

infoGROUP Inc.  
Form 10-K/A  
March 16, 2009

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K/A**

**(Mark One)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES ACT OF 1934**

**For the fiscal year ended December 31, 2007**

**Or**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934**

**For the transition period from to**

**Commission file number: 0-19598**

**infoGROUP Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

**47-0751545**

*(State or Other Jurisdiction of Incorporation or Organization)*

*(I.R.S. Employer Identification No.)*

**5711 South 86th Circle, Omaha, Nebraska 68127**

*(Address of principal executive offices)*

**(402) 593-4500**

*(Registrant's telephone number, including area code)*

**Securities Registered Pursuant to Section 12(b) of the Act: Common Stock, \$0.0025 par value**

**Securities Registered Pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

*(Do not check if a smaller reporting company)*

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

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The aggregate market value of the voting and non-voting common stock held by non-affiliates computed by reference to the last reported sales price of the common stock on June 29, 2007 (the last business day of the registrant's most recently completed second fiscal quarter) was \$267.3 million.

As of August 4, 2008 the registrant had outstanding 56,807,996 shares of Common Stock.

**DOCUMENTS INCORPORATED BY REFERENCE**

None

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**EXPLANATORY NOTE**

*infoGROUP Inc.* is filing this Amendment No. 1 on Form 10-K/A (this Amendment ) to amend our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the Securities and Exchange Commission on August 8, 2008 (the Original Filing ). This Amendment is being filed solely for the purpose of amending Item 9A of Part II and Item 11 and Item 13 of Part III. This Amendment is filed in response to comment letters we received from the staff of the Securities and Exchange Commission in connection with the staff's review of the Original Filing. In addition, as required by Rule 12b-15 of the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are filed as exhibits to this Amendment.

Except as described above, no other changes have been made to the Original Filing, and this Amendment does not amend, update or change the financial statements or disclosures in the Original Filing. This Amendment does not involve a restatement of our financial statements included in the Original Filing. This Amendment does not reflect events occurring after the filing of the Original Filing and unless otherwise stated herein, the information contained in the Amendment is current only as of the time of the Original Filing. Accordingly, the Amendment should be read in conjunction with our filings made with the Securities and Exchange Commission subsequent to the filing of the Original Filing, including any amendments to those filings.

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Effective December 24, 2007, the Board of Directors of the Company formed the Special Litigation Committee in response to the consolidated complaint in *In re infoUSA, Inc. Shareholders Litigation*, Consol. Civil Action No. 1956-CC (Del. Ch.) (the Derivative Litigation), and in response to an informal investigation of the Company by the SEC and the related SEC request for the voluntary production of documents concerning related party transactions, expense reimbursement, other corporate expenditures and certain trading in the Company's securities. The Special Litigation Committee is composed of five members of the Board of Directors, Robin S. Chandra, Bill L. Fairfield, George Krauss, Bernard W. Reznicek and Clifton T. Weatherford. Messrs. Chandra, Krauss and Weatherford were appointed to the Board in December 2007 at the time the Special Litigation Committee was formed. The Special Litigation Committee retained the law firm of Covington & Burling LLP as independent legal counsel to assist with conducting an internal investigation of these matters.

The Special Litigation Committee's investigation began in January 2008, lasted five months, and consumed over 15,000 hours of attorney and staff time. The scope of the Committee's investigation encompassed more than twenty discrete issues and was informed by the claims raised in the Derivative Litigation, the Committee's conversations with the Company's external auditors, and the investigation itself.

In the course of investigating these issues, the Special Litigation Committee collected and searched more than one million pages of electronic documents, and collected and reviewed more than 280,000 pages of hard-copy documents. The documents included invoices and statements provided to the Company as support for related party transactions, expense reimbursements, and corporate expenditures; reports from the Company's accounting system; documents from Company advisors, including auditors and accountants; and calendars and itineraries maintained by Mr. Gupta.

The Special Litigation Committee interviewed approximately 80 witnesses. These witnesses, some of whom were interviewed on more than one occasion, included current and former Company employees such as internal auditors, controllers, and accountants; the Company's external auditors; individuals who were employed by Mr. Gupta or one of his related entities and whose responsibilities included expense reimbursement, accounting, and tax preparation; and Mr. Gupta, whom the Special Litigation Committee interviewed twice.

Aided in part by an expert engaged by the Special Litigation Committee, National Economic Research Associates, Inc., the Special Litigation Committee undertook an analysis of potential damages based on available records and the testimony of witnesses. Based on its investigation and its analysis of potential damages, the Special Litigation Committee determined that various related party transactions, expense reimbursements and corporate expenditures were excessive. The Special Litigation Committee concluded the following:

*Private Aircraft:*

The Special Litigation Committee examined the usage of the private planes from 1998–2007. Exact information about the approximately 1820 flights infoGROUP paid for on private jets during this period was not available. Therefore, the Special Litigation Committee examined flights in several categories, including: (1) flights described in the consolidated complaint filed in the Derivative Litigation, as well as flights that were part of the same itinerary; (2) flights taken by former President Clinton and his family; (3) flights taken by other prominent individuals; (4) flights to international destinations and Hawaii; and (5) flights from selected time periods. In order to assess these categories of flights, the Special Litigation Committee collected documents, including invoices, infoGROUP travel forms, and Mr. Gupta's calendar and itineraries. The Special Litigation Committee also spoke to Mr. Gupta, his counsel, and other witnesses about the purpose of various flights.

The Special Litigation Committee determined that a portion of the expenditures related to private jet use were excessive, including, for example, flights to Aspen for Mr. Gupta and his sons; flights to Hawaii for Mr. Gupta, his family, and several guests; flights for former President Bill Clinton after infoGROUP had signed a consulting agreement with him; and flights for former President Clinton's family members and other third parties.

*Expenses:*

The Special Litigation Committee examined Mr. Gupta's credit card spending and requests for Company reimbursement of expenses from 2000–2007. Exact information about the purpose of credit card spending during this period was not available. Therefore, the Special Litigation Committee carefully examined expenses in several

categories, including: (1) expenses in selected time periods; (2) a sample of expenses over \$1,000; and (3) all expenses over \$15,000. In order to assess these expenses, the Special Litigation Committee collected documentation, including invoices, Mr. Gupta's calendar, and his itineraries. The Special Litigation Committee also

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spoke to Mr. Gupta and/or his counsel and other witnesses about select expenses so that they could provide additional information about the circumstances surrounding the expense. The Special Litigation Committee determined that certain expenses relating to lodging, flights, meals, and various other expense categories were excessive.

The Special Litigation Committee also examined Mr. Gupta's golf club memberships from 2000-2007, for which the Company paid a portion of the membership and usage fees. Exact information was not available on the purposes for which Mr. Gupta's more than 30 private club memberships were used. The Special Litigation Committee determined that expenditures related to most of these clubs were excessive.

The Special Litigation Committee examined the salaries and expense reimbursements for the following employees who worked in part for *infoGROUP* and in part for Mr. Gupta personally: (1) an individual who at the time of the investigation was an accountant for Everest, Inc. and was formerly employed by *infoGROUP*; (2) an individual who at the time of the investigation was Director of Special Projects and Trade Shows for *infoGROUP*; and (3) an individual who for the majority of the time of the investigation was an accountant for Everest, Inc. and prior to that was employed by *infoGROUP*. The Special Litigation Committee determined that portions of these individual's salaries and expense reimbursements were excessive.

In January 2007, Mr. Gupta submitted to *infoGROUP* one invoice for personal legal services from Kirkland & Ellis LLP. The Special Litigation Committee determined that remedial action was appropriate with respect to this issue.

*Yacht:*

The Special Litigation Committee examined yacht usage from 2002-2007. Exact information about *infoGROUP*'s yacht usage during this period was not available. The Special Litigation Committee assessed yacht use by examining the yacht log, collecting and reviewing documents, and conducting interviews with the crew of the yacht, individuals who used the yacht, and Company staff responsible for booking usage on the yacht.

The Special Litigation Committee determined that expenditures related to the yacht were excessive because the yacht is rarely used for business or any other purpose.

*Residences:*

The Special Litigation Committee examined usage of 10 private residences owned or rented by Mr. Gupta and his family from

2001-2007. Specifically, the Special Litigation Committee assessed usage of private residences at the following locations owned by Mr. Gupta, and paid for during various periods by *infoGROUP*: (1) Hillsborough, California; (2) Napa, California; (3) Aspen, Colorado; and (4) a condominium owned by Mr. Gupta's son, Jess Gupta, in Maui, Hawaii. In addition, the Special Litigation Committee examined the use of a Washington, D.C. apartment rented directly by *infoGROUP* on Mr. Gupta's behalf. Finally, the Special Litigation Committee examined the use of Mr. Gupta's homes in the following locations for which the Company has never paid rent: (1) Omaha; (2) Kauai; (3) Miami; (4) Las Vegas; and (5) Washington, D.C.

Exact information about *infoGROUP*'s private residence usage during this period was not available. The nature and magnitude of the usage of the residences was assessed by examination of the Company's property logs. Further, Mr. Gupta requested that his employees and former employees submit, via email, available details on stays at his residences. This information was compiled and supplemented with employee interviews. The Special Litigation Committee determined that *infoGROUP*'s payments for the residences were excessive, where documentation evidencing use by Company employees or customers was lacking and the Audit Committee was unaware of such use. From 2004-2008, the manager of Mr. Gupta's D.C. residence, was paid a salary by *infoGROUP*. She also received expense reimbursements from the Company. The Special Litigation Committee determined that these expenditures were excessive.

A former *infoGROUP* employee from 2000-2002, currently serves as the property manager of Mr. Gupta's residence in Kauai, Hawaii. After his employment at *infoGROUP*, he received expense reimbursements from the Company. The Special Litigation Committee determined that these expenditures were excessive.

*Automobiles:*

The Special Litigation Committee investigated the usage of six cars leased through Aspen Leasing, as well as the



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usage of 15 additional vehicles leased or purchased by *infoGROUP*. Exact information about *infoGROUP*'s automobile usage during this period was not available. The Special Litigation Committee examined usage by conducting employee interviews as well as reviewing insurance information that listed authorized drivers for certain of the automobiles. The Special Litigation Committee determined that payments for 14 of these 21 vehicles were excessive because these vehicles were used primarily by Mr. Gupta.

*Insurance:*

The Special Litigation Committee investigated whether *infoGROUP* paid premiums on life insurance policies of which the Company was not the beneficiary.

The Special Litigation Committee found that from 2000–2005, *infoGROUP* made various payments on three life insurance policies for Mr. Gupta. The Gupta Family 1999 Irrevocable Trust was the beneficiary of all of these policies. The Special Litigation Committee determined that remedial action was appropriate with respect to this issue.

*Everest Building Mortgage:*

The Special Litigation Committee investigated the circumstances surrounding the sale of the Everest Building to the Company by Everest Investment Management LLC, an entity owned by Mr. Gupta.

In the spring of 2001, the Everest Building was constructed by Everest Investment Management LLC. Everest Investment Management LLC had a \$2.4 million loan from U.S. Bank to finance the Everest building construction. After the completion of construction, *infoGROUP* entered into a 10-year agreement with Everest Investment Management LLC to lease office space from Everest Investment Management LLC in the Everest Building for \$30,000 per month. On October 9, 2001, *infoGROUP* purchased the Everest Building from Everest Investment Management LLC for \$2.62 million, an amount equal to Everest Investment Management LLC's total construction costs. The amount outstanding on the mortgage note was \$2.4 million. Thus, *infoGROUP* paid Everest Investment Management LLC \$220,000 and assumed Everest Investment Management's obligations under the mortgage. On October 15, 2001, the Audit Committee and the Board approved the Company's acquisition of the building from Everest Investments, after being informed that *infoGROUP* acquired the Everest Building by assuming the mortgage on the building.

The Special Litigation Committee determined that remedial action was appropriate with respect to amounts paid by the Company that were in excess of the amount of the mortgage on the Everest Building.

*Office Space and Administrative Support :*

The Special Litigation Committee investigated whether Mr. Gupta provided free office space to related-party entities, as well as whether *infoGROUP* paid a salary to the secretary to an *infoGROUP* director.

On October 9, 2001, *infoGROUP* acquired the Everest Building. From October 2001–December 2004, Annapurna Corporation and Everest Investment Management LLC occupied space in the Everest Building without paying rent to *infoGROUP*. Beginning in January 2005, Everest Investment Management LLC and Annapurna paid a combined \$1,600 per month to *infoGROUP* pursuant to a rental agreement.

From October 2001–November 2005, director Harold Andersen and his secretary occupied space in the Everest Building without paying rent to *infoGROUP*. *infoGROUP* also paid a third of Andersen's secretary's salary from 1996–2005. In December 2005, *infoGROUP* signed a consulting agreement with Andersen that provided for office space and secretarial services.

The Special Litigation Committee determined that the provision of free office space to companies owned by Mr. Gupta was excessive. The Special Litigation Committee also determined that the provision of secretarial services to an *infoGROUP* director was excessive prior to December 2005, when the director signed a consulting contract with the Company.

*Stock Options:*

The Special Litigation Committee investigated the circumstances surrounding stock option grants to an outside company named Mindspirit LLC.

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In 2001, *infoGROUP* entered into a consulting agreement with Mindspirit LLC ( Mindspirit ) to provide advice and guidance to Vin Gupta, CEO of *infoGROUP*, on strategic issues associated with the growth and sustainability of the company. Under the agreement, Mindspirit was entitled to 200,000 stock options; all of these options were exercised. These options were not approved by the Board or any Board committee. According to Mr. Gupta, Mindspirit was created by the wives of Rajat Gupta and Anil Kumar, two employees of McKinsey & Company who were rendering business advice to Mr. Gupta and *infoGROUP*. The Special Litigation Committee determined that remedial action was appropriate with respect to this issue.

*Corporate Avengers:*

The Special Litigation Committee investigated the circumstances surrounding *infoGROUP*'s payments to Corporate Avengers, LLC, a company owned and controlled by the son of Mr. Gupta's wife, Laurel Gupta.

In early 2006, Corporate Avengers signed a consulting agreement with *infoGROUP*. From February 2006 to December 2006, Laurel Gupta's son received \$2,000 per month for viral marketing and social networking services. No *infoGROUP* employees were able sufficiently to describe services provided by Corporate Avengers. The contract was not renewed at the end of the term.

The Special Litigation Committee determined that expenditures related to Corporate Avengers were excessive.

On July 16, 2008, the Special Litigation Committee approved a series of remedial actions and decisions that are described below.

The Special Litigation Committee continues to cooperate with the SEC, with respect to its findings from the investigation and related remedial actions.

***Remedial Actions Approved by the Special Litigation Committee***

Based on its investigation of the matters described above, the Special Litigation Committee approved a series of remedial actions described below, which have been updated since the filing of the Company's Current report on Form 8-K on July 23, 2008. The Special Litigation Committee's remedial framework is designed to continue in effect at least until December 31, 2013 (other than the standstill and voting agreements with Mr. Gupta described in the second and third bullet points below, which have expiration dates as set forth therein).

In connection with the Derivative Litigation, Mr. Gupta orally agreed to pay the Company \$9 million over five years pursuant to a payment schedule, subject to the execution of a definitive settlement agreement and upon court approval of the settlement.

The Company entered into an amendment (the Second Amendment) with Mr. Gupta to extend the original standstill agreement between the Company and Mr. Gupta, dated July 21, 2006 (the Original Agreement), as amended on July 20, 2007 by the first amendment (the First Amendment). Pursuant to the Original Agreement, as amended by the First Amendment, Mr. Gupta had agreed that, for a period ending on July 21, 2008 (the Covered Period), he would not directly or indirectly acquire any additional securities of the Company, except for acquisitions pursuant to the exercise of stock options that had been granted to him by the Company. The Second Amendment amended the Original Agreement (as amended by the First Amendment) to extend the Covered Period to include the period from 12:00 a.m. on July 22, 2008 to and including 11:59 p.m. on July 21, 2009. All other terms of the Original Agreement remain in effect without modification.

The Special Litigation Committee and Mr. Gupta orally agreed that, subject to the execution of a definitive settlement agreement and upon court approval of the settlement, Mr. Gupta will enter into a voting agreement with the Company, pursuant to which Mr. Gupta will agree to support, through and including the 2010 annual stockholders meeting, the election of the nominees for election as directors recommended by the Nominating and Corporate Governance Committee of the Board.

The Special Litigation Committee approved the separation of the positions of Chief Executive Officer and Chairman of the Board and the appointment of Bill L. Fairfield, who was serving at the time as the Board's lead independent director, to serve as the chairman of the Board effective July 16, 2008. Mr. Gupta continues to serve as the chief executive officer of the Company.



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The Audit Committee of the Board, in consultation with the chief executive officer, will identify and hire a new chief financial officer. The termination or replacement of the new chief financial officer (or any successor) will require the concurrence of the Audit Committee of the Board. The current chief financial officer of the Company, Stormy L. Dean, will continue to serve as chief financial officer of the Company until a new chief financial officer is hired, at which time Mr. Dean is expected to assume a new position with the Company with responsibilities in the area of corporate strategy and planning. The Company is currently conducting a search process to fill this position.

The Special Litigation Committee approved the creation of a new position of executive vice president for business conduct and general counsel (the EVP for Business Conduct and General Counsel ). The EVP for Business Conduct and General Counsel will, among other things:

- (i) supervise all legal and compliance functions and have responsibility for coordinating with internal auditors regarding the review of related party transactions;
- (ii) develop and administer business conduct and ethics policies for the Company (relating to insider trading, conflicts of interest, related party transactions and other matters) and monitor compliance with such policies;
- (iii) approve certain expense reimbursement requests at or above specified dollar amounts, as determined by the independent directors of the Board; and
- (iv) serve on the Company's Disclosure Committee.

The EVP for Business Conduct and General Counsel is retained by the independent directors of the Board and reports directly to the chairman of the Board under terms and conditions of employment determined exclusively by the independent directors of the Board. On July 16, 2008, John H. Longwell, the Company's general counsel and secretary, was appointed to serve as the acting EVP for Business Conduct and General Counsel. The Company is currently conducting a search process to fill permanently this position.

The independent directors of the Board will develop and approve a new delegation of authority protocol to specify the size of transactions each officer is permitted to enter into on behalf of the Company. Pursuant to the protocol, the following will require prior approval by the EVP for Business Conduct and General Counsel: consulting agreements in excess of specified dollar amounts as determined by the independent directors of the Board; charitable contributions in excess of a specified per-gift or aggregate annual amount; the purchase or lease of aircraft (including whole or partial interests) or motor vehicles (not including conventional car rentals); mortgage or rental payments on offices, homes, apartments or any other real property not used exclusively for business purposes; and club membership fees. The EVP for Business Conduct and General Counsel will also report to the Audit Committee on the above transactions.

The Company will sell its yacht and will not own or lease yachts in the future.

All Company reimbursements for expenses will be subject to uniform, company-wide policies and procedures. The independent directors of the Board will approve and implement a business expense policy applicable to all employees of the Company. The policy will prohibit the reimbursement of any expense that is not authorized under the Company's business expense policy. The policy will also provide clear guidance as to determining what is and what is not a proper business expenditure. In this regard, the policy will prohibit the use of Company resources (including corporate credit cards) for personal travel or entertainment; prohibit the personal use of yachts or airplanes at Company expense; and require restitution of any expenditure later deemed personal and include a compensation hold-back feature to ensure that restitution is made when necessary.

The independent directors of the Board will approve and implement detailed policies governing all employees regarding perquisites. Such policies will prohibit home office allowances.

The independent directors of the Board will approve and implement a new related party transaction policy. Among other measures, the new policy will:

- (i) require pre-approval by the disinterested members of the Audit Committee of the Board (or, if necessary to reach a decision, the disinterested, independent directors of the Board) for all transactions with amounts in excess of \$120,000 involving the Company and a director or executive officer (or family member of such person), a stockholder owning more than 5% of any class of Company voting securities or an entity in which a related party is an executive officer or in which a related party owns beneficially more than 10% of the outstanding voting securities;
- (ii) eliminate the exception in the current policy permitting management to enter into related party transactions when circumstances require, subject to later ratification;

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- (iii) require the Audit Committee of the Board to make a finding, as a condition to its pre-approval of a covered related party transaction, that the transaction has a legitimate business purpose;
- (iv) require the Audit Committee of the Board to make a finding, as a condition to its pre-approval of a covered related party transaction (other than a charitable contribution), that either the terms of the transaction were determined through a competitive bidding process or that the terms are no less favorable than those generally available to unaffiliated third parties under the same or similar circumstances;
- (v) require the Audit Committee of the Board to pre-approve any related party transaction that would result in the aggregate amount of transactions for that related party exceeding \$120,000 in a fiscal year and for all additional related party transactions for the remainder of the fiscal year and condition such pre-approval on a finding by the Audit Committee of the Board that the transaction has a legitimate business purpose and that either the terms of the transaction were determined through a competitive bidding process or that the terms are no less favorable than those generally available to unaffiliated third parties under the same or similar circumstances;
- (vi) require pre-approval of any proposed related party transaction by the EVP for Business Conduct and General Counsel (or, in appropriate circumstances, his delegate) in circumstances where no pre-approvals or findings of the Audit Committee of the Board are required; and
- (vii) require implementation of procedures for monitoring the interests of related parties that are subject to transactions with the Company on a regular basis (for example, through the use of director and officer questionnaires), including requiring all officers and directors of the Company to provide the Company with a complete list of any affiliated entities that have a relationship with the Company and the nature of such relationship.

The family members of the chief executive officer or any director of the Company will be prohibited from serving as a director, officer or employee of, or a consultant to, the Company. Pre-approval by the EVP for Business Conduct and General Counsel, the Audit Committee or the Board, as appropriate, will be required before a family member of an officer of the Company (who is not a director of the Company or the chief executive officer of the Company) may serve as director, officer or employee of, or as a consultant to, the Company. Any such approval will be reported to the Audit Committee.

A mandatory director and executive officer training program addressing fiduciary duties will be instituted, which will include an orientation program for new directors, internal corporate governance tutorials conducted by outside experts selected by the Special Litigation Committee and continuing corporate governance education.

The Audit Committee of the Board will approve and implement a best practices guide regarding disclosure controls and procedures.

The independent directors of the Board will meet at least four times annually. The minutes of such meetings will be circulated to the entire Board in advance of the next Board meeting.

Within 60 days of the entry of judgment in connection with the Derivative Litigation, the Compensation Committee of the Board will endeavor to negotiate and approve employment agreements with executive officers of the Company, including compensation terms commensurate with those of executive officers of similarly situated companies. The Compensation Committee of the Board will retain an independent compensation consultant to provide advice with respect to executive officer and director compensation.

All future equity grants will be approved by a majority vote of the disinterested independent directors of the Board. Further, the Company's 2007 Omnibus Incentive Plan will be amended to clarify the number of shares available to be granted pursuant to the plan, and the amendment of the plan will be submitted to a stockholder vote for ratification.

The Company will hire a new investor relations officer who will report to the chief financial officer to improve and coordinate communications with stockholders, investors, analysts and the media.

In addition, in connection with its findings, the Special Litigation Committee asked directors George Haddix, Elliot Kaplan and Vasant Raval to resign from the Board. At this time no director has agreed to resign.

**B. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

The Company is responsible for maintaining disclosure controls and other procedures that are designed so that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosure within the time periods specified in the SEC's rules and forms.

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In connection with the preparation of this Form 10-K, management performed an evaluation of the Company's disclosure controls and procedures. The evaluation was performed, under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of December 31, 2007. As described below, management identified material weaknesses in the Company's internal control over financial reporting, which is an integral component of its disclosure controls and procedures. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2007.

The principal factors contributing to the material weaknesses that led to the conclusion that the disclosure controls and procedures were not effective were (1) the Company did not maintain an effective control environment, (2) the Company did not maintain adequate policies and procedures with respect to Company disbursements, and (3) the Company did not maintain effective procedures to monitor its disbursement-related controls and whether such controls remained adequately designed, specifically procedures to ensure that the Board of Directors and management are provided sufficient information to enable them to evaluate the adequacy of the Company's disclosures, including appropriately monitoring the activities of senior management, including the Chief Executive Officer.

These factors resulted in information with regard to disclosure of disbursements being insufficiently available to management and the Board of Directors, or not available at all. Management and the Board of Directors were therefore unable to determine the adequacy of the disclosures with respect to disbursements in the Company's reports filed under the Exchange Act, including disclosures concerning expense reimbursements, corporate expenditures, personal utilization of Company assets by the Chief Executive Officer, issuance of stock options, and payments to related parties.

Based upon management's conclusion that there were material weaknesses in the Company's internal control over financial reporting, the Company has taken measures it deemed necessary to conclude its consolidated financial statements as of and for the year-ended December 31, 2007 do not contain a material misstatement.

**C. MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management of *infoGROUP* is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by rules of the SEC, internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, should accurately and fairly reflect the Company's transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

In connection with the preparation of the Company's annual consolidated financial statements, management undertook an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO Framework). Management's evaluation included the design of the Company's internal control over financial reporting and testing of the operational effectiveness of those controls.

Management's evaluation and assessment of the effectiveness of internal control over financial reporting did not include the internal controls of Guideline, Inc., which the Company acquired on August 20, 2007 and is included in the 2007 consolidated financial statements of the Company. Guideline constituted 7% of consolidated total assets and



2% of consolidated total sales included in the consolidated financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2007.

***Material Weaknesses in Internal Control over Financial Reporting***

A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements would not be prevented or detected on a timely basis. In connection with management's evaluation of the Company's internal control over financial reporting, management identified the following material weaknesses in the Company's internal control over financial reporting as of December 31, 2007:

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The Board of Directors and Management did not maintain an effective control environment as a result of ineffective oversight of internal control over financial reporting.

The Company did not maintain adequate policies and procedures to ensure that disbursements of the Company were made in accordance with authorizations of management and the directors of the Company. Contributing to this material weakness was inadequate segregation of duties and ineffective policies and procedures to ensure that the processing of payments requires appropriate supporting documentation and authorization. The nature of transactions subject to this material weakness included expense reimbursements, corporate expenditures, personal utilization of Company assets by the Chief Executive Officer, issuance of stock options, and payments to related parties.

The Company did not maintain effective procedures to monitor its disbursement-related controls and whether such controls remain adequately designed, specifically procedures to ensure that the Board of Directors is provided sufficient information to enable it to appropriately monitor the activities of senior management, including the Chief Executive Officer.

Because of the material weaknesses in internal control over financial reporting described above, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2007 based on *Internal Control – Integrated Framework* published by COSO.

KPMG LLP, our independent registered public accounting firm that audited the financial statements included in our annual report on Form 10-K, has issued an Audit Report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2007.

**D. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There were not any changes during the fourth quarter of 2007 in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting).

**E. REMEDIATION STEPS TO ADDRESS MATERIAL WEAKNESSES**

The Company, with oversight from the Special Litigation Committee and the Audit Committee and Compensation Committee of the Company's Board of Directors, has dedicated significant resources, including the use of outside legal counsel, to support the Company's efforts to improve the control environment and to remedy the identified material weaknesses.

The Company expects that full implementation of the remedial measures set forth herein will take significant effort, due to the complexity and extensive nature of some of the remediation required, a need to coordinate remedial efforts within the organization, and the Special Litigation Committee mandate that such remedial measures be reviewed and approved by the independent members of the Board of Directors.

Of the various remedial actions adopted by the Special Litigation Committee, the following are expected to remedy the identified material weaknesses in internal controls and to improve the control environment. The Company expects to implement all of these remedial actions during the third and fourth quarters of 2008.

*Executive Vice President for Business Conduct and General Counsel.* As described above, the Special Litigation Committee approved the creation of a new position of executive vice president for business conduct and general counsel that will report directly to the chairman of the Board under terms and conditions of employment determined exclusively by the independent directors of the Board. This individual will be retained by the independent members of the Board and will, among other things:

- supervise all legal and compliance functions and have responsibility for coordinating with internal auditors regarding the review of related party transactions;

- develop and administer business conduct and ethics policies for the Company (relating to insider trading, conflicts of interest, related party transactions and other matters) and monitor compliance with such policies;
- and

approve certain expense reimbursement requests at or above specified dollar amounts, as determined by the independent directors to the Board.

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On July 16, 2008, John H. Longwell, the Company's general counsel and secretary, was appointed to serve as the acting EVP for Business Conduct and General Counsel. The Company is currently conducting a search process to fill permanently this position.

*Audit Committee Concurrence Required for Hiring and Replacement of the Chief Financial Officer.* The Audit Committee of the Board, in consultation with the chief executive officer, will identify and hire a new chief financial officer. The termination or replacement of the new chief financial officer (or any successor) will require the concurrence of the Audit Committee of the Board. The current chief financial officer of the Company, Stormy L. Dean, will continue to serve as chief financial officer of the Company until a new chief financial officer is hired. The Company is currently conducting a search process to fill this position.

*New Delegation of Authority Protocol.* The independent directors of the Board will develop and approve a new delegation of authority protocol to specify the size of transactions each officer is permitted to enter into on behalf of the Company. The protocol will require the sale of the Company yacht and prohibit the future ownership or leasing of yachts. Pursuant to the protocol, the following will require prior approval by the EVP for Business Conduct and General Counsel: consulting agreements in excess of specified dollar amounts as determined by the independent directors of the Board; charitable contributions in excess of a specified per-gift or aggregate annual amount; the purchase or lease of aircraft (including whole or partial interests) or motor vehicles (not including conventional car rentals); mortgage or rental payments on offices, homes, apartments or any other real property not used exclusively for business purposes; and club membership fees. The EVP for Business Conduct and General Counsel will also report to the Audit Committee on the above transactions.

*Policy on Company Reimbursement of Expenses.* All company reimbursements for expenses will be subject to uniform, company-wide policies and procedures.

*New Business Expense Policy.* The independent directors of the Board will approve and implement a business expense policy applicable to all employees of the Company. The policy will prohibit the reimbursement of any expense that is not authorized under the Company's business expense policy. The policy will also provide clear guidance as to determining what is and what is not a proper business expenditure. In this regard, the policy will prohibit the use of Company resources (including corporate credit cards) for personal travel or entertainment; prohibit the personal use of yachts or airplanes at Company expense; and require restitution of any expenditure later deemed personal and include a compensation hold-back feature to ensure that restitution is made when necessary.

*New Policies Regarding Perquisites.* The independent directors of the Board will approve and implement detailed policies governing all employees regarding perquisites. Such policies will prohibit home office allowances.

*New Related Party Transactions.* The independent directors of the Board will approve and implement a new related party transaction policy. Among other measures, the new policy will:

(i) require pre-approval by the disinterested members of the Audit Committee of the Board (or, if necessary to reach a decision, the disinterested, independent directors of the Board) for all transactions with amounts in excess of \$120,000 involving the Company and a director or executive officer (or family member of such person), a stockholder owning more than 5% of any class of Company voting securities or an entity in which a related party is an executive officer or in which a related party owns beneficially more than 10% of the outstanding voting securities;

(ii) eliminate the exception in the current policy permitting management to enter into related party transactions when circumstances require, subject to later ratification;

(iii) require the Audit Committee of the Board to make a finding, as a condition to its pre-approval of a covered related party transaction, that the transaction has a legitimate business purpose;

(iv) require the Audit Committee of the Board to make a finding, as a condition to its pre-approval of a covered related party transaction (other than a charitable contribution), that either the terms of the transaction were determined through a competitive bidding process or that the terms are no less favorable than those generally available to unaffiliated third parties under the same or similar circumstances;

(v) require the Audit Committee of the Board to pre-approve any related party transaction that would result in the aggregate amount of transactions for that related party exceeding \$120,000 in a fiscal year and for all additional related party transactions for the remainder of the fiscal year and condition such pre-approval on a finding by the Audit Committee of the Board that the transaction has a legitimate business purpose and that either the terms of the transaction were determined through a competitive bidding process or that the terms are no less favorable than those

generally available to unaffiliated third parties under the same or similar circumstances;

(vi) require pre-approval of any proposed related party transaction by the EVP for Business Conduct and General Counsel (or, in

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appropriate circumstances, his delegee) in circumstances where no pre-approvals or findings of the Audit Committee of the Board are required; and

(vii) require implementation of procedures for monitoring the interests of related parties that are subject to transactions with the Company on a regular basis (for example, through the use of director and officer questionnaires), including requiring all officers and directors of the Company to provide the Company with a complete list of any affiliated entities that have a relationship with the Company and the nature of such relationship.

*Family Members.* The family members of the chief executive officer or any director of the Company will be prohibited from serving as a director, officer or employee of, or a consultant to, the Company. Pre-approval by the EVP for Business Conduct and General Counsel, the Audit Committee or the Board, as appropriate, will be required before a family member of an officer of the Company (who is not a director of the Company or the chief executive officer of the Company) may serve as director, officer or employee of, or as a consultant to, the Company. Any such approval will be reported to the Audit Committee.

*New Training Program.* A mandatory director and executive officer training program addressing fiduciary duties will be instituted, which will include an orientation program for new directors, internal corporate governance tutorials conducted by outside experts selected by the Special Litigation Committee and continuing corporate governance education.

*Employment Agreements.* Within 60 days of the entry of judgment in connection with the Derivative Litigation, the Compensation Committee of the Board will endeavor to negotiate and approve employment agreements with executive officers of the Company, including compensation terms commensurate with those of executive officers of similarly situated companies. The Compensation Committee of the Board will retain an independent compensation consultant to provide advice with respect to executive officer and director compensation.

*Independent Director Approval of Option Grants.* All future equity grants will be approved by a majority vote of the disinterested independent directors of the Board. Further, the Company's 2007 Omnibus Incentive Plan will be amended to clarify the number of shares available to be granted pursuant to the plan, and the amendment of the plan will be submitted to a stockholder vote for ratification.

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

infoGROUP Inc. (formerly known as infoUSA Inc.):

We have audited infoGROUP Inc. and subsidiaries (the Company) internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting (Item 9A (C)). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Management's Report on Internal Control over Financial Reporting (Item 9A (C)) has identified material weaknesses related to the (1) control environment, (2) policies and procedures over disbursements, and (3) monitoring activities over such disbursements.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' equity and comprehensive income, cash flows, and financial statement schedule for each of the years in the three-year period ended December 31, 2007. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2007 consolidated financial statements, and this report does not affect our report dated August 8, 2008, which expressed an unqualified opinion on those consolidated financial statements.

In our opinion, because of the effect of the aforementioned material weaknesses on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We do not express an opinion or any other form of assurance on management's statements referring to corrective or remedial actions taken after December 31, 2007, relative to the aforementioned material weaknesses in internal

control over financial reporting.

The Company acquired Guideline, Inc. (Guideline) on August 20, 2007, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2007, Guideline's internal control over financial reporting associated with 7% of the Company's total assets and 2% of the Company's consolidated total sales included in the financial statements of the Company as of and for the year ended December 31, 2007. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Guideline.

/s/ KPMG LLP

Omaha, Nebraska  
August 8, 2008

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### **Item 11. *Executive Compensation***

#### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis ( CD&A ) should be read in conjunction with the Summary Compensation Table and related discussion under this Item 11 of this Annual Report. The term Named Executive Officers ( NEOs ) refers to the executive officers listed in the Summary Compensation Table. Our CD&A addresses the following items:

- overview of executive compensation;
- how we determine executive compensation;
- our philosophy regarding executive compensation;
- objectives of executive compensation elements;
- executive compensation decisions for fiscal year 2007;
- severance and change in control considerations; and
- tax and accounting considerations.

#### **Overview of Executive Compensation**

The Compensation Committee (the Committee ) of our Board of Directors is responsible for establishing, implementing and monitoring the administration of our executive compensation programs in accordance with the Company's compensation philosophy and strategy, and for approving executive compensation and equity plan awards. The Committee seeks to reward the Company's executive officers in a fair, reasonable and competitive manner. The compensation program consists of base salary, annual short-term incentives (both performance-based and discretionary), long-term equity-based incentive compensation (used from time to time), and personal benefits and perquisites.

During fiscal year 2007, the members of the Committee who determined the compensation of our executive officers for 2007 were Bernard W. Reznicek (Chair), Anshoo S. Gupta and Dennis P. Walker. In December 2007, Mr. Anshoo Gupta passed away, and in January 2008, Mr. Walker resigned from the Board of Directors. Effective January 25, 2008, Messrs. George F. Haddix and Robin S. Chandra were appointed to the Committee.

#### **How We Determine Executive Compensation**

*The Role of the Committee.* Executive compensation is determined by the Committee, which meets at least quarterly to consider issues relating to executive compensation. It draws on internal and external resources to provide necessary information and recommendations, as appropriate. In 2007, the Committee met six times (in February, April, June, July, September and October). Each year, the Committee reviews its Charter to ensure that it remains consistent with stockholder interests and good corporate governance principles. In 2007, the Committee engaged in the following activities related to executive compensation to ensure it carried out its responsibilities as outlined in the Charter:

- reviewed each element of compensation of the NEOs;
- reviewed and approved corporate goals and objectives relevant to the compensation of the Chief Executive Officer ( CEO ), evaluated the CEO's performance in light of those goals and objectives, and set the CEO's compensation levels based on this evaluation;
- administered and managed all equity compensation programs of the Company;
- considered and made recommendations to the Board of Directors with respect to the adoption, amendment, administration or termination of compensation, welfare, benefit, pension and other plans related to

compensation of current and former employees of the Company;

reviewed and approved the CD&A as required by the SEC and certified the CD&A and its contents through the issuance of the Compensation Committee Report; and

retained legal, accounting and other relevant advisors as it deemed necessary to carry out its fiduciary responsibilities at the Company's expense.

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In addition, each member of the Committee is a non-employee director within the meaning of Rule 16b-3 under the Exchange Act and an outside director within the meaning of Section 162(m) of the Internal Revenue Code.

For the benefit of our stockholders, the Compensation Committee Charter is posted on the Company's website at [www.infoUSA.com](http://www.infoUSA.com) under the caption About Us.

*The Role of Executive Officers.* Our CEO annually reviews the performance of each of the other NEOs. Based on this review, the CEO makes compensation recommendations to the Committee, including recommendations for salary adjustments, annual cash incentives and long-term equity-based incentive awards. Although the Committee considers these recommendations, it retains full discretion to set all compensation for the NEOs. The Committee may, in its discretion, invite the CEO to be present during the Committee's deliberations on the compensation of the NEOs.

The Committee, in carrying out the responsibilities as outlined in its Charter, is wholly responsible for determining the compensation paid to our CEO. The CEO is not present during Committee deliberations on the compensation of the CEO.

*The Role of the Compensation Consultant.* Under the Committee's Charter, the Committee has the authority to retain consultants to aid in its duties from time to time. Pursuant to this authority, in 2007, the Committee retained Pearl Meyer & Partners (PM&P), an outside executive compensation consulting firm. PM&P assists the Compensation Committee with the collection and interpretation of competitive market data and prevalence information with regard to executive compensation levels and executive compensation plan design. PM&P is engaged by, and reports directly to, the Committee. PM&P works with the Committee, in conjunction with management, to structure the Company's compensation programs. In addition, PM&P periodically provides the Committee and management with market data on a variety of compensation-related topics. PM&P also participates in the executive session of Committee meetings where no members of Company management are present.

In 2007, PM&P provided the Committee with objective, independent counsel concerning the types and levels of compensation to be paid to the CEO and the other senior executives, including each of the NEOs. PM&P assisted the Committee by providing market compensation data (e.g., industry compensation surveys and benchmarking data) on base pay, as well as annual and long-term incentives.

As part of the Special Litigation Committee's remedial measures, which are described in greater detail under Item 9A, Controls and Procedures of this Annual Report, the Committee will retain an independent compensation consultant to provide advice with respect to executive officer and director compensation.

*Employment Agreements.* As part of the Special Litigation Committee's remedial measures, which are described in greater detail under Item 9A, Controls and Procedures of this Annual Report, within 60 days of the entry of judgment in connection with the Derivative Litigation, the Committee will endeavor to negotiate and approve employment agreements with the executive officers of the Company, including compensation terms commensurate with those of executive officers of similarly situated companies.

*Compensation Benchmarking.* It is crucial to our long-term performance that we are able to attract and retain a strong leadership team. To facilitate retention of executive officers, it is critical that we are able to offer compensation opportunities competitive with those available to them in equivalent positions in our industry or at other publicly-traded or similarly-situated companies. The Committee considers publicly-available information concerning executive compensation levels paid by other companies in our industry and in relevant labor markets as one factor in determining appropriate compensation levels.

*Peer Group.* The Company primarily competes for talent in the information collection and distribution industry and benchmarks executive compensation levels against publicly-traded companies in this industry. In 2007, the Committee referred to the following peer group of publicly-traded companies in the information collection and distribution industry for benchmarking executive compensation.

Axiom Corporation

Dun & Bradstreet Corporation

Equifax Incorporated

FactSet Research Systems, Inc.

Fair Isaac Corporation

Gartner Incorporated

Harte-Hanks Incorporated

Lamar Advertising Company

MSC Industrial Direct

Salesforce.com

Valassis Communications, Incorporated

This peer group was developed to reflect the size and growth profile of the Company. Data is generally size-adjusted as appropriate to account for the size of the companies in the peer group relative to the Company.

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*Other Market Comparisons.* PM&P also provides the Committee with competitive data from compensation surveys conducted by other compensation consulting firms. These surveys collect compensation information from hundreds of companies for different positions in a variety of industries. These compensation surveys were queried to analyze the types and levels of compensation paid to executive officers (with responsibilities similar to those of our executive officers) of companies comparable in size and growth profile to the Company.

The Committee considers the competitive data from the peer group and from the compensation surveys but does not rely on it exclusively in making decisions with regard to executive compensation levels. Because the Company does not rely on compensation surveys exclusively, the specific compensation survey participants were not material to our decisions regarding executive compensation. Finally, the Committee was not aware of any individual participant in these surveys.

### **Our Philosophy Regarding Executive Compensation**

We believe that it is in the best interest of the Company and its stockholders to employ talented, committed, high-performing leaders who can sustain and improve the Company's performance. We believe that executive compensation must serve to:

attract and retain top executives;

reward executives for meeting financial and strategic business goals and objectives;

motivate executives to perform at their highest potential;

reinforce a sense of teamwork through common objectives and shared rewards for performance; and

align the interests of executives and stockholders.

The Committee doesn't necessarily target a specific position within the external market (i.e., the 50th percentile) but rather evaluates total compensation within the context of a number of factors described in greater detail below.

### **Objectives of Executive Compensation Elements**

Each NEO's annual total compensation is composed of a mix of fixed and variable compensation elements, consisting of:

base salary;

annual cash incentive plan;

from time to time, long-term equity incentives; and

benefits and perquisites.

We expect that this mix can and should change from time to time as our business needs and objectives evolve, and as external business and market circumstances change. The Committee reviews the combined value of all of the elements of compensation awarded in previous years, both targeted and actual, when considering proposed compensation for the current year.

We believe that it is appropriate to take a holistic view of each executive officer's total compensation opportunity and review it annually on a prospective basis. The Company believes the value of an executive's performance cannot be measured solely by reference to objective performance indicators or based on a simple formulaic approach; compensation should be awarded based on consideration of both objective and subjective factors. Therefore, we retain discretion to adjust different compensation elements based on particular facts and circumstances and consider other subjective factors which are addressed in this CD&A under the heading "Executive Compensation Decisions for Fiscal Year 2007."

*Base Salary.* The objectives of the Company's base salary element are to allow the Company to attract and retain qualified executives and to recognize and reward individual performance. The following items are considered when determining actual base salaries and making adjustments to base salaries:

our past performance and expectations of future performance;

individual scope of responsibility, performance and experience;

competitive compensation data from the peer group and other market comparisons;

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historical salary levels; and

the recommendations of the CEO (only with respect to other NEOs).

*Annual Cash Incentive Plan.* The objectives of our Annual Cash Incentive Plan, which consists of annual performance-based cash incentives and discretionary bonuses, are to:

reward executives for meeting financial and strategic business goals and objectives;

motivate executives to perform at their highest potential;

reinforce a sense of teamwork through common objectives and shared rewards for performance; and

align the interests of executives and stockholders.

For performance-based cash incentives, target award opportunities are established at the beginning of each year. Actual awards of performance-based cash incentives are predicated on:

the Company's and individual's performance against goals and objectives established at the beginning of the year, which rewards executives for meeting financial and strategic business goals and objectives; and

the Committee's assessment of individual performance, which motivates executives to perform at their highest potential.

Each year the Committee selects performance measures and goals for the performance-based cash incentive portion of the Annual Cash Incentive Plan. The Company believes the performance measures and goals support stockholder value creation and align the interests of executives and stockholders.

With limited exceptions, all executive officers are measured against the same financial performance goals, which reinforces a sense of teamwork. For business unit heads, performance goals are often based on business unit-specific performance goals to reward executives when their business unit meets financial and strategic business goals and objectives.

The Committee considers a number of factors in determining who will receive a discretionary bonus award and the size of the award. Historically, discretionary cash bonuses have been made to recognize extraordinary efforts in the context of:

actual performance not warranting a formulaic incentive award because of changing business conditions; or

the completion of special projects (such as a business acquisition) or strategic initiatives.

The Committee believes it is important that it retain the authority to consider the strategic importance of items with respect to the payment of discretionary bonuses, as these items are not necessarily part of any business or strategic plan developed at the beginning of the year.

*Long-term Equity Incentives.* Although stock options [and other equity awards] have been granted in prior years, more recently the Committee has focused on cash compensation for our executive officers. In 2007, no stock option grants or other equity awards were made. During 2008, the Committee plans to review its prior focus on cash compensation with a view to adding an equity-based component. The equity-based component would be designed to provide significant incentives directly linked to the long-term performance of the Company.

As part of the Special Litigation Committee's remedial measures, which are described in greater detail under Item 9A, "Controls and Procedures" of this Annual Report, all future equity grants will be approved by a majority vote of the disinterested independent directors of the Board.

*Benefits and Perquisites.* We offer a variety of health, welfare and qualified retirement programs to all employees, including our NEOs. The health, welfare and retirement programs available to our NEOs are the same as those offered to all employees. The Company believes that offering a competitive benefits program is necessary to attract high-caliber executive talent. The Company does not offer any supplemental benefit programs, such as a supplemental executive retirement plan (SERP), to any NEO.





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As part of the total compensation program, the Company also has offered certain perquisites which are generally restricted to NEOs. Please see All Other Compensation column in the Summary Compensation Table and related discussion in the footnotes thereto under this Item 11, Executive Compensation of this Annual Report for more detailed information on the perquisites and personal benefits received by the NEOs during fiscal years 2006 and 2007.

As described in greater detail under Item 9A, Controls and Procedures of this Annual Report, the Special Litigation Committee reviewed, among other things, certain expense reimbursements (including those for lodging, flights, meals, private club memberships, the use of the chief executive officer's residences, and legal fees incurred by the chief executive officer) and certain other corporate expenditures (including for the usage of aircraft, a yacht and automobiles, premiums for life insurance policies, salaries of several employees and grants of stock options). Based on its review, the Special Litigation Committee found that various expense reimbursements and corporate expenditures were excessive and approved a series of remedial measures relating to perquisites and personal benefits, including the following, which are designed to continue in effect at least until December 31, 2013:

A new position of EVP for Business Conduct and General Counsel has been created. The EVP for Business Conduct and General Counsel will, among other things, approve certain expense reimbursement requests at or above specified dollar amounts, as determined by the independent directors to the Board.

A new delegation of authority protocol to be approved by the independent directors of the Board will be developed to specify the size of transactions each officer is permitted to enter into on behalf of the Company. Among other things, pursuant to the protocol, the following will require prior approval by the EVP for Business Conduct and General Counsel: the purchase or lease of aircraft (including whole or partial interests) or motor vehicles (not including conventional car rentals); mortgage or rental payments on offices, homes, apartments or any other real property not used exclusively for business purposes; and club membership fees.

All company reimbursements for expenses will be subject to uniform, company-wide policies and procedures.

The independent directors of the Board will approve and implement a business expense policy applicable to all employees of the Company. The policy will prohibit the reimbursement of any expense that is not authorized under the Company's business expense policy. The policy will also provide clear guidance as to determining what is and what is not a proper business expenditure. In this regard, the policy will prohibit the use of Company resources (including corporate credit cards) for personal travel or entertainment; prohibit the personal use of yachts or airplanes at Company expense; require restitution of any expenditure later deemed personal and include a compensation hold-back feature to ensure that restitution is made when necessary.

The independent directors of the Board will approve and implement detailed policies governing all employees regarding perquisites. Such policies will prohibit home office allowances.

### **Executive Compensation Decisions for Fiscal Year 2007**

For the fiscal year ended December 31, 2007, the principal components of compensation for the NEOs were: base salary; annual incentive plan consisting of performance-based cash incentive awards; discretionary cash bonuses; and other personal benefits and perquisites.

*Base Salary.* On an annual basis (and/or at the time of promotion), the Committee reviews individual base salaries of the NEOs. Salary increases are based on the Company's overall performance and the executive's attainment of individual objectives during the preceding year in the context of competitive market data.

The Committee does not assign relative weights or rankings to the different factors described under the heading Objectives of Executive Compensation Elements Base Salary, but instead makes a determination based upon the consideration of all of these factors.

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At its meeting in February 2007, the Committee considered base salary levels for the NEOs. Effective for fiscal year 2007, the Committee approved changes to NEO salaries as follows:

<b>NEO</b>	<b>2007 Position</b>	<b>2007 Annualized Base Salary</b>	<b>2006 Annualized Base Salary</b>	<b>Percent Increase (Decrease) for Fiscal Year 2007</b>
Vinod Gupta	Chairman of the Board and Chief Executive Officer	\$ 750,000	\$ 840,000	(11)%
Stormy L. Dean(1)	Chief Financial Officer	300,000	271,000	11%
Edward C. Mallin	President, Services Group	600,000	600,000	
Fred Vakili	Executive Vice President of Administration and Chief Administrative Officer	480,000	480,000	
John H. Longwell(2)	General Counsel and Secretary	350,000	350,000	
<b>Total:</b>		2,480,000	2,541,000	(2)%

(1) During 2006, Mr. Dean's salary was increased from \$240,000 to \$280,000 in recognition of his additional responsibilities associated with being named the Chief Financial Officer of the Company.

(2) Mr. Longwell was hired November 27, 2006.

In determining Mr. Gupta's salary adjustment, the Committee decided to shift a larger portion of Mr. Gupta's compensation to performance-based incentives and away from base salary.

*Annual Cash Incentive Plan.* The 2007 annual cash incentive plan was designed to motivate and reward the NEOs for achievement of high levels of operating performance and to motivate executives to perform at their highest potential. NEOs were eligible for performance-based cash incentives under the plan based primarily upon achievement, both by the individual officer and the Company, of performance goals established for each year, as well as on the Committee's assessment of individual performance.

The Committee set minimum (threshold), target and maximum levels for each performance measure. With the exception of Mr. Mallin, the 2007 financial performance metric was growth in pre-tax income. For Mr. Mallin, the 2007 financial performance goal was operational performance relative to a pre-established group of key accounts.

As a general rule, we believe that performance goals should be set at levels that reflect excellent performance, superior to the results of median-performing companies in our industry. Achieving performance goals requires significant effort on the part of the NEOs and the Company. At the same time, performance goals should be realistically achievable to provide the appropriate degree of motivation. To achieve this objective, in making the annual determination of the minimum, target and maximum performance goals, the Committee considers:

the specific circumstances facing the Company in the current year;

financial objectives of our strategic plan; and

stockholder expectations regarding the Company's performance.

The minimum performance goal reflects the Committee's minimum level of acceptable performance. If the Company does not achieve the minimum performance goal, performance-based cash incentive awards will not be made. The maximum performance goal reflects a level of performance that would significantly exceed the Committee's, and the Company's expectations of performance.

At the end of each fiscal year, the Committee also completes an assessment of individual performance relative to the goals that were set at the beginning of each year. These individual performance goals motivate and reward strong Company performance in relation to key metrics such as EBITDA, revenue and earnings per share. Specifically, the Committee compared the actual performance to the benchmarks set, and interpolated the amount of bonus to be paid to each individual based on actual company performance.

For 2007, the Committee determined the CEO earned a performance-based cash incentive award of \$995,625. The metrics were slightly different than those for other individuals; specifically, the Committee focused on EBITDA and free cash flow. The interpolation process used by the Committee to determine the final amount was the same for the CEO and all NEOs.

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**2007 Levels**  
**NEOs Other Than CEO**

For 2007, the Committee set the following performance measures and the performance levels required in order for the NEOs, other than the CEO, to earn the indicated cash bonus. Each of the performance measures was weighted equally.

Performance Measures	Threshold	Target	Maximum
Revenue	\$625 million	\$630 million	\$636 million
EBITDA	\$119 million	\$125 million	\$131 million
EPS	69¢ per share	76¢ per share	81¢ per share
Year End Bonus As % of Salary	25% of salary	60% of salary	100% of salary

For 2007, the Committee set the following performance measures and performance levels required to be achieved in order for the CEO to earn the indicated cash bonus.

**CEO**

Performance Levels	Performance Measures			Award Potential	
	EBITDA	Cash Flow	EBITDA Only	EBITDA + Target Cash Flow	EBITDA + Above Target Cash Flow
Threshold	\$119.0 m	\$75.0 m	\$375,000	\$375,000	\$375,000
	\$122.0 m	\$76.6 m	\$656,250	\$656,250	\$656,250
Target	\$125.0 m	\$78.1 m	\$937,500	\$937,500	\$937,500
	\$128.0 m	\$79.8 m	\$1,031,250	\$1,218,750	\$1,500,000
Maximum	\$131.0 m	\$81.5 m	\$1,125,000	\$1,500,000	\$1,500,000

The Committee used straight line interpolation in determining performance between threshold, target and maximum performance levels. The performance measures and targets disclosed above are done so solely in the context of the annual cash incentive plan for 2007 and are not statements of management's expectations or estimates of future results or other guidance. Investors are cautioned not to apply these statements to other contexts.

The exhibit below shows the threshold, target, maximum performance-based cash incentive opportunity and actual performance-based cash award for each executive (after interpolation).

NEO	Annual Performance-Based Cash Incentive Opportunity			Actual Performance-Based Cash Award (After Interpolation)
	Threshold	Target	Maximum	
Vinod Gupta	\$375,000	\$937,500	\$1,500,000	\$ 995,625
Stormy L. Dean	75,000	180,000	300,000	236,100
Edward C. Mallin	150,000	360,000	600,000	472,200
Fred Vakili	120,000	288,000	480,000	377,760
John H. Longwell	87,500	210,000	350,000	275,450

As previously discussed, the Committee also retains the authority to provide discretionary cash bonuses to NEOs based on several factors, including actual performance not warranting an incentive award because of changing business conditions and the completion of special projects (such as a business acquisition) or strategic initiatives, among others. For fiscal year 2007, the Committee awarded discretionary cash bonuses to each NEO, other than Mr. Gupta and Mr. Mallin. Messrs. Dean, Longwell and Vakili received \$100,000, \$25,000 and \$100,000, respectively for their performances related to the Naviant Settlement. Mr. Longwell also was awarded a cash bonus of \$7,500 because he was unable to participate in the Company's 401(k) program when he first joined our Company. In addition, Mr. Longwell also received a cash award of \$75,000 as part of his employment arrangement with the Company.

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	<b>2007</b>	<b>Performance</b>		<b>Total 2007 Base</b>
	<b>Base Salary</b>	<b>Incentive</b>	<b>Cash Bonus</b>	<b>Salary,</b>
<b>NEO</b>		<b>Award</b>		<b>Incentive Award</b>
				<b>and Cash Bonus</b>
Vinod Gupta	\$750,000	\$ 995,625	\$	\$ 1,745,625
Stormy L. Dean	300,000	236,100	100,000	636,100
Edward C. Mallin	600,000	472,200		1,072,200
Fred Vakili	480,000	377,760	100,000	957,760
John H. Longwell	350,000	275,450	107,500	732,950

*Long-term Equity Incentives.* As discussed above, no stock option grants or other equity awards were made in fiscal year 2007. During 2008, the Committee plans to review its prior focus on cash compensation with a view to adding an equity-based component. The equity-based component would be designed to provide significant incentives directly linked to the long-term performance of the Company.

*Other Personal Benefits and Perquisites.* Our NEOs are entitled to participate in the same health, welfare and retirement programs offered to all employees. These coverages include a tax-qualified 401(k), medical, dental and vision coverage, wellness programs, use of our employee assistance program, short and long-term disability, and paid time off in accordance with company policies. For programs to which employees contribute premiums, executives are subject to the same premium structure as other exempt employees.

In addition to the benefits programs described above, we also provide our executives with certain perquisites of a more personal nature, to the extent they serve a legitimate business function. However, the Special Litigation Committee's review, described in greater detail under " Objectives of Executive Compensation Elements Benefits and Perquisites," has found that various expense reimbursements and corporate expenditures were excessive. Based on its review, the Special Litigation Committee has approved a series of remedial measures relating to perquisites and personal benefits, including a new review and approval process. We are in the process of implementing these remedial measures. For information on the perquisites and personal benefits received by the NEOs during fiscal years 2006 and 2007, please see the All Other Compensation column in the Summary Compensation Table and related discussion in the footnotes thereto under this Item 11, Executive Compensation of this Annual Report. See Item 9A, Controls and Procedures of this Annual Report for more information on the Special Litigation Committee's findings and remedial measures.

The Special Litigation Committee's review, described in greater detail under Investigation of the Special Committee in Item 9A has found that various expense reimbursements and corporate expenditures were excessive. The policies on personal benefits and perquisites were not detailed and the decision making process on the award of personal benefits was inadequate to assure communication to financial management to prevent excessive expense reimbursements and corporate expenditures, including personal benefits and perquisites with respect to yachts, aircraft, automobiles, and club memberships. Based on its review, the Special Litigation Committee has approved a series of remedial measures relating to perquisites and personal benefits, including a new review and approval process. We are in the process of implementing these remedial measures.

Remedial actions adopted by the Special Litigation Committee covering these policies and procedures include actions discussed on page 11 of the 10-K/A that require:

expense reimbursements to be subject to uniform, company-wide policies and procedures, see Policy on Company Reimbursement of Expenses and Executive Vice President for Business Conduct and General Counsel ;

independent directors to approve and implement detailed policies regarding perquisites, see New Policies Regarding Perquisites ; and

independent directors to approve and implement a new related party transaction policy, see New Related Party Transaction.

Additional information with respect to the new policies to be implemented is also provided in the bullet points on page 7 of the Form 10-K/A.

**Severance and Change in Control Considerations**

Each NEO, other than Mr. Gupta and Mr. Longwell, is a party to a severance agreement with the Company that provides for certain payments upon termination of employment and/or change in control. These severance agreements were entered into with the NEOs in February 2006.

When the Company entered into these severance agreements, it was determined that such arrangements were appropriate based

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on their prevalence within the information collection and distribution industry, as well as for public companies in general, and the dynamic nature of mergers and acquisitions activity within the industry. Given the nature of the responsibilities of the NEOs, we also recognize that they could be involved in critical decisions relating to a potential change in control transactions and responsible for the successful implementation of such transactions, while being at risk of losing their jobs if a change in control occurs. The severance agreements are intended to provide sufficient protection for the NEOs to permit them to consider potential transactions that are in the best interest of our stockholders without being unduly influenced by the possible effects of the transaction on their personal employment situation and individual compensation.

As part of the Special Litigation Committee's remedial measures, which are described in greater detail under Item 9A, Controls and Procedures of this Annual Report, within 60 days of the entry of judgment in connection with the Derivative Litigation, the Committee will endeavor to negotiate and approve employment agreements with the executive officers of the Company, including compensation terms commensurate with those of executive officers of similarly situated companies. The Committee plans to review the existing severance agreements in the context of reviewing and approving employment agreements with the executive officers.

The severance agreements are described in greater detail in this Item 11, Executive Compensation under the heading Other Potential Post-Employment Payments Severance Agreements.

**Tax and Accounting Considerations**

The Committee considers the tax impact and accounting considerations of our compensation programs on the Company as well as on the NEOs from a personal perspective. For example, the Committee has considered the impact of tax provisions such as Section 162(m) in structuring our executive compensation program and, to the extent reasonably possible, in consideration of compensation goals and objectives, the compensation paid to the NEOs has been structured so as to qualify as performance-based and deductible for federal income tax purposes under Section 162(m). However, in consideration of the competitive nature of the market for executive talent, the Committee believes it is more important to deliver situation-appropriate and competitive compensation to drive shareholder value than to use a particular compensation practice or structure solely to ensure tax deductibility. Tax and accounting considerations are one of the many key elements of the Committee's decision-making process.

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report.

Respectfully submitted by the Compensation Committee\*:

Bernard W. Reznicek (Chair)

Dr. George F. Haddix\*\*

The information contained in the Compensation Committee Report in this Form 10-K is not deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent we specifically incorporate it by reference into such a filing.

\* Mr. Robin S. Chandra became a member of the Company's Board of Directors in December 2007 and a member of the



Compensation  
Committee  
effective  
January 25,  
2008. As a  
result, he did  
not participate  
in, or oversee as  
a member of the  
Board of  
Directors, the  
decisions of the  
Compensation  
Committee with  
respect to the  
compensation of  
the Company's  
executive  
officers during  
fiscal year 2007.

\*\* Dr. Haddix  
became a  
member of the  
Compensation  
Committee  
effective  
January 25,  
2008.

**Table of Contents****SUMMARY COMPENSATION TABLE**

The following table sets forth the compensation paid by the Company for fiscal year 2007 and 2006 to the Company's Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers who were serving as executive officers as of December 31, 2007 and whose total compensation exceeded \$100,000 for fiscal year 2007 (collectively, the "Named Executive Officers" or "NEOs"):

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)(4)	Non-Equity Incentive			Total (\$)
				Option Awards (\$)(5)	Plan Compensation (\$)(4)	All Other Compensation (\$)(6)	
Vinod Gupta Chief Executive Officer (Principal Executive Officer)	2007	\$750,000	\$	\$746,738	\$995,625	\$818,248	\$3,310,611
	2006	836,539		987,546		646,931	2,471,016
Stormy L. Dean Chief Financial Officer (Principal Financial Officer; Principal Accounting Officer)	2007	300,000	100,000		236,100	48,250	684,350
	2006	270,769(2)	46,000		144,000	9,600	470,369
Edward C. Mallin President, Services Group	2007	600,000		3,312	472,200	102,750	1,178,262
	2006	597,692	300,000	22,931		102,600	1,023,223
Fred Vakili Executive Vice President of Administration & Chief Administrative Officer	2007	480,000	100,000	2,321	377,760	81,808	1,041,889
	2006	475,385	30,000	15,762	250,000	69,452	840,599
John H. Longwell General Counsel & Secretary	2007	350,000	107,500		275,450	12,338	745,288
	2006	26,923(3)			100,000		126,923

(1) The dollar amount for the base salary of each executive officer varies slightly from that presented under the heading "Compensation Discussion and Analysis" due to the timing of the Company's pay cycle.

(2) During 2006, Mr. Dean's salary was increased from \$240,000 to \$280,000 in

recognition of his additional responsibilities associated with being named the Chief Financial Officer of the Company.

- (3) Mr. Longwell was hired November 27, 2006.
- (4) See Compensation Discussion and Analysis Executive Compensation Decisions for Fiscal Year 2007 for a discussion of how the bonus and incentive award amounts were determined.
- (5) Represents the amount recognized for financial statement reporting purposes with respect to the fiscal year ended December 31, 2007 in accordance with SFAS 123R for awards of options under our 1997 Stock Option Plan, as amended. The following table summarizes the

assumptions used in the valuation of option awards.

Name	Grant Date	Number of Shares of Stock Granted	Dividend Yield Rate	Assumptions			Forfeiture Rate	2007	2006
				Risk-Free Rate	Expected Term	Volatility		Fiscal Year Compensation Cost	Fiscal Year Compensation Cost
V. Gupta	05/03/2002	500,000	%	2.87%	4.67	89.06	\$	\$ 10,317	
	07/24/2003	600,000		2.87	4.67	89.06		39,728	
	03/10/2005	500,000	1.71	4.42	7.50	76.99		707,010	
E. Mallin	05/03/2002	20,000		2.87	4.67	89.06		413	
	07/24/2003	50,000		2.87	4.67	89.06		3,312	
F. Vakili	07/24/2003	35,000		2.87	4.67	89.06		2,321	

(6) The following tables summarize the benefits included in the All Other Compensation column. As described in greater detail under Compensation Discussion and Analysis Objectives of Executive Compensation Elements Benefits and Perquisites, the Special Litigation Committee reviewed, among other things, certain expense reimbursements and certain other corporate expenditures and concluded

that certain reimbursements and corporate expenditures were excessive. Based on its review, the Special Litigation Committee has approved a series of remedial measures relating to perquisites and personal benefits, including a new review and approval process. The Company is in the process of implementing these remedial measures. In light of the Special Litigation Committee's findings and the incomplete status of implementation of new remedial measures, the Company has taken a conservative approach to the disclosure of perquisites and personal benefits received by the NEOs for fiscal year 2007 and revised the disclosure for fiscal year 2006.

The Company has attributed the value of such expenses to the relevant NEO as a perquisite or a personal benefit for purposes of this Annual Report disclosure. See Item 9A,

Controls and Procedures of this Annual Report for more information on the Special Litigation Committee's findings and remedial measures.

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	<b>Mr. Gupta(a)</b>	<b>Mr. Dean</b>	<b>Mr. Mallin</b>	<b>Mr. Vakili</b>	<b>Mr. Longwell</b>
<b>2007</b>					
Benefit from Company yacht(b)	\$ 5,836	\$	\$	\$	\$
Benefit from Company automobiles(c)	66,354			13,022	
Benefit from Company aircraft(d)	152,903			2,036	5,588
Benefit from club memberships(e)	63,528				
Expense reimbursement(f)	156,682				
Personnel services(g)	124,285				
Personal legal fees(h)	145,910				
Prize money in a Company-sponsored contest(i)		17,000			
Home office allowance(j)	96,000	24,000	96,000	60,000	
Automobile allowance(k)		500			
401(k) plan contributions(l)	6,750	6,750	6,750	6,750	6,750
<b>Total</b>	<b>\$ 818,248</b>	<b>\$ 48,250</b>	<b>\$ 102,750</b>	<b>\$ 81,808</b>	<b>\$ 12,338</b>

	<b>Mr. Gupta(a)</b>	<b>Mr. Dean</b>	<b>Mr. Mallin</b>	<b>Mr. Vakili</b>
<b>2006</b>				
Benefit from Company yacht(b)	\$ 11,376	\$	\$	\$
Benefit from Company automobiles(c)	81,588			12,968
Benefit from Company aircraft(d)	125,708			1,884
Benefit from club memberships(e)	67,551			
Expense reimbursement(f)	123,512			
Personnel services(g)	124,596			
Home office allowance(j)	96,000		96,000	48,000
Automobile allowance(k)			3,000	
401(k) plan contributions(l)	6,600	6,600	6,600	6,600
Executive compensation consultant(m)	10,000			
<b>Total</b>	<b>\$ 646,931</b>	<b>\$ 9,600</b>	<b>\$ 102,600</b>	<b>\$ 69,452</b>

(a) As described under Item 13 Certain Relationships and Related Transactions, and Director Independence of this Annual Report, the Company made payments during 2006 and 2007 to

Jess Gupta, Mr. Gupta's son, of approximately \$48,000 for rent and \$11,000 for condominium association dues for a residence owned by Jess Gupta and used on occasion by Company employees and other persons with a business relationship with the Company. However, after these payments are reduced by (1) amounts attributable to the use of the property for business purposes by Company employees or other persons with a business relationship with the Company, as calculated on a per-day basis using the rates of nearby hotels, and (2) amounts attributable to the use of other properties owned by Mr. Gupta for business purposes by Company employees or other persons with a business relationship with the Company for which the Company was not charged a rental fee, as calculated



on a per-day basis using the rates of hotels in comparable locations, no net benefit to Mr. Gupta remains, and therefore no amount has been included in the table above.

- (b) Represents the aggregate incremental cost to the Company during the fiscal year of use of a Company-owned yacht by Mr. Gupta and his guests. We calculated the incremental cost of the use of the yacht by adding the operational cost of the yacht (including fuel, crew cost and catering), the depreciation recorded with respect to the yacht and the interest expenses associated with the yacht, in each case pro-rated based on the number of days spent on board. Mr. Gupta believes that the Company has listed in this category expenses that were reasonable business

expenses and that were integrally and directly related to the performance of his executive duties and/or did not provide any personal benefit to him.

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- (c) Represents the aggregate incremental cost to the Company during the fiscal year of use of Company-owned or leased automobiles by Messrs. Gupta and Vakili. We calculated the cost of the use of the automobiles by adding the lease payments with respect to Company-leased automobiles, the depreciation recorded with respect to Company-owned automobiles and the insurance premiums. Mr. Gupta believes that the Company has listed in this category expenses that were reasonable business expenses and that were integrally and directly related to the performance of his executive duties and/or did not provide any personal benefit to him.
  
- (d) Represents the cost to the Company of use of Company-owned fractional ownership interests in aircraft by Messrs. Gupta, Vakili, and Longwell and their respective guests during 2007

and by Messrs. Gupta and Vakili and their respective guests during 2006. With respect to flights undertaken for business purposes, no value has been attributed to additional passengers (including friends, family members and other guests) because the Company is billed for flights by the hour, regardless of the number of passengers, and therefore such passengers add only de minimis cost to such flights.

Mr. Gupta believes that the Company has listed in this category expenses that were reasonable business expenses and that were integrally and directly related to the performance of his executive duties and/or did not provide any personal benefit to him.

- (e) Represents payments by the Company during the fiscal year of usage fees, entertainment expenses and other expenses, as well as of one half of periodic dues, in connection with the use by Mr. Gupta, his guests, and Company employees

of golf club and country club memberships (the remainder of the periodic dues are paid directly by Mr. Gupta). Mr. Gupta believes that the Company has listed in this category expenses that were reasonable business expenses and that were integrally and directly related to the performance of his executive duties and/or did not provide any personal benefit to him.

- (f) Represents payments by the Company during the fiscal year of expenses charged by Mr. Gupta to various credit cards for expense reimbursement. The Company reviewed credit cards statements in detail based on the information available, and classified as perquisite entries with respect to which the Company was unable to identify adequate support to conclude that the expenditures were integrally and directly related to the performance of Mr. Gupta's duties. Mr. Gupta believes that the Company has listed in this

category expenses  
that were reasonable  
business expenses  
and that were  
integrally and  
directly related to the  
performance of his  
executive duties  
and/or did not  
provide any personal  
benefit to him.

- (g) Represents payments  
by the Company  
during the fiscal year  
of salaries and  
expenses related to  
the rendering of  
property  
management and  
other services to  
assist Mr. Gupta  
including, with  
respect to 2006,  
payments by the  
Company pursuant to  
a services contract  
with a company  
affiliated with a  
relative of  
Mr. Gupta.  
Mr. Gupta believes  
that the Company  
has listed in this  
category expenses  
that were reasonable  
business expenses  
and that were  
integrally and  
directly related to the  
performance of his  
executive duties  
and/or did not  
provide any personal  
benefit to him.

- (h) Represents payments  
by the Company  
during the fiscal year  
of personal legal fees  
incurred by

Mr. Gupta.

- (i) Represents prize money paid by the Company to Mr. Dean as the winner of a Company-sponsored contest.
- (j) Represents payments by the Company during 2007 with respect to Messrs. Gupta, Dean, Mallin and Vakili and during 2006 with respect to Messrs. Gupta, Mallin and Vakili of costs associated with enabling them to perform their business responsibilities from their homes.
- (k) Represents payments by the Company during the fiscal year of costs associated with the use by Mr. Dean of his personal automobile.
- (l) Represents matching Company contributions to the Company 401(k) plan.
- (m) Represents payments by the Company during 2006 of expenses associated with retaining an executive compensation consultant for Mr. Gupta.





**Table of Contents****GRANTS OF PLAN-BASED AWARDS**

<b>Name</b>	<b>Estimated Future Payouts Under Non-Equity Incentive Plan</b>		
	<b>Threshold(\$)</b>	<b>Awards(1) Target(\$)</b>	<b>Maximum(\$)</b>
V. Gupta	\$ 375,000	\$ 937,500	\$ 1,500,000
S. Dean	75,000	180,000	300,000
E. Mallin	150,000	360,000	600,000
F. Vakili	120,000	288,000	480,000
J. Longwell	87,500	210,000	350,000

(1) These columns reflect potential awards under our 2007 Plan. The components of this plan are discussed in more detail under the heading Compensation Discussion and Analysis Executive Compensation for Fiscal Year 2007. Actual payouts for 2007 are disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The grant date for these awards was February 1, 2007 for all NEOs, except with respect to Mr. Gupta, whose award grant date was April 17, 2007.

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price(\$)	Option Expiration Date
V. Gupta		500,000(1)	12.60	3/10/2015
S. Dean				
E. Mallin	50,000(2)		8.11	7/24/2008
F. Vakili	35,000		8.11	7/24/2008
J. Longwell				

(1) These options were granted under the Company's 1997 Stock Option Plan, as amended, on March 10, 2005. These options will vest 30% on March 10, 2008, 15% on March 10, 2009, 15% on March 10, 2010, 15% on March 10, 2011, 15% on March 10, 2012 and 10% on March 10, 2013. These options have a term of 10 years. Options for 500,000 shares granted on May 3, 2002, expired on May 3, 2007.

(2) Options for 20,000 shares granted on May 3, 2002,

expired on  
May 3, 2007.

**OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR 2007**

<b>Name</b>	<b>Option Awards</b>	
	<b>Number of Shares Acquired on Exercise (#)</b>	<b>Value Realized on Exercise (\$)(1)</b>
V. Gupta	600,000	\$ 708,000
S. Dean		
E. Mallin		
F. Vakili		
J. Longwell		

(1) The value realized is calculated based on the difference between the market price of the Company's common stock on the date of exercise and the exercise price.

**OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS**

**Severance Agreements**

In February 2006, the Company entered into severance agreements with Edward C. Mallin, Fred Vakili and Stormy L. Dean. Each of the severance agreements provides that if the executive's employment is terminated either (i) by the Company for any reason other than Cause (as defined in the severance agreement), or (ii) by the executive for Good Reason (as defined in the severance

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agreement), the Company will make payments to the executive at a rate equal to the executive's Total Compensation (as defined below) for a period from 6 months to 24 months, depending on the length of service completed by the executive. In addition, if the executive elects to continue health and/or dental insurance coverage under COBRA, the Company will pay the employer portion of the monthly premium until the executive obtains substantially equivalent insurance coverage, but, in any event, for not more than 12 months. Total Compensation means the executive's base salary as in effect at the time of termination, plus the average of the executive's annual bonus amount for the three calendar years preceding the year in which the executive's employment terminates. If the Company becomes subject to a Change in Control (as defined below) and within twelve (12) months after such Change in Control, the executive's employment is terminated either (i) by the Company for any reason other than Cause, or (ii) by the executive for Good Reason, the Company shall pay to the executive a lump sum based on the executive's Total Compensation. The amount of the lump sum will be from one time up to three times the executive's Total Compensation, depending on the length of service completed by the executive, together with additional payments sufficient to compensate for certain federal excise taxes. In addition, if the executive elects to continue health and/or dental insurance coverage under COBRA, the Company will pay the employer portion of the monthly premium until the executive obtains substantially equivalent insurance coverage, but, in any event, for not more than 12 months. Also, all shares of capital stock, stock options, performance units, stock appreciation rights or other derivative securities of the Company held by the executive at the time of termination will become fully vested and exercisable. If the executive's employment terminates as a result of the executive's death or Disability (as defined in the severance agreement), the Company shall pay the executive's accrued compensation through the termination date, and a pro rata portion of the executive's target bonus for the year in which termination occurs. To receive any severance benefits, the executive must execute a general release of all claims against the Company and must refrain from competing with the Company and from soliciting the Company's employees for a period of up to 12 months after the date of termination. If it is determined that any payment or distribution will be subject to the excise tax imposed under Internal Revenue Code Section 280G, then the executive will be entitled to receive an additional payment or "gross up" to ensure that severance payments are not diminished.

For purposes of the severance agreements, a "Change in Control" includes (i) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity; (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets; (iii) a change in the majority of the board of directors without the approval of the incumbent board; (iv) any incumbent director who beneficially owns more than twenty percent (20%) of the total voting power represented by the Company's then outstanding voting securities involuntarily ceasing to be a director; or (v) any transaction as a result of which any person first becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 15% of the total voting power represented by the Company's then outstanding voting securities.

**Potential Payments under the Severance Agreements**

The following tables set forth the payments the NEOs, other than Mr. Gupta and Mr. Longwell, who are not a party to a severance agreement with the Company, would receive if they were terminated as of December 31, 2007.

**Potential Payments to Stormy L. Dean upon the Occurrence of Certain Events**

	<b>Termination by the</b>	<b>Termination by the</b>	<b>Change in Control of Company with the Executive's Termination</b>
--	-------------------------------	-------------------------------	--

Component of Compensation	by the Executive Company		Company without Cause	Disability	Death	for Good Reason or without Cause	
	Voluntary Termination	for Good Cause					
Cash Severance (base salary + bonus)	\$	\$	\$592,033	\$592,033	\$ 156,100	\$748,133	\$592,033
Stock Options							
Health Insurance			11,893	11,893			11,893
Life Insurance						50,000	
Disability Pay					1,757,260		
Accrued Vacation Pay	34,615		34,615	34,615	34,615	34,615	34,615

**Potential Payments to Edward C. Mallin upon the Occurrence of Certain Events**

Component of Compensation	Termination by the Executive Company		Termination by the Company without Cause	Disability	Death	Change in Control of Company with the Executive's Termination for Good Reason or without Cause
	Voluntary Termination	for Good Cause				
Cash Severance (base salary + bonus)	\$	\$	\$1,557,400	\$112,200	\$1,669,600	\$1,557,400
Stock Options(1)	41,000	41,000	41,000	41,000	41,000	41,000
Health Insurance			8,488	8,488		8,488
Life Insurance					50,000	
Disability Pay				854,795		

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(1) Stock option payments for voluntary termination and termination for cause are based on the amount of options vested on the termination date. For all other termination events, the payments are based on accelerating all options to vest on the termination date. The value of the stock option payments are calculated based on the difference between the closing price of the Company's common stock on the NASDAQ Global Select Market on December 31, 2007 and the exercise price.

**Potential Payments to Fred Vakili upon the Occurrence of Certain Events**

				<b>Change in Control of Company with the Executive's Termination for</b>
			<b>Termination</b>	
	<b>Termination</b>	<b>Termination</b>	<b>by the</b>	
	<b>by the</b>	<b>by the</b>	<b>Company</b>	
<b>Voluntary</b>	<b>Company</b>		<b>without</b>	

Component of Compensation	Termination Cause		Executive for			Good Reason or without Cause	
			Reason	Cause	Disability	Death	Cause
Cash Severance (base salary + bonus)	\$	\$	\$1,259,253	\$1,259,253	\$ 189,760	\$1,449,013	\$1,259,253
Stock Options(1)	28,700	28,700	28,700	28,700	28,700	28,700	28,700
Health Insurance			8,488	8,488			8,488
Life Insurance						50,000	
Disability Pay					1,293,370		
Accrued Vacation Pay	55,385		55,385	55,385	55,385	55,385	55,385

(1) Stock option payments for voluntary termination and termination for cause are based on the amount of options vested on the termination date. For all other termination events, the payments are based on accelerating all options to vest on the termination date. The value of the stock option payments are calculated based on the difference between the closing price of the Company's common stock on the NASDAQ Global Select Market on December 31, 2007 and the exercise price.

## BOARD COMPENSATION

Effective October 1, 2007, non-employee directors receive an annual cash retainer of \$120,000, payable in monthly installments of \$10,000 each. For the period from January 1, 2007 through September 30, 2007, non-employee directors received an annual cash retainer of \$48,000, payable in monthly installments of \$4,000 each. Mr. Vinod Gupta does not receive compensation for his service on the Board of Directors.

Currently, the chair of each standing Board committee, in addition to other compensation he receives for services as a director, receives an annual cash retainer of \$20,000, payable in monthly installments of \$1,667 each. The Lead Independent Director receives, in addition to other compensation he receives for services as a director or a committee chair, an additional annual cash retainer of \$5,000, payable in monthly installments of \$417 each. Members of a non-standing Board committee, including the Special Litigation Committee, each receive a cash retainer of \$50,000, payable at the creation date of that committee, and an additional per meeting fee of \$4,000 if travel is required or \$2,000 if travel is not required.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Total (\$)</b>
Bill L. Fairfield	\$208,250	\$208,250
Bernard W. Reznicek	190,000	190,000
Dr. George F. Haddix	180,000	180,000
Dr. Vasant H. Raval	89,000	89,000
Elliot S. Kaplan	66,000	66,000
Dennis P. Walker(1)	66,000	66,000
Anshoo Gupta(2)	66,000	66,000
John N. Staples III(3)	17,333	17,333
Martin F. Kahn(4)	10,000	10,000
Clifton T. Weatherford(5)	4,581	4,581
George Krauss(6)	4,581	4,581
Robin S. Chandra(7)	4,581	4,581

(1) Mr. Walker resigned from the Board of Directors effective January 25, 2008.

(2) Mr. Anshoo Gupta died December 19, 2007.

(3) Mr. Staples was elected to the Board of Directors effective November 9, 2007.



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- (4) Mr. Kahn resigned from the Board of Directors effective February 2, 2007.
- (5) Mr. Weatherford was elected to the Board of Directors effective December 24, 2007.
- (6) Mr. Krauss was elected to the Board of Directors effective December 24, 2007.
- (7) Mr. Chandra was elected to the Board of Directors effective December 24, 2007.

**OUTSTANDING DIRECTOR EQUITY AWARDS  
AT FISCAL YEAR-END**

<b>Name</b>	<b>Stock Option Awards (#)(1)</b>
Bill L. Fairfield	
Bernard W. Reznicek	
Dr. George F. Haddix	10,000
Dr. Vasant H. Raval	
Elliot S. Kaplan	10,000
Dennis P. Walker	

- (1) Certain Board members have in the past received awards of options under

our 1997 Stock Option Plan, as amended. These options were all granted prior to 2007, had a five-year term, and vested on their respective grant dates.

### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

Currently, the following individuals serve as members of the Compensation Committee: Bernard W. Reznicek (Chair), Dr. George F. Haddix and Robin S. Chandra. Prior members of the Compensation Committee in 2007 included Anshoo Gupta, Dennis P. Walker and Bill L. Fairfield. No member of the Compensation Committee is or ever has been an executive officer or employee of the Company (or any of its subsidiaries), and no compensation committee interlocks existed during fiscal year 2007.

#### **Item 13. *Certain Relationships and Related Transactions, and Director Independence***

##### **CERTAIN TRANSACTIONS**

Laurel Gupta, the spouse of Vinod Gupta, is an employee of the Company and received \$129,996 in salary and compensation for fiscal year 2007. Prior to joining the Company, Ms. Gupta was employed by Cameron Associates in New York as an Investor Relations Executive and worked in institutional equity sales with Morgan Stanley. Ms. Gupta holds an M.B.A. in Finance from Stern School of Business at NYU.

As described in greater detail under Item 9A of this Annual Report, the Special Litigation Committee reviewed, among other things, certain related party transactions. Based on its review, the Special Litigation Committee determined that various related party transactions were excessive and approved a series of remedial measures relating to related party transactions. See Item 9A of this Annual Report for more information on the Special Litigation Committee's findings and related remedial measures.

The Special Litigation Committee was not able to confirm the Company's adoption of any policy governing related party transactions prior to December 2004. In that month, the Audit Committee of the Board of Directors approved a new policy requiring pre-approval of any transaction, whether individually or in series, amounting to more than \$60,000 (the policy was later changed to allow for any exception to the pre-approval rule in some circumstances). Most of the Company's payments to related parties had ceased prior to this policy's adoption. Payments in two categories found by the Special Litigation Committee to be excessive continued: payments for a private residence and payments for a yacht. The private residence payments continued until 2008, and totaled less than \$60,000 per year. The payments for a yacht continued for approximately six months following December 2004, and also amounted to less than \$60,000. Because these payments totaled less than \$60,000 per year, their pre-approval was not required under the new policy.

The Company continued to make payments to at least one related party in a series of transactions exceeding \$60,000, in categories not found by the Special Litigation Committee to be excessive, after December 2004. Those transactions are discussed further below. The Company did not have an effective pre-approval process in place; thus, these transactions generally were not pre-approved by the Audit Committee. The Company's related persons transaction policy has now been amended, and an effective pre-approval process for material transactions is in place.

As of December 31, 2007, the Company's Code of Business Conduct and Ethics required authorization of transactions which involved, or gave the appearance of involving, a conflict of interest, and such authorization had to be provided in accordance with

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guidelines set and approved by the Board of Directors. According to the Code, such a conflict might arise when an employee, officer, or director had an interest in a transaction involving the Corporation. In the absence of authorization of such a transaction in accordance with approved guidelines, a waiver of the Code of Business Conduct and Ethics, either by the Board or its Nominating and Corporate Governance Committee, was required.

Prior to December 2004, the Board of Directors had not established any policy governing related party transactions and, therefore, any such transaction would have required a waiver of the Code of Business Conduct and Ethics. The Special Litigation Committee identified a number of these types of transactions prior to December 2004; however, no waivers of the Code of Business Conduct and Ethics were sought or granted.

Under the related party transaction policy established by the Audit Committee of the Board in December 2004, transactions that totaled less than \$60,000 a year would not require pre-approval by the Audit Committee (and, as such, would not require a waiver of the Code of Business Conduct and Ethics in the absence of such approval). However, the policy did require approval of the Audit Committee of such transactions that exceeded \$60,000. If the required approval under these guidelines was not obtained, a waiver of the Code of Business Conduct and Ethics would have been required.

During the course of its investigation, the Special Litigation Committee determined that at least one related party relationship with transactions in excess of \$60,000 occurred after the implementation of the related party transactions policy in 2004, in categories not found by the Special Litigation Committee to be excessive. The Company retained the law firm of Robins, Kaplan, Miller & Ciresi L.L.P. to provide certain legal services. Elliot S. Kaplan, a director of the Company, is a named partner and former Chairman of the Executive Board of Robins, Kaplan, Miller & Ciresi L.L.P. The Company paid a total of \$1,679,484 to this law firm during 2007, which included \$634,750 for its representation, on a contingent fee basis, of the Company in the Naviant litigation, the settlement of which resulted in net proceeds of \$9.9 million to the Company. See Item 3 Legal Proceedings to this Form 10-K. The existence and amounts of these transactions were disclosed to, and reviewed and discussed by the Audit Committee. However, we can not determine if these transactions were approved in strict accordance with the specific requirements of the related party transactions policy as it existed at the time. Because we can not make that determination, we also can not determine whether a waiver of the Code of Business Conduct, with respect to these transactions, was required. No such waiver was sought or granted.

The Company paid \$48 thousand for rent, and \$11 thousand for association dues during 2007 for a condominium owned by Jess Gupta, and used by the Company. Jess Gupta is the son of Vinod Gupta.

The Company has adopted a written policy that the Audit Committee pre-approve all transactions between the Company and our officers, directors, principal stockholders and their affiliates with a value equal to or greater than \$120,000. Any transactions between the Company and our officers, directors, principal stockholders and their affiliates with a value of less than \$120,000 are reviewed by the Audit Committee but may be approved by the EVP for Business Conduct and General Counsel (or, in appropriate circumstances, his delegee).

The required information regarding director independence is included in Item 10 of Part III under the caption Director Independence and Board Committees in this Annual Report.

**PART IV****Item 15. Exhibits and Financial Statement Schedules**

3. *Exhibits.* The following Exhibits are filed as part of, or incorporated by reference into, this report:

<b>Exhibit No.</b>	<b>Description</b>
*23.1	Consent of Independent Registered Public Accounting Firm, filed herewith
*31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Executive Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

\* Filed herewith

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

*infoGROUP Inc.*

By: */s/ THOMAS OBERDORF*  
*Thomas Oberdorf*  
*Executive Vice President and Chief Financial Officer*

Dated: March 16, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K/A has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<i>/s/ BERNARD W. REZNICEK</i> Bernard W. Reznicek	Chairman of the Board	March 16, 2009
<i>/s/ BILL L. FAIRFIELD</i> Bill L. Fairfield	Chief Executive Officer (principal executive officer)	March 16, 2009
<i>/s/ THOMAS OBERDORF</i> Thomas Oberdorf	Executive Vice President and Chief Financial Officer (principal financial and accounting officer)	March 16, 2009
<i>/s/ VINOD GUPTA</i> Vinod Gupta	Director	March 16, 2009
<i>/s/ ELLIOT S. KAPLAN</i> Elliot S. Kaplan	Director	March 16, 2009
<i>/s/ GEORGE KRAUSS</i> George Krauss	Director	March 16, 2009
<i>/s/ GARY MORIN</i> Gary Morin	Director	March 16, 2009
<i>/s/ ROGER SIBONI</i> Roger Siboni	Director	March 16, 2009

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/s/ JOHN N. STAPLES III

Director

March 16, 2009

John N. Staples III

/s/ THOMAS L. THOMAS

Director

March 16, 2009

Thomas L. Thomas

/s/ CLIFTON T. WEATHERFORD

Director

March 16, 2009

Clifton T. Weatherford