

**RECONDITIONED SYSTEMS, INC.
235 South 56th Street
Chandler, Arizona 85226**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD AUGUST 25, 2016**

To the Stockholders of Reconditioned Systems, Inc.:

The 2016 Annual Meeting of the Stockholders of Reconditioned Systems, Inc., an Arizona corporation (the "Company"), will be held at the Company's corporate offices at 235 South 56th Street, Chandler, Arizona 85226, on Thursday, August 25, 2016, at 8:00 a.m., Mountain Standard Time, for the following purposes:

1. To elect three directors to the Board of Directors;
2. To transact such other business as may properly come before the meeting.

Only Stockholders of record at the close of business on July 8, 2016, are entitled to notice of and to vote at the Annual Meeting. Holders of Common Stock as of such date are entitled to vote on proposal one. Shares can be voted at the meeting only if the holder is present or represented by proxy. A list of Stockholders entitled to vote at the Annual Meeting will be open for inspection at the offices of Reconditioned Systems, Inc., 235 South 56th Street, Chandler, AZ 85226, during ordinary business hours for ten days prior to the meeting.

It is important that your shares be represented at this meeting. To assure your representation at the meeting, please complete, date, sign and promptly mail the enclosed proxy card in the accompanying envelope, which requires no postage if mailed in the United States.

By Order of the Board of Directors,

Chandler, Arizona
July 20, 2016

Scott W Ryan, Secretary

**PROXY STATEMENT
OF
RECONDITIONED SYSTEMS, INC.
235 South 56th Street
Chandler, Arizona 85226**

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reconditioned Systems, Inc., an Arizona corporation (the “Company”), of proxies for use at the 2016 Annual Meeting of Stockholders to be held on August 25, 2016, at 8:00 a.m., Mountain Standard Time. The Annual Meeting will be held at the Company’s corporate offices at 235 South 56th Street, Chandler, Arizona 85226.

This Proxy Statement and the accompanying form of proxy are being first mailed to Stockholders on or about July 20, 2016. The Stockholder giving the proxy may revoke it at any time before it is exercised at the meeting by: (i) delivering to the Secretary of the Company a written instrument of revocation bearing a date later than the date of the proxy; (ii) duly executing and delivering to the Secretary a subsequent proxy relating to the same shares; or (iii) attending the meeting and voting in person (attendance at the meeting will not in and of itself constitute revocation of a proxy). Any proxy, which is not revoked, will be voted in accordance with the recommendations of the Board of Directors as to such items. The proxy card gives authority to the proxies to vote shares in their discretion on any other matter properly presented at the Annual Meeting.

Proxies will be solicited from the Company’s Stockholders by mail. The Company will pay all expenses in connection with the solicitation, including postage, printing and handling, and the expenses incurred by brokers, custodians, nominees and fiduciaries in forwarding proxy material to beneficial owners. It is possible that directors, officers and regular employees of the Company may make further solicitation personally or by telephone, telegraph or mail. Directors, officers and regular employees of the Company will receive no additional compensation for any such further solicitation.

Only holders (the “Stockholders”) of the Company’s Common Stock, no par value (the “Common Stock”) at the close of business on July 8, 2016 (the “Record Date”), are entitled to notice of, and to vote at, the Annual Meeting. On the Record Date, there were 960,978 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on each matter to be considered at the Annual Meeting. A majority of the outstanding shares of Common Stock present in person or represented by proxy at the Annual Meeting, will constitute a quorum for the transaction of business at the Annual Meeting.

The affirmative vote of holders of a plurality of the outstanding shares of Common Stock of the Company entitled to vote and present in person or by proxy at the Annual Meeting is required for approval of the election of directors pursuant to Proposal One. Votes that are withheld will have the effect of a negative vote. Broker non-votes are not counted for purposes of determining whether a quorum is present or whether a proposal has been approved. Votes may be cast in favor of or withheld from each nominee. Stockholders voting on the election of directors may cumulate their votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the Stockholder’s shares are entitled, or may distribute their votes on the same principle among as many candidates as being solicited. In order to cumulate votes, at least one Stockholder must announce, prior to the casting of votes for the election of directors that he or she intends to cumulate votes. The Company will tabulate proxies with the assistance of the Company’s transfer agent. The Company will, in advance of the Annual Meeting, appoint one or more Inspectors of Election to count all votes and ballots at the Annual Meeting and make a written report thereof.

1 Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information, as of July 8, 2016, with respect to the number of shares of the Company's Common Stock beneficially owned by individual directors, by individual executive officers, by all directors and executive officers of the Company as a group and by persons known by the Company to own more than 5% of the Company's Common Stock.

<u>Name and Address of Beneficial Owner</u>	<u>Amount And Nature of Beneficial Owner</u>	<u>Percent of Total</u>
Scott W. Ryan 1600 S. Ocean Drive Unit PH G Hollywood, FL 33019	426,667	44.40%
Walter Harrison, III 131 Point Circle Tequesta, FL 33469	200,000	20.81%
Dirk D. Anderson 235 S. 56 th Street Chandler, AZ 85226	109,300	11.37%
All directors and officers as a group (two persons)	535,967	55.77%

**PROPOSAL ONE
ELECTION OF DIRECTORS**

Nominees

The Board of Directors currently consists of three members holding seats to serve as members until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified, unless they earlier resign or are removed from office. The Company's Articles of Incorporation presently provide for a Board of Directors of not less than three (3) nor more than nine (9) in number, with the exact number to be fixed as provided by the Company's Bylaws. The term of office of all current directors will expire at the 2016 Annual Meeting of Stockholders.

On May 12, 2016, the Company's Board of Directors nominated Scott W. Ryan, Dirk D. Anderson, and David M. Ryan for election to the Board of Directors. All nominees are currently serving as directors. Scott W. Ryan and David M. Ryan are brothers. A brief description of the business experience of each nominee is set forth below in the table under the heading "Directors and Executive Officers." **Unless otherwise instructed, the persons named in the accompanying proxy will vote FOR the election of such nominees.** All of the nominees have consented to being named herein and have indicated their intention to serve if elected. If for any reason any nominee should become unable to serve as a director, the accompanying proxy may be voted for the election of a substitute nominee designated by the Board of Directors.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF EACH
OF THE NOMINEES.**

Directors and Executive Officers

The following table sets forth certain information with respect to the directors and executive officers of the Company as of July 20, 2016.

<u>Name</u>	<u>Age</u>	<u>Position, Tenure and Experience</u>
Scott W. Ryan	70	Mr. Ryan has been a Director since December 1995 and served as the Company’s President and Chief Executive Officer from November 1999 to August 2000. Mr. Ryan was the Chief Operating Officer of an investment firm located in Pennsylvania that he founded in 1988. Mr. Ryan also served as Board Member and Vice Chairman of NASD District #9. He served on the NASD Small Firm Advisory Board from 2001 to 2003.
Dirk D. Anderson	52	Mr. Anderson has been a Director since December 1995 and the Company’s President and Chief Executive Officer since August 2000. He served as the Company’s Chief Operating Officer from November 1999 to August 2000 and as the Chief Financial Officer from August 1995 through October 1999 and prior to that was employed as the Company’s Controller for approximately two years. Previously, he served as Audit Manager at Semple & Cooper, LLP, where his career spanned seven years.
David M. Ryan	66	Captain Ryan became Vice President of GSA sales for RSI in March 2011. He served as an advisor to the Board of Directors since January 2013, and was appointed to replace Kerrie Janik as a Director in November 2014. Captain Ryan served thirty-three years in the United States Navy. His most notable tours include: Commanding Officer, USS CALLAGHAN (DDG 994), Commander Destroyer Squadron Seven and Sea Combat Commander (SCC) for the CONSTELLATION Battle Group, and the Chief of Staff, United States Sixth Fleet. He was awarded a Master of Arts degree in National Security and Strategic Studies. He has been awarded the Defense Superior Service Medal, the Legion of Merit, the Bronze Star Medal, to name a few. Captain Ryan retired from active duty in 2003. He and Bette, his wife of thirty-seven years, reside in Wilmington, North Carolina.

Board Meetings and Committees of the Board of Directors

During the fiscal year ended March 31, 2016, the Board of Directors met four times. The Board does not have a Nominating Committee, and the entire Board is responsible for recommending nominees to serve on the Board.

During the fiscal year ended March 31, 2016, each incumbent director attended 75% or more of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees on which such director served.

Compensation of Directors

During the fiscal year ended March 31, 2016, the Company did not offer direct compensation to its outside directors. However, the Company does reimburse them for reasonable expenses incurred in attending meetings. Directors who are employees of the Company receive no additional compensation for serving on the Board of Directors.

Executive Compensation

The following table sets forth the compensation paid or accrued to the current Named Executive Officers of the Company.

Summary Compensation Table

Name and Principal Position	Year Ended	Annual Compensation		Long-Term Compensation Awards	All Other Compensation
		Salary (\$)	Bonus (\$)	Securities Underlying Options (#)	
Dirk D. Anderson	March 31, 2016	\$100,000	\$82,307	0	\$ 0
CEO	March 31, 2015	\$100,000	\$54,107	0	\$ 0
	March 31, 2014	\$100,000	\$25,859	0	\$ 0

Option Grants

There were no options or SARs granted to the Named Executive Officer of the Company during the last fiscal year.

Aggregated Option Exercises and Fiscal Year-End Option Values

There were no options exercised or unexercised options held by Named Executive Officers on March 31, 2016.

Employment Agreements and Termination of Employment Arrangements

On August 10, 1996, and subsequently amended on August 19, 1996, the Company entered into an employment agreement with Dirk Anderson pursuant to which he serves as the Company's Chief Executive Officer. The agreement is automatically extended for successive one year periods unless either the Board of Directors or Mr. Anderson gives written notice to the other at least ninety days prior to the end of the initial or any renewal term of its or his intention not to renew. The agreement automatically renewed on August 10, 2015, and since the Company gave no written notice ninety days prior to August 10, 2016, the agreement will again be automatically extended. Under the amended agreement, Mr. Anderson receives a base annual salary of \$100,000. Increases to Mr. Anderson's base salary and bonuses are at the discretion of the Company's Board of Directors.

Under the agreement, if Mr. Anderson's employment is terminated by reason of Death, Disability or Retirement, upon expiration of the term of the agreement, by the Company for Cause or by Mr. Anderson without Good Reason (in each case as such terms are defined in the agreement), the Company shall: (i) pay Mr. Anderson any base salary which has accrued but has not been paid as of the termination date (the "Accrued Base Salary"); (ii) reimburse Mr. Anderson for expenses incurred by him prior to termination which are subject to reimbursement pursuant to applicable Company policies (the "Accrued Reimbursable Expenses"); (iii) provide to Mr. Anderson any accrued and vested benefits required to be provided by the terms of any Company-sponsored benefit plans (the "Accrued Benefits"); (iv) pay Mr. Anderson any discretionary bonus with respect to a prior fiscal year which has accrued and been earned but has not been paid (the "Accrued Bonus"); (v) permit Mr. Anderson to exercise all vested, unexercised stock options outstanding at the termination date; and (vi) to the extent permitted by the terms of the policies then in effect, give Mr. Anderson a right of first refusal to cause the transfer of the ownership of all key-man life insurance policies maintained by the Company on Mr. Anderson to Mr. Anderson at his expense (the "Right of First Refusal"). If Mr. Anderson's employment is terminated by the Company without Cause or by Mr. Anderson for Good Reason, the Company shall: (i) pay Mr. Anderson the Accrued Base Salary; (ii) pay Mr. Anderson the Accrued Reimbursable Expenses; (iii) pay Mr. Anderson the Accrued Benefits; (iv) pay Mr. Anderson the Accrued Bonus; (v) pay Mr. Anderson the base salary, as and when it would have been paid had the termination not occurred, for a period of six months following the termination date; (vi) maintain in effect, until the first to occur of (a) his attainment of comparable benefits upon alternative employment or (b) six months following the termination date, the employee benefits in which he was entitled to participate immediately prior to such termination; (vii) permit Mr. Anderson to exercise all vested, unexercised stock options in accordance with the terms of the plans and agreements pursuant to which they were issued; and (viii) give Mr. Anderson the Right of First Refusal. On August 19, 1996 the Company amended the employment agreement to include compensation pursuant to a change in control. Under the amendment, if Mr. Anderson's employment is terminated by the Company subsequent to a Change of Control by the Company either by the new controlling party or by the executive for Good Reason, Mr. Anderson will receive a two-year consulting agreement at \$100,000 per year in addition to the severance pay detailed above.

OTHER MATTERS

The Company's Board of Directors is not aware of any other business to be considered or acted upon at the Annual Meeting of the Stockholders other than those described above. If other business requiring a vote of the Stockholders is properly presented at the meeting, proxies will be voted in accordance with the judgment on such matters of the person or persons acting as proxies. If any matter not appropriate for action at the Annual Meeting is presented, the holder of the proxies will vote against consideration thereof or action thereon.

STOCKHOLDER PROPOSALS

The Company welcomes comments or suggestions from its Stockholders. If a Stockholder desires to have a proposal formally considered at the 2017 Annual Meeting of Stockholders, and evaluated by the Board for possible inclusion in the Proxy Statement for that meeting, the proposal (which must comply with the requirements of Rule 14a-8 promulgated under the Exchange Act) must be received in writing by the Secretary of the Company at the address set forth on the first page hereof on or before March 15, 2017. If a Stockholder desires to have a proposal formally considered at such meeting, but outside the process of Rule 14a-8, the proposal must be received in writing by the Secretary of the Company at the address set forth on the first page hereof on or before May 25, 2017.

ANNUAL REPORT

The Company's Annual Report to Stockholders with unaudited financial statements, accompanies this Proxy Statement and was mailed on or about this date to all Stockholders of record as of the Record Date.