC., GIVE FULL TITLE. IF SIGNER IS CORPORATION SIGN IN FULL CORPORATE NAME BY AUTHORIZED OFFICER