

# EDGAR<sup>®</sup>Online

April 27, 2009

Dear Stockholder:

On behalf of the Board of Directors of EDGAR Online, Inc., I cordially invite you to attend our Annual Meeting of Stockholders, which will be held on June 10, 2009, at 10:00 A.M. (local time) at our offices at 122 East 42nd Street, Suite 2400, New York, New York 10168.

At this year's meeting, you will be asked: (i) to elect seven directors to serve on the Board of Directors of the Company until the Company's 2010 Annual Meeting of Stockholders and until their successors are duly elected and qualified or until their earlier resignation or removal; (ii) to consider and act upon a proposal to authorize, approve and adopt amendments to the Company's 2005 Stock Award and Incentive Plan to increase the number of shares of Common Stock available for award under such Plan and to make clear that, under such Plan, the Company may not reprice stock options or stock appreciation rights without stockholder approval; (iii) to approve and ratify the appointment of BDO Seidman, LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2009; and (iv) to transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

We have attached a notice of meeting and a proxy statement that contains more information about these proposals.

You will also find enclosed a proxy card appointing proxies to vote your shares at the Annual Meeting. Please sign, date and return your proxy card as soon as possible so that your shares can be represented and voted in accordance with your instructions, even if you cannot attend the Annual Meeting in person.

Sincerely,



Philip D. Moyer  
President and Chief Executive Officer



**EDGAR® ONLINE, INC.**  
**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 10, 2009**

**TO THE STOCKHOLDERS OF EDGAR ONLINE, INC.:**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Annual Meeting") of EDGAR Online, Inc., a Delaware corporation ("EDGAR Online" or the "Company"), will be held at the Company's offices, 122 East 42nd Street, Suite 2400, New York, New York 10168, on June 10, 2009, at 10:00 A.M. (local time) for the following purposes:

(1) To elect seven members to the Company's Board of Directors (the "Board of Directors") to serve until the Company's 2010 Annual Meeting of Stockholders and until their successors are duly elected and qualified or until their earlier resignation or removal;

(2) To consider and act upon a proposal to authorize, approve and adopt amendments to the Company's 2005 Stock Award and Incentive Plan (the "2005 Plan") to increase the number of shares of Common Stock available for award under the 2005 Plan and to make clear that, under such Plan, the Company may not reprice stock options or stock appreciation rights without stockholder approval;

(3) To ratify the appointment of BDO Seidman, LLP, as the independent registered public accounting firm of the Company for the year ending December 31, 2009; and

(4) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement that is attached to and made a part of this Notice. The Board of Directors has fixed April 15, 2009, as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting, or any adjournment or postponement thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting, your vote is important. To assure your representation at the Annual Meeting, please sign and date the enclosed proxy card and return it promptly in the enclosed envelope, which requires no additional postage if mailed in the United States or Canada. Should you receive more than one proxy card because your shares are registered in different names and addresses, each proxy card should be signed and returned to assure that all your shares will be voted. You may revoke your proxy at any time prior to the Annual Meeting in the manner set forth in the Proxy Statement. If you attend the Annual Meeting and vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted.

The Proxy Statement and the accompanying proxy card are being mailed beginning on or about April 30, 2009, to stockholders of record on April 15, 2009.

**By Order of the Board of Directors**



**Philip D. Moyer**  
**President and Chief Executive Officer**

**New York, New York**  
**April 27, 2009**

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN.**  
**PLEASE READ THE ATTACHED PROXY STATEMENT CAREFULLY, COMPLETE, SIGN AND**  
**DATE THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE**  
**ENCLOSED ENVELOPE.**

EDGAR® is a federally registered trademark of the U.S. Securities and Exchange Commission. EDGAR Online is not affiliated with or approved by the U.S. Securities and Exchange Commission.



**EDGAR ONLINE, INC.**  
**PROXY STATEMENT**  
**2009 ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 10, 2009**

The enclosed proxy is solicited by the Board of Directors (the “Board of Directors” or “Board”) of EDGAR Online, Inc., a Delaware corporation (“EDGAR Online” or “the Company,” “we,” “our” or “us”), for use at the 2009 Annual Meeting of Stockholders of the Company (the “Annual Meeting”) to be held at 10:00 A.M. (local time) on June 10, 2009, at the Company’s offices, 122 East 42nd Street, Suite 2400, New York, New York 10168, and any adjournment or postponement thereof. This proxy statement, the accompanying proxy card and the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2008, are being mailed on or about April 30, 2009 to stockholders as of April 15, 2009, the record date for the Annual Meeting (the “Record Date”), holding voting shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”).

**Why am I receiving these materials?**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of EDGAR Online for use at the Annual Meeting and any adjournments or postponements thereof. The time, place and purposes of the Annual Meeting are stated in the Notice of Annual Meeting of Stockholders accompanying this proxy statement.

**Who is paying for this proxy solicitation?**

The expense of soliciting proxies, including the cost of preparing, assembling and mailing the notice, proxy statement and proxy, will be borne by us. We may pay the expenses of persons holding Common Stock on behalf of others for sending proxy materials to their principals. In addition to solicitation of proxies by mail, our directors, officers and employees, without additional compensation, may solicit proxies by telephone, electronically via e-mail and personal interview. No additional compensation will be paid to these individuals for any such services. Except as described above, the Company does not presently intend to solicit proxies other than by mail.

**What voting rights do I have as a stockholder?**

On each matter to be voted on, you have one vote for each outstanding share of Common Stock you own as of the Record Date. Only stockholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the Annual Meeting. On the Record Date, there were 26,734,210 shares of Common Stock outstanding and entitled to vote. Stockholders do not have the right to vote cumulatively in the election of directors.

**How do I vote?**

If you are a stockholder of record, you can vote (i) in person at the Annual Meeting or (ii) by completing and submitting your proxy card.

If you are a stockholder of record, the proxy holders will vote your Common Stock based on your directions. If you sign and return your proxy card, but do not properly direct how your Common Stock should be voted, the proxy holders will vote “**FOR**” each of the three proposals listed in this proxy statement and will use their discretion on any other proposals and other matters that may be brought before the Annual Meeting.

If you hold Common Stock through a broker or nominee, you may vote in person at the Annual Meeting only if you have obtained a signed proxy from your broker or nominee giving you the right to vote your shares. Your broker or nominee may provide separate voting instructions, if any, with the proxy statement. Your broker or nominee may provide proxy submission through the Internet or by telephone.

**Can I revoke or change my vote after I submit a proxy?**

Yes. You can revoke your proxy or change your vote at any time before the proxy is exercised at the Annual Meeting. This can be done by (i) submitting another properly completed proxy card with a later date; (ii) sending a written notice to our Secretary prior to the commencement of the Annual Meeting; or (iii) attending the Annual Meeting and voting in person. You should be aware that simply attending the Annual Meeting will not automatically revoke your previously submitted proxy, rather you must notify an EDGAR Online representative at the Annual Meeting of your desire to revoke your proxy and vote in person.

**What vote is required to approve the election of the seven directors?**

The nominees receiving the greatest number of votes will be elected. A proxy card marked “Withhold Authority” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. Abstentions and broker non-votes, if any, will have no effect on the election of directors. “Broker non-votes” occur when brokers or nominees who hold shares notify us on a proxy card or otherwise in accordance with industry practice that they have not received voting instructions with respect to a particular matter and that they lack or have declined to exercise voting authority with respect to such matter as to such shares.

**What vote is required to approve the proposed amendments to the Company’s 2005 Stock Award and Incentive Plan and the ratification of the auditors?**

The affirmative vote of a majority of stockholders present in person or by proxy at the meeting is required to approve these proposals. Thus, stockholders who abstain from voting will in effect be voting against the proposal. Broker non-votes, if any, are not deemed to be “present” and thus have no effect on the outcomes of these votes.

**What constitutes a quorum?**

A quorum of stockholders will be present at the Annual Meeting if stockholders holding at least a majority of the aggregate voting power of Common Stock outstanding on the Record Date are represented, in person or by proxy, at the Annual Meeting. With 26,734,210 votes outstanding as of the close of business on the Record Date, the presence of stockholders representing at least 13,367,106 votes will be required to establish a quorum. Abstentions and broker non-votes will be counted towards the quorum requirement.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 10, 2009**

**This proxy statement and our 2008 annual report to stockholders are available at <http://www.edgar-online.com/About/InvestorRelations/ProxyMaterials.aspx>.**

## **STOCKHOLDER PROPOSALS**

Our By-laws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders. In general, stockholder proposals and director nominations intended to be presented at our 2010 Annual Meeting of Stockholders must be received by us at our corporate headquarters between March 12, 2010 and April 11, 2010 in order to be considered at that meeting. This notice requirement does not apply to (i) any stockholder holding at least twenty-five percent (25%) of our outstanding Common Stock or (ii) any stockholder who has an agreement with us for the nomination of a person or persons for election to the Board of Directors. A copy of the full text of the By-law provisions discussed above may be obtained by writing to our Secretary at our corporate headquarters.

In addition to our By-law provisions, stockholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and intended to be presented at the 2010 Annual Meeting of Stockholders must be received by our Secretary at our corporate headquarters no later than December 24, 2009 in order to be considered for inclusion in our proxy materials for that meeting.

If the stockholder does not also comply with the requirements of Rule 14a-4(c)(2) under the Securities Exchange Act of 1934, we may exercise discretionary voting under proxies that we solicit to vote in accordance with our best judgment on any such stockholder proposal or nomination.

**MATTERS TO BE CONSIDERED AT ANNUAL MEETING**

**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

The Company’s By-laws provide that the initial number of directors constituting the Board of Directors shall be seven, or such other number as fixed by the Board of Directors from time to time. The Board of Directors reserves the right to increase or reduce the size of the Board of Directors as provided in the Company’s By-laws.

At the Annual Meeting, the stockholders will elect seven directors who have been recommended by the Nominating Committee of the Board of Directors and who will serve a one-year term until the 2010 Annual Meeting of Stockholders or until a successor is elected or appointed and qualified or until such director’s earlier resignation or removal. If any nominee is unable or unwilling to serve as a director, proxies may be voted for a substitute nominee designated by the present Board of Directors. The Board of Directors has no reason to believe that the persons named below will be unable or unwilling to serve as nominees or as directors if elected. Proxies received will be voted “FOR” the election of all nominees unless otherwise directed. Pursuant to applicable Delaware corporation law, assuming the presence of a quorum, seven directors will be elected from among those persons duly nominated for such positions by a plurality of the votes actually cast by stockholders entitled to vote at the Annual Meeting who are present in person or by proxy.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE  
NOMINEES NAMED BELOW.**

**INFORMATION CONCERNING NOMINEES**

Certain information about each of the seven nominees is set forth below. Each director has served continuously with the Company since his or her first election as indicated below.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director Since</u>
Philip D. Moyer . . . . .	43	President, Chief Executive Officer and Director	2007
Mark Maged (1) . . . . .	77	Chairman of the Board	1999
Elisabeth DeMarse (1)(2) . . . . .	55	Director	2004
Richard L. Feinstein (1)(3) . . . . .	65	Director	2003
Douglas K. Mellinger (2) . . . . .	44	Director	2006
John Mutch (3) . . . . .	52	Director	2007
William J. O’Neill, Jr. (2)(3) . . . . .	66	Director	2007

- (1) Member of the Nominating Committee
- (2) Member of the Compensation Committee
- (3) Member of the Audit Committee

**Philip D. Moyer** joined us as President in April of 2007 and has served as our CEO since July 2007. Prior to working for EDGAR Online, Mr. Moyer was in small capital, early stage private equity and venture capital with Cassini Capital and as an Entrepreneur in Residence at Safeguard Scientifics. In his role with Cassini Capital, he was a co-owner of Cassiopae, an asset backed security servicing software provider. From 1991 to 2005, Mr. Moyer was at Microsoft managing teams in sales, consulting, support, partner channels and technology. His most recent roles at Microsoft were General Manager of the Professional Services Industry (Accounting, Legal, Outsourcing, and Human Resources customers), General Manager of Global Customers, and General Manager of the East Region Enterprise Services Organization (Consulting, Support, Partners, & Technology Specialists). Prior to joining Microsoft, he was a co-founder of Orion Systems Group, a software company which was subsequently sold to Sungard. He started his career at GE Aerospace. Mr. Moyer holds a

B.S in Computer Science from the University of Pittsburgh and is on the advisory Board of Safeguard Scientifics and on the Board of XBRL.US.

**Mark Maged** has been a member of the Board of Directors since March 1999 and became Chairman in July 2007. Since 1992, Mr. Maged, either individually or as Chairman of MJM Associates, LLC, has engaged in various private investment banking activities in the U.S. and internationally. From September 1995 through May 2000, he was Chairman of Internet Tradeline, Inc. Mr. Maged received a B.S.S. from the College of the City of New York and an M.A. and L.L.B. from Harvard University.

**Elisabeth DeMarse** has been a member of the Board of Directors since November 2004. Ms. DeMarse is Chief Executive Officer and President of Creditcards.com, an Internet based provider of consumer credit card offerings. Ms. DeMarse is a director at ZipRealty, Inc., an Internet real estate brokerage firm since 2005 and All Star Directories, Inc., a privately held, online student recruitment company since 2006. Ms. DeMarse was a member of the Board of Directors of Heska Corporation from 2004 until May 2007, YP Corp from 2005 until August 2007, Stockgroup Information Systems from 2005 to June 2006, and Incredimail LTD from 2006 to March 2007. Ms. DeMarse served as President and Chief Executive Officer of Bankrate Inc., an Internet based consumer banking marketplace from 2000 to April 2004. Ms. DeMarse has also served as Executive Vice President of International Operations at Hoover's, Inc., which operates Hoover's Online. Prior to her focus in the Internet sector, Ms. DeMarse spent ten years at Bloomberg L.P. in various leadership positions, and over four years at Western Union marketing telecommunications services. Ms. DeMarse holds an A.B. cum laude from Wellesley College, and an M.B.A. from Harvard with an emphasis on marketing. Ms. DeMarse is a member of The Committee of 200.

**Richard L. Feinstein** has been a member of the Board of Directors since April 2003. Mr. Feinstein, a retired partner of KPMG LLP, is currently a private consultant providing management and financial advice to clients in a variety of industries. From April 2004 to December 2004, Mr. Feinstein, as a consultant, served as Chief Financial Officer for Image Technology Laboratories, Inc. (OTCBB: IMTL) a developer and provider of radiological imaging, archiving and communications systems. From December 1997 to October 2002, Mr. Feinstein was a Senior Vice President and Chief Financial Officer for The Major Automotive Companies, Inc. (Pink Sheets: MJRC.PK), formerly a diversified holding company, but now engaged solely in retail automotive dealership operations. Mr. Feinstein, a certified public accountant, received a B.B.A. degree from Pace University.

**Douglas K. Mellinger** has been a member of the Board of Directors since February 2006. Since August 2001, Mr. Mellinger has been Vice-Chairman and Co-Founder of Foundation Source, a provider of support services for private foundations. Prior to assuming his full-time responsibilities with Foundation Source, from July 2000 to August 2001, Mr. Mellinger was a partner with Interactive Capital Partners, an investor and investment banker for early-stage technology companies. Mr. Mellinger is also the founder of Enherent (NASDAQ:ENHT), a global software development and services company, where he served as Chief Executive Officer from August 1989 to June 1999, Chairman of the Board from July 1999 to October 2000, and is currently a director. Mr. Mellinger has served as both the national and international director of the Association of Collegiate Entrepreneurs. Mr. Mellinger is Entrepreneur in Residence at Clark University. In addition, Mr. Mellinger helped found the Young Entrepreneurs' Organization, and served as its international president in 1997 and 1998. Mr. Mellinger is a graduate of Syracuse University.

**John Mutch** has been a member of the Board of Directors since June 2007. He is currently the Chief Executive Officer of Symark International and a managing partner of MV Advisors, LLC, a strategic block investment firm he founded in June 2006. MV Advisors provides focused investment and strategic guidance to small and mid-cap technology companies. Prior to founding MV Advisors, Mr. Mutch was the President and Chief Executive Officer of Peregrine Systems. In March 2003, Mr. Mutch was appointed to the Peregrine Board of Directors by the U.S. Bankruptcy Court and assisted the company in its bankruptcy work out. Mr. Mutch became President and Chief Executive Officer in August 2003 and successfully restructured the company,

culminating in the sale of Peregrine to Hewlett Packard in December of 2005. From September 1999 through August 2002, Mr. Mutch served as President and Chief Executive Officer and a director of HNC Software Inc., an enterprise analytics software provider. Mr. Mutch also spent seven years at Microsoft in a variety of executive sales and marketing positions. Mr. Mutch is currently a director at Aspyra, Inc. (AMEX: APY) and Adaptec, Inc. (NASDAQ: ADPT). Mr. Mutch was a director at Overland Storage, Inc. (NASDAQ: OVRL) from February 2002 through July 2004 and Brio Software (NASDAQ: BRIO) from September 2002 until December 2003. He earned a M.B.A. from the University of Chicago Graduate School of Business and a B.S. from Cornell University where he serves on the advisory board for the undergraduate school of business.

**William J. O'Neill, Jr.** has been a member of the Board of Directors since June 2007. He is currently the Dean of the Sawyer Business School at Suffolk University in Boston, Massachusetts. Prior to this appointment, Mr. O'Neill spent thirty years (1969-1999) with the Polaroid Corporation where he held the positions of Executive Vice President of the Corporation, President of Corporate Business Development and Chief Financial Officer. Mr. O'Neill was also previously a Senior Financial Analyst at Ford Motor Company. Mr. O'Neill was a Trustee at the Dana Farber Cancer Institute and is currently a member of the Massachusetts Bar Association as well as a member of the Board of Directors of the Greater Boston Chamber of Commerce. Mr. O'Neill is Chairman of the Board of AdvanSource Biomaterials (AMEX: ASB) and has been a director there since 2004. Mr. O'Neill is currently a director of Concord Camera Corp. (NASDAQ: LENS). Mr. O'Neill earned a B.A. at Boston College in mathematics, an M.B.A. in finance from Wayne State University and a J.D. from Suffolk University Law School.

## **MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors held six meetings during 2008. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating Committee. Each director attended or participated in 75% or more of the aggregate of: (i) the total number of meetings of the Board of Directors; and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served during 2008. Each director is expected to attend and participate in, either in person or by means of telephonic conference, all scheduled Board of Director meetings and meetings of committees on which such director is a member. Each director attended last year's annual meeting of stockholders, and members of the Board of Directors are encouraged to attend the annual meeting each year. Our Board of Directors has concluded that a majority of our Board of Directors, specifically Ms. DeMarse and Messrs. Feinstein, Maged, Mellinger, Mutch and O'Neill, qualify as "independent" within the meaning of the director independence standards of The Nasdaq Stock Market, Inc. ("Nasdaq"). Individuals may communicate directly with members of the Board of Directors or members of the Board of Directors' standing committees by writing to the following address: EDGAR Online, Inc., 122 East 42<sup>nd</sup> Street, Suite 2400, New York, New York 10168, Attention: Corporate Secretary.

The Corporate Secretary will summarize all correspondence received and periodically forward summaries to the Board of Directors. Members of the Board of Directors may, at any time, request copies of any such correspondence. Communications may be addressed to the attention of the Board of Directors, a standing committee of the Board of Directors, or any individual member of the Board of Directors or a committee. Communication that is primarily commercial in nature, relates to an improper or irrelevant topic, or requires investigation to verify its content may not be forwarded.

### **Audit Committee**

The Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including selecting the Company's independent registered public accounting firm, the scope of the annual audits, fees to be paid to the accountants, the performance of the independent registered public accounting firm and the Company's accounting practices. The members of the Audit Committee currently are Messrs. Feinstein, Mutch and O'Neill, each of whom is a non-employee director and, as required by Nasdaq, qualifies as "independent." The Audit Committee also includes at least one independent member who is

determined by the Board to meet the qualifications of an “audit committee financial expert” in accordance with U.S. Securities and Exchange Commission (“SEC”) rules, including that the person meets the relevant definition of an “independent director.”

Richard L. Feinstein, the Chairman of the Audit Committee, is the independent director who has been determined by our Board of Directors to be an audit committee financial expert. Stockholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Feinstein’s experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Mr. Feinstein any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and the Board of Directors, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Directors. The Board of Directors has also determined that each Audit Committee member has sufficient knowledge in reading and understanding the Company’s financial statements to serve on the Audit Committee. The Audit Committee held eight meetings during 2008. On June 12, 2000, the Board of Directors adopted a charter for the Audit Committee. Subsequently, on March 23, 2004, the Board of Directors adopted an Amended and Restated Audit Committee Charter, a copy of which is available on our website at [www.edgar-online.com](http://www.edgar-online.com).

### **Compensation Committee**

The primary purpose of our Compensation Committee is to discharge our Board’s responsibilities relating to compensation and benefits of our officers and directors. The Compensation Committee reviews and approves the compensation and benefits of the Company’s key executive officers, administers the Company’s employee benefit plans and makes recommendations to the Board of Directors regarding such matters. The current members of the Compensation Committee are Ms. DeMarse and Messrs. Mellinger and O’Neill, each of whom is independent within the meaning of the director independence standards of Nasdaq. Mr. O’Neill serves as the Chairman of the Compensation Committee. The Compensation Committee held one meeting and took one action by written consent during 2008.

The functions of our Compensation Committee include:

- Designing and implementing competitive compensation policies to attract and retain key personnel;
- Reviewing and formulating policy and determining or making recommendations to our Board of Directors regarding compensation of our executive officers;
- Administering our equity incentive plans and granting or recommending grants of equity awards to our executive officers and directors under these plans; and
- Reviewing and establishing Company policies in the area of management perquisites.

Our Chief Executive Officer does not participate in the determination of his own compensation. However, he makes recommendations to, and participates in deliberations with our Compensation Committee regarding the amount and composition of the compensation of our other officers. The Compensation Committee operates under a formal Compensation Committee Charter, which is available on our website at [www.edgar-online.com](http://www.edgar-online.com), and contains a detailed description of such Committee’s duties and responsibilities

### **Nominating Committee**

The Nominating Committee reviews and assesses the composition of the Board of Directors, assists in identifying potential new candidates for director and nominates candidates for election to the Board of Directors. The Nominating Committee currently consists of Ms. DeMarse and Messrs. Feinstein and Maged, each of whom is independent within the meaning of the director independence standards of Nasdaq. The Nominating Committee held one meeting during 2008.

The Nominating Committee operates under a formal Nominating Committee Charter, which is available on our website at [www.edgar-online.com](http://www.edgar-online.com), and contains a detailed description of such Committee's duties and responsibilities. As more fully described in its charter, the functions of the Nominating Committee include identifying individuals qualified to become directors and making recommendations to the Board of Directors for the selection of such candidates for directorship, with the goal of assembling a Board of Directors that brings the Company a variety of perspectives and skills derived from business and professional experience.

### ***Candidates for Nomination***

Candidates for nomination as director come to the attention of our Nominating Committee from time to time through incumbent directors, management, stockholders or third parties. These candidates may be considered at meetings of our Nominating Committee at any point during the year. Such candidates are evaluated against the criteria set forth below. If our Nominating Committee believes at any time that it is desirable that our Board consider additional candidates for nomination, the Committee may poll directors and management for suggestions or conduct research to identify possible candidates and may, if our Nominating Committee believes it is appropriate, engage a third-party search firm to assist in identifying qualified candidates.

The Nominating Committee will evaluate director candidates recommended by stockholders in light of the Committee's criteria for the selection of new directors. Such criteria include:

- the appropriate size of our Board and its committees;
- the perceived needs of our Board for particular skills, background and business experience;
- the skills, background, reputation, and business experience of nominees compared to the skills, background, reputation, and business experience already possessed by other Board members;
- nominees' independence from management;
- applicable regulatory and listing requirements, including independence requirements and legal considerations, such as antitrust compliance;
- the benefits of a constructive working relationship among directors; and
- the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

Any stockholder recommendation of a director candidate should include the name and address of the stockholder and the person nominated; a representation that the stockholder (1) is a holder of record of our Common Stock on the date of such notice, and (2) intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; a description of all arrangements or understandings between the nominating stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the stockholder is making the nomination or nominations; such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, had the nominee been nominated, or intended to be nominated, by our Board; and the consent of each nominee to serve as a director, if elected.

All director nominees must also complete a customary form of directors' questionnaire as part of the nomination process. The evaluation process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of our Nominating Committee. Any stockholder recommendation of a director candidate should be sent to EDGAR Online, Inc., 122 East 42<sup>nd</sup> Street, Suite 2400, New York, New York 10168, Attention: Corporate Secretary. Any stockholder recommendations must be submitted in sufficient time for an appropriate evaluation by the Nominating Committee. In addition, any stockholder wishing to nominate a director for consideration at an annual meeting of stockholders must follow the procedures set forth in this proxy statement.

## AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management is responsible for the Company's internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The independent registered public accountants are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the auditing standards of the Public Company Accounting Oversight Board and to issue a report thereon. The Audit Committee has the power and authority to engage the independent registered public accountants, reviews the preparations for and the scope of the audit of the Company's annual financial statements, reviews drafts of the statements and monitors the functioning of the Company's accounting and internal control systems through discussions with representatives of management, the independent registered public accountants and the accounting staff.

On February 2, 2009, the Audit Committee met to review the Company's audited financial statements for 2008 as well as the process and results of the Company's assessment of internal control over financial reporting. The Audit Committee met with management to discuss the financial statements and internal control over financial reporting. Management has represented to the Audit Committee that the financial statements were prepared in accordance with accounting principles generally accepted in the United States, that internal control over financial reporting was effective and that no material weaknesses in those controls existed as of the fiscal year-end reporting date, December 31, 2008. The Audit Committee also met with BDO Seidman, LLP ("BDO Seidman"), the Company's independent registered public accounting firm, to discuss the financial statements.

The Audit Committee has received from BDO Seidman the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and discussed with BDO Seidman their independence from the Company and its management. The Audit Committee also received reports from BDO Seidman regarding all critical accounting policies and practices used by the Company, generally accepted accounting principles that have been discussed with management, and other material written communications between BDO Seidman and management. There were no differences of opinion reported between BDO Seidman and the Company regarding critical accounting policies and practices used by the Company. In addition, the Audit Committee discussed with BDO Seidman all matters required to be discussed by Statement on Auditing Standards No. 61, as amended (*Communication with Audit Committees*) as adopted by the Public Company Accounting Oversight Board in Rule 3200T. Based on these reviews, activities and discussions, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the SEC on March 23, 2009.

The Audit Committee plans to meet with BDO Seidman during the current fiscal year to review the scope of the 2009 audit and other matters.

### **Submitted by the Audit Committee:**

Richard L. Feinstein, Chairman  
John Mutch  
William J. O'Neill, Jr.

**INFORMATION CONCERNING EXECUTIVE OFFICERS**

The executive officers of the Company as of the date of this proxy statement are identified below. Executive officers are elected annually by the Board of Directors and serve at the pleasure of the Board of Directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Philip D. Moyer . . . . .	43	President and Chief Executive Officer
John C. Ferrara . . . . .	57	Chief Financial Officer
Stefan Chopin . . . . .	50	Chief Technology Officer
Sue Bratone Childs . . . . .	41	Executive Vice President, Marketing and Business Development

**Philip D. Moyer:** Please see Mr. Moyer’s full biography under Proposal One, Information Concerning Nominees.

**John C. Ferrara** joined us as Chief Financial Officer in March 2008. Prior to that, Mr. Ferrara served as Interim CFO and Consultant to GAMCO Investors, Inc., a publicly traded investment management company from May 2006 to December 2007. In addition, Mr. Ferrara was President of The LGL Group, Inc., a public-traded holding company, from early 2004 to December 2006 and has held Chief Financial Officer positions at Space Holding Corporation, Golden Books Family Entertainment and Renaissance Communications Corporation. Since 1999, Mr. Ferrara has served on the Boards of Directors and Audit and Compensation Committees of several public companies, including GAMCO Investors and Lynch Interactive. Mr. Ferrara is currently serving on the Board of Directors of Response Genetics, Inc. (NASDAQ:RGDX) and Voice of an Angel, Inc, a non-profit organization. Mr. Ferrara holds a B.S. in Accounting from the University of Maryland as well as an M.B.A. in Finance from Columbia University.

**Stefan Chopin** was a member of the Board of Directors from 1996 until February 2004, when he was appointed Chief Technology Officer. Mr. Chopin was previously the President of Pequot Group Inc., a technology development company for the financial services industry. From October 1998 to November 2001, Mr. Chopin was the Senior Vice President of Technology for iXL Enterprises, Inc., an e-business solutions provider.

**Sue Bratone Childs** joined us in August 2004 and was promoted to Executive Vice President in April 2007. Ms. Childs was previously Director of New Business Development at The New School University from 2001 to 2004. Prior to that, Ms. Childs held positions at Simon & Schuster, Philip Morris and Condé Nast Publications, and has worked as a consultant in the areas of strategy and business development for media and information companies. Ms. Childs is a graduate of Colby College and Columbia University Business School.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **Overview of Compensation Program**

Our Compensation Committee (for purposes of this analysis, the “Committee”) of the Board of Directors has responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy. The Committee works to ensure that the total compensation paid to the Named Executive Officers (as defined in the Summary Compensation Table below) is fair, reasonable and competitive.

#### **Compensation Philosophy and Objectives**

The Committee believes that the compensation programs for executive officers should reflect our performance and the value created for our stockholders. In addition, the Committee believes that the compensation program should support our short-term and long-term strategic goals and values and should reward individual contributions to our success. The Committee works to ensure that the executive compensation policies and plans provide the necessary total remuneration program to properly align our performance with the interests of our stockholders through the use of competitive and equitable executive compensation in a balanced and reasonable manner, for both the short and long-term.

Our overall compensation philosophy is to provide a total compensation package that is competitive and enables us to attract, motivate, reward and retain key executives and other employees who have the skills and experience necessary to promote our short and long-term financial performance and growth.

The Committee recognizes the critical role of our executive officers in the significant growth and success of the Company. Accordingly, our executive compensation policies are designed to: (1) align the interests of executive officers and stockholders by encouraging stock ownership by executive officers and by making a significant portion of executive compensation dependent upon our financial performance; (2) provide compensation that will attract and retain talented professionals; (3) reward individual results through base salary, annual cash bonuses, long-term incentive compensation in the form of stock options and various other benefits; and (4) manage compensation based on skill, knowledge, effort and responsibility needed to perform a particular job successfully.

In its review of salary, bonuses and long-term incentive compensation for our executive officers, the Committee takes into account both the position and expertise of a particular executive, as well as the Committee’s understanding of the competitive compensation for similarly situated executives in the Company’s industry.

#### **Role of Executive Officers in Compensation Decisions**

The Committee makes all compensation decisions for the Named Executive Officers. Decisions regarding the compensation of other officers and employees are made by our President and Chief Executive Officer and our Chief Financial Officer.

Our President and Chief Executive Officer and our Chief Financial Officer annually review the performance of each Named Executive Officers (except that of our Chief Financial Officer who is reviewed by our President and Chief Executive Officer, and that of our President and Chief Executive Officer, whose performance is reviewed solely by the Committee). The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Committee. The Committee can exercise its discretion in modifying any recommended adjustments or awards to such executives.

## Setting Executive Compensation

Based on the foregoing objectives, the Committee has structured our annual and long-term incentive-based cash and non-cash executive compensation to motivate our executives to achieve the business goals set by us and reward the executives for achieving such goals. A percentage of total compensation is allocated to incentives as a result of the philosophy mentioned above. There is no pre-established policy or target for the allocation between either cash and non-cash, or short-term and long-term incentive compensation. Rather, the Committee reviews all relevant information to determine the appropriate level and mix of incentive compensation. Income from such incentive compensation is realized as a result of the performance of the Company or the individual, depending on the type of award, compared to established goals.

## 2008 Executive Compensation Components

For 2008, the principal components of compensation for the Named Executive Officers were:

- base salary;
- performance-based incentive compensation;
- long-term equity compensation; and
- perquisites and other benefits.

### *Base Salary*

We provide the Named Executive Officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary ranges for the Named Executive Officers are determined on an individual basis by evaluating each executive's scope of responsibility, performance, prior experience and salary history, as well as the salaries for similar positions at comparable companies.

Salary levels are typically considered annually as part of the Company's performance review process as well as upon a promotion or other change in job responsibility. Merit based increases to salaries of the Named Executive Officers are based on the Committee's assessment of the individual's performance.

### *Performance-Based Incentive Compensation*

Performance-based incentive compensation is intended to encourage the Named Executive Officers to achieve short-term goals that we believe are integrally linked to long-term value creation. The incentive award ranges are established annually by the Committee for the Named Executive Officers and management employees. The business criteria used by the Committee in establishing performance goals applicable to performance awards to the Named Executive Officers are selected from among the following:

- Sales or sales growth;
- Expenses or expense ratios;
- Operating income, earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items;
- Net income or net income per common share (basic or diluted; including or excluding extraordinary items);
- Return on assets, return on investment, return on capital, or return on equity;
- Cash flow, free cash flow, cash flow return on investment, or net cash provided by operations;
- Economic profit or value created;

- Stock price or total stockholder return; and
- Specific strategic or operational business criteria, including market penetration, geographic expansion, new concept development goals, new projects, new products, or new ventures; customer satisfaction; staffing, training and development, succession planning or employee satisfaction; goals relating to acquisitions, divestitures, affiliates or joint ventures.

The overall assessment of the achievement of each Named Executive Officer's goal determines the percent of the target award that will be paid to the executive as an annual incentive award.

The Committee retains discretion to set the level of performance for a given business criteria that will result in the earning of a specified amount under a performance award. These goals may be set with fixed, quantitative targets, targets relative to past Company performance, or targets compared to the performance of other companies, such as a published or special index or a group of companies selected by the Committee for comparison. The Committee may specify that these performance measures will be determined before payment of bonuses, capital charges, non-recurring or extraordinary income or expense, or other financial and general and administrative expenses for the performance period, if so specified by the Committee.

Performance-based incentive compensation was awarded to Philip D. Moyer, John Ferrara, Stefan Chopin and Sue Bratone Childs for services rendered in 2008 based upon increased revenues and improved EBITDA in 2008 as compared to 2007.

#### *Long-Term Compensation*

The Committee believes that equity-based compensation in the form of stock options and restricted stock links the interests of executives with the long-term interests of our stockholders, encourages executives to remain in our employ and maintains competitive levels of total compensation. We grant stock options and restricted stock in accordance with the 2005 Plan. The 2005 Plan authorizes a broad range of awards, including stock options, stock appreciation rights, restricted stock grants, and deferred stock grants. We have not granted any appreciation rights or deferred stock grants under the 2005 Plan.

The Board of Directors' goal is to tie the stockholders' interest securely with that of the Company's officers, employees and directors, so that the financial performance of the Company is directly linked to compensation and recipients of grants pursuant to the 2005 Plan are increasingly motivated to perform at their optimal level. Stock options are granted based on a number of factors, including the individual's level of responsibility, the amount and term of options already held by the individual, the individual's contributions to the achievement of performance goals, and industry practices and norms. Stock options are generally awarded on an annual basis and, from time to time, when employees are hired or promoted. All options granted to the Named Executive Officers and other employees are approved by the Committee.

Stock options and restricted stock are awarded at Nasdaq's closing price of our Common Stock on the date of the grant. The majority of the options granted by the Committee vest at a rate of 33 1/3% per year over the first three years of the ten-year option term while the vesting of restricted stock may vary from no vesting period to between one to three years or upon a change of control, as determined at the discretion of the Committee. Prior to the exercise of an option or the vesting of restricted stock, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents. An employee granted restricted stock shall have all of the rights of a stockholder, including the right to vote the restricted stock and the right to receive dividends thereon once the restricted stock vests. Restricted stock awards are generally subject to forfeiture if the grantee is no longer an employee at the time of vesting.

#### *Perquisites and Other Benefits*

We provide the Named Executive Officers with limited perquisites and other personal benefits, such as a commutation allowance, that the Company and the Committee believe are reasonable and consistent with its overall compensation program to better enable us to attract and retain superior employees for key positions. All

such perquisites are reflected in the All Other Compensation column of the Summary Compensation Table and the accompanying footnotes.

The Named Executive Officers participate in the same Company 401(k) program as provided to other employees. The Company did not provide any special 401(k) benefits to the Named Executive Officers, and their health care and insurance coverage is the same as that provided to other employees.

### **Trading Windows / Hedging**

We restrict the ability of employees to freely trade in our Common Stock because of their periodic access to material non-public information regarding the Company. Under our insider trading policy, the Named Executive Officers, our EVP Marketing, Controller, employees of our Finance Department, General Counsel and directors are restricted from purchasing or selling our Common Stock, exercising stock options or selling shares of restricted stock during certain blackout periods. In addition, all employees, including our Named Executive Officers, are prohibited from hedging against or speculating in the potential changes in the value of our Common Stock.

### **Change in Control Protections**

The Named Executive Officers are parties to written employment agreements. The value of the “change in control” benefits provided under agreements is summarized in the section below entitled “Potential Payments Upon Termination or Change in Control.” The Company does not gross-up any executive payments for potential taxes that may be incurred in connection with a “change in control.”

### **Policy with Respect to Section 162(m) Deduction Limit**

Section 162(m) of the Internal Revenue Code, enacted in 1993, generally disallows a tax deduction to publicly held companies for compensation exceeding \$1 million paid to certain of the Company’s executive officers. The limitation applies only to compensation that is not considered to be performance-based. The non-performance based compensation paid to our executive officers in 2008 did not exceed the \$1 million limit per officer. Our stock option plan is structured so that any compensation deemed paid to an executive officer in connection with the exercise of option grants or vesting of restricted stock made under that plan will qualify as performance-based compensation which will not be subject to the \$1 million limitation. The Committee currently intends to limit the dollar amount of all other compensation payable to the Company’s executive officers to no more than \$1 million. The Committee is aware of the limitations imposed by Section 162(m), and the exemptions available therefrom, and will address the issue of deductibility when and if circumstances warrant.

### **Compensation Committee Report**

The 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 discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

*The Compensation Committee:*

William J. O’Neill, Jr., Chairman  
Elisabeth DeMarse  
Douglas K. Mellinger

## Summary Compensation Table

The following table sets forth certain information regarding compensation paid for all services rendered to us in all capacities during fiscal years 2006, 2007 and 2008 by our principal executive officer, principal financial officer and our two other executive officers (collectively, the “Named Executive Officers”).

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)</u>	<u>Option Awards (\$)(1)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Philip D. Moyer . . . . .	2006	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
President and Chief	2007	\$237,291	\$ —	\$387,242(2)	\$ —	\$ 6,750(3)	\$631,283
Executive Officer	2008	\$335,000	\$50,000(4)	\$170,659(2)	\$ 52,819	\$ 6,900(3)	\$615,378
John C. Ferrara . . . . .	2006	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Chief Financial Officer	2007	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	2008	\$187,500	\$ —	\$ —	\$ 34,177	\$ 5,625(3)	\$227,302
Stefan Chopin . . . . .	2006	\$240,167	\$25,000(5)	\$ —	\$116,639	\$24,600(6)	\$406,406
Chief Technology Officer	2007	\$275,333	\$ —	\$ —	\$124,583	\$24,750(6)	\$424,666
	2008	\$292,000	\$25,000(4)	\$ 12,392(7)	\$111,394	\$24,900(6)	\$465,686
Sue Bratone Childs . . . . .	2006	\$164,000	\$25,000(5)	\$ —	\$ 12,543	\$ 4,920(3)	\$206,463
Executive Vice President,	2007	\$200,000	\$ —	\$ 36,707(8)	\$ 49,072	\$ 6,000(3)	\$291,779
Marketing and Business	2008	\$250,000	\$12,000(4)	\$154,000(8)	\$ 55,302	\$ 6,900(3)	\$478,202
Development							

- (1) The amounts shown represent the annual expense related to the total FAS 123(R) grant date fair value of all options awarded to the Named Executive Officers. This expense is being recognized over the three-year vesting terms of the options. See “Note 2(m), Stock-Based Compensation” to our audited financial statements in our Form 10-K for the year ended December 31, 2008 for the assumptions used in such calculations.
- (2) The amounts shown represent the annual expense related to the total grant date fair value of the restricted stock awarded to Mr. Moyer, which is being recognized according to the vesting schedule in Mr. Moyer’s employment contract as discussed below.
- (3) The amounts shown represent, for each Named Executive Officer, matching contributions made by the Company to each of the Named Executive Officers pursuant to the Company’s 401(k) Savings Plan. The amount attributable to each such perquisite or benefit for each Named Executive Officer does not exceed the greater of \$25,000 or 10% of the total amount of perquisites received by such Named Executive Officer.
- (4) The amounts shown represent amounts paid in 2008 related to bonuses earned in 2007.
- (5) The amounts shown represent amounts paid in 2006 related to bonuses earned in 2005.
- (6) The amounts shown represent, for the Named Executive Officer: (i) a commutation allowance; and (ii) matching contributions made by the Company to the Named Executive Officer pursuant to the Company’s 401(k) Savings Plan. The amount attributable to each such perquisite or benefit for the Named Executive Officer does not exceed the greater of \$25,000 or 10% of the total amount of perquisites received by the Named Executive Officer.
- (7) The amounts shown represent the annual expense related to the total grant date fair value of the restricted stock awarded to Mr. Chopin, which is being recognized over the two-year vesting term of the grant.
- (8) The amounts shown represent the annual expense related to the total grant date fair value of the restricted stock awarded to Ms. Childs, which is being recognized over the two-year vesting term of the grant.

### Grants of Plan Based Awards

The following table provides information regarding equity awards granted to our Named Executive Officers in 2008.

Name	Grant Date	All Other Stock Awards: Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Stock or Option Awards(1)	Grant Date Fair Value of Stock and Option Awards
Philip D. Moyer . . . . .	1/16/08	—	50,000	\$2.88	\$ 99,500(2)
	6/23/08	—	100,000	\$1.76	\$121,000(2)
John C. Ferrara . . . . .	3/3/08	—	50,000	\$2.69	\$ 93,000(2)
	6/23/08	—	40,000	\$1.76	\$ 48,400(2)
Stefan Chopin . . . . .	1/16/08	9,000	—	\$2.88	\$ 25,920(3)
	6/23/08	—	30,000	\$1.76	\$ 36,300(2)
Sue Bratone Childs . . . . .	6/23/08	—	20,000	\$1.76	\$ 24,200(2)

- (1) The amounts shown represent the closing market value of our Common Stock on the date of grant.
- (2) The amounts shown represent the total FAS 123(R) grant date fair value of the options awarded to the Named Executive Officer. This expense is being recognized over the three-year vesting terms of the options. See “Note 2(m), Stock-Based Compensation” to our audited financial statements in our Form 10-K for the year ended December 31, 2008 for the assumptions used in such calculations.
- (3) The amount shown represent the total grant date fair value determined by the closing market value of our Common Stock on the date of grant of the restricted shares awarded to the Named Executive Officer. This expense is being recognized over a two-year vesting term.

### Outstanding Equity Awards at Fiscal Year-End

The following table provides information on the exercise and holdings of previously awarded equity grants outstanding as of December 31, 2008.

Name	Option Awards				Share Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (2)
Philip D. Moyer . . . . .	—	50,000	\$2.88	1/16/18	—	—
	—	100,000	\$1.76	6/23/18	—	—
	—	—	—	—	147,619(3)	\$184,524
John C. Ferrara . . . . .	—	50,000	\$2.69	3/3/18	—	—
	—	40,000	\$1.76	6/23/18	—	—
Stefan Chopin . . . . .	—	—	—	—	9,000(4)	\$ 11,250
	10,000	—	\$4.50	3/25/09	—	—
	33,333	—	\$1.72	2/18/14	—	—
	2,500	—	\$0.95	6/17/14	—	—
	33,333	—	\$1.32	1/31/15	—	—
	50,000	25,000	\$1.92	1/11/16	—	—
	50,000	25,000	\$3.01	2/8/16	—	—
Sue Bratone Childs . . . . .	—	30,000	\$1.76	6/23/18	—	—
	—	—	—	—	50,000(5)	\$ 62,500
	15,000	—	\$1.25	10/29/14	—	—
	5,000	—	\$1.32	1/31/15	—	—
	13,333	6,667	\$1.92	1/11/06	—	—
	16,667	33,333	\$3.08	2/5/17	—	—
—	20,000	\$1.76	6/23/18	—	—	

- (1) All options vest at a rate of 33 1/3% per year over the first three years of the ten-year option term.
- (2) Amount calculated based on \$1.25, the closing price of our Common Stock on December 31, 2008.
- (3) Mr. Moyer's restricted stock vesting schedule is as follows: (i) 83,333 shares vested after six months of service on 10/16/2007 with the remaining 166,667 shares vesting in seven equal six-monthly installments of 23,810 from 4/16/08 through 4/16/2011; (ii) 29,528 upon grant on 10/16/2007; and (iii) 16,667 shares vested six months after the grant on 1/31/2008 with the remaining 33,333 shares vesting in seven equal six-monthly installments of 4,762 from 7/31/2008 through 7/31/2011.
- (4) Mr. Chopin's restricted stock vests at a rate of 50% per year over the two-year period beginning January 16, 2008.
- (5) Ms. Childs's restricted stock vests at a rate of 50% per year over the two-year period beginning October 5, 2007.

### Option Exercises and Stock Vested

The following table shows information for 2008 regarding the exercise of stock options and vesting of restricted stock.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (1)
Philip D. Moyer	—	\$—	69,048	\$158,597
Sue Bratone Childs	—	\$—	50,000	\$ 93,500

- (1) Amount represents the market price of our Common Stock on the day of vesting.

### Potential Payments upon Termination or Change of Control

The following is a summary of the terms of each of our Named Executive Officer's employment agreements. The tables below reflect the amount of compensation payable to each of the Named Executive Officers in the event of termination of such executive's employment. The amount of compensation payable to each Named Executive Officer upon termination for "cause," termination in the event of death or disability, involuntary not-for-cause termination, termination for "good reason," and termination following a "change of control" is shown below.

#### *Philip D. Moyer*

On April 9, 2007 we entered into an employment agreement with Philip D. Moyer to serve as our President and on July 30, 2007 he became Chief Executive Officer. On December 10, 2008, we amended Mr. Moyer's employment agreement to allow Mr. Moyer's stock options and restricted stock grants, upon certain events which terminate his Agreement, including death and disability, to immediately vest and remain exercisable for the period of the lesser of the original term of the stock option or five years.

Mr. Moyer's Agreement provides that if the Company terminates him for cause he will only be entitled to his earned but unpaid base salary, bonus and benefits. "Cause" under Mr. Moyer's Agreement, means: (a) the substantial and repeated failure of Mr. Moyer to perform his duties and responsibilities; (b) the conviction of, or plea of guilty or nolo contendere to a felony, or other crime involving moral turpitude or the commission of any other act or omission involving dishonesty or fraud that is injurious to the Company or any of its subsidiaries or any of its or their respective customers or suppliers; (c) the use of illegal drugs (whether or not at the workplace); (d) any act or omission aiding or abetting a competitor, supplier or customer of the Company or any of its subsidiaries to the material disadvantage or detriment of the Company and its subsidiaries; or (e) gross negligence or willful misconduct with respect to the Company or any of its subsidiaries, after the exhaustion of all available appeals, or the violation by Mr. Moyer of the representations made by him of the covenants in the

Agreement including with respect to the use and disclosure of the Company's trade secrets and confidential information or the obligation not to compete with the Company or to solicit employees, customers or suppliers of the Company.

Mr. Moyer's compensation pursuant to the Agreement includes an annual base salary of \$335,000, bonus incentives of up to 75% of such salary based on the achievement of certain financial objectives specified in the Agreement, a one-time grant of 50,000 restricted shares of Common Stock and a \$75,000 bonus upon his assuming the role of Chief Executive Officer. In addition to salary and bonus compensation, Mr. Moyer received 250,000 restricted shares of Common Stock with one-third of the restricted stock vesting after the first six months of employment and the remaining stock vesting at the end of each successive six-month period in seven equal installments. Mr. Moyer's employment continues until terminated and contains customary termination provisions for disability, death and cause, as modified on December 10, 2008 as described above. During the first year, either party was entitled to terminate the Agreement without cause upon thirty days written notice. If such termination had occurred during the first six months of employment, Mr. Moyer would have received three months base salary severance pay, any earned bonus and three months acceleration of the unvested portion of his restricted stock award. If such termination had occurred after six months of employment but prior to the one year anniversary of employment, Mr. Moyer would have received six months base salary severance pay, any earned bonus and six months acceleration of the unvested portion of his restricted stock award.

Mr. Moyer is entitled to terminate the Agreement for "good reason" in the event of a material change in his compensation or duties, a material breach of the Agreement by the Company or a change of control of the Company with which he disagrees. If such termination for good reason had occurred during the first six months of employment, Mr. Moyer would have received six month's base salary severance pay and any earned bonus, plus six months' acceleration of the unvested portion of his restricted stock award. If such termination had occurred after six months of employment but prior to the one year anniversary of the Agreement, Mr. Moyer would have received twelve months base salary severance pay and any earned bonus, plus twelve months acceleration of the unvested portion of his restricted stock award. If such termination occurs now or in the future, Mr. Moyer shall be entitled to receive twelve months base salary severance pay, any earned bonus, 24 months acceleration of the unvested portion of his restricted stock award and the immediately vesting of all outstanding stock grants and options which shall remain exercisable for the period of the lesser of the original term of the stock option or five years.

For purposes of Mr. Moyer's Agreement, "Change of Control" means: (a) any consolidation or merger of the Company pursuant to which a majority of the outstanding voting securities of the surviving or resulting company are not owned collectively by the holders of the Company's outstanding voting securities as of the date of the transaction (the "Current Control Group"); (b) any sale, lease, exchange or other transfer of all, or substantially all, of the assets of the Company other than any sale, lease, exchange or other transfer to any company where the Company owns, directly or indirectly, 100% of the outstanding voting securities of such company after any such transfer; (c) any person, other than the Current Control Group, acquiring or becoming the beneficial owner of a majority or more of outstanding voting securities of the Company; (d) commencement by any entity, person, or group of a tender offer or exchange offer where the offeror acquires a majority of the then outstanding voting securities of the Company; (e) in the event of a vote of the stockholders to elect directors of the Company, the vote by a majority of stockholders present at the meeting in favor of candidates other than those nominated by the Company's then existing Board of Directors; or (f) when, during any period of 24 consecutive months, the individuals who, at the beginning of such period, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason other than death to constitute at least a majority thereof; provided, however, that a director who was not a director at the beginning of such 24 month period shall be deemed to have satisfied such 24 month requirement (and be an Incumbent Director) if such director was elected by, or on the recommendation of or with the approval of, at least two-thirds (2/3) a majority of the directors who then qualified as Incumbent Directors either actually (because they were directors at the beginning of such 24 month period) or through the operation of this proviso.

“Good Reason” means: (a) the occurrence, without Mr. Moyer’s consent, of a “change of control”; (b) a material breach of the terms of the Agreement by the Company if such breach is not cured within 15 business days after Mr. Moyer provides notice of such breach; (c) an involuntary change in Mr. Moyer’s status or position with the Company which constitutes a demotion from Mr. Moyer’s then current responsibilities and scope of powers, authority or duties inherent in such position; (d) a reduction by the Company in Mr. Moyer’s base salary (unless all executive officers of the Company also have their salaries reduced in an equivalent percentage as part of an overall Company cost cutting plan) or material change in Mr. Moyer’s bonus structure; or (e) the Company’s requiring Mr. Moyer to maintain his primary location of employment at a location more than 125 miles from Wayne, Pennsylvania.

The following chart details the severance benefits that would be received by Mr. Moyer according to his contract if the severance event occurred on December 31, 2008.

Executive Benefits and Payments (1)	Termination for “cause” on December 31, 2008	Death on December 31, 2008	Disability on December 31, 2008	Not-for-cause termination on December 31, 2008	Termination for “good reason” on December 31, 2008	“Change of Control” on December 31, 2008	Non-Renewal on December 31, 2008
Restricted Stock . . . .	—	\$184,525(2)	\$184,525(2)	\$184,525(2)	\$184,525(2)	\$184,525(2)	—
Stock Options . . . . .	—	— (3)	— (3)	— (3)	— (3)	— (3)	—
Cash Severance . . . .	—	—	—	\$385,000(4)	\$385,000(4)	\$385,000(4)	—

- (1) Assumes no additional payments of accrued salary or discretionary bonus due to payments made in full to Mr. Moyer prior to December 31, 2008 in accordance with normal payroll procedures.
- (2) Assumes vesting of all unvested restricted stock grants at \$1.25, the closing price of our Common Stock on December 31, 2008.
- (3) Assumes immediate vesting of all options but no exercise as the option exercise price exceeds \$1.25 per share, the closing price of our Common Stock on December 31, 2008.
- (4) Amount payable in one lump sum payment unless Mr. Moyer elects in writing to receive pro-rata bi-monthly payments over twelve months following termination.

*John C. Ferrara*

On February 29, 2008, we entered into an employment agreement with John C. Ferrara to serve as our Chief Financial Officer. Mr. Ferrara’s compensation includes an annual base salary of \$225,000, a bonus incentive during 2008 of up to \$50,000 and a grant of 50,000 options to purchase shares of Common Stock with these options vesting annually in three equal installments.

The Company will have cause to terminate Mr. Ferrara if (a) he fails to substantially perform his job related duties, (b) he engages in criminal acts (e.g., embezzlement or fraud) or unprofessional conduct which is injurious to the Company, (c) he is convicted or pleads guilty to a felony or misdemeanor involving theft, larceny, or moral turpitude; or (d) he is grossly negligent in the performance of his duties. If Mr. Ferrara is terminated for cause he will only be entitled to his earned but unpaid base salary, bonus and benefits up to his date of termination.

Mr. Ferrara’s Agreement provides that either Mr. Ferrara or the Company may terminate his employment at any time. If his employment had been terminated by the Company without cause during the first 12 months of his employment, Mr. Ferrara would have been entitled to receive six months base salary as severance pay and accelerated vesting of all stock options. If such termination is made after 12 months of employment, Mr. Ferrara will be entitled to receive 12 months base salary as severance pay and accelerated vesting of all stock options. In the event of a “change of control” or if Mr. Ferrara’s employment is terminated without cause, his stock options and other awards shall immediately vest and remain exercisable by him for the lesser of the original term of the stock option grant or award or five years. A “change of control” means: (a) the acquisition of fifty percent (50%) or more of the Company’s outstanding Common Stock or voting securities; (b) the sale of all or substantially all of the Company’s assets which is approved by the Company’s stockholders; or (c) the

reorganization, merger or consolidation of the Company into another entity, approved by the Company's stockholders. The Agreement also contains a standard confidentiality and 12 month non-solicitation and non-competition provisions.

The following chart details the severance benefits that would be received by Mr. Ferrara according to his contract if the severance event occurred on December 31, 2008.

<u>Executive Benefits and Payments (1)</u>	<u>Termination for "cause" on December 31, 2008</u>	<u>Death on December 31, 2008</u>	<u>Disability on December 31, 2008</u>	<u>Termination without "cause" on December 31, 2008</u>	<u>"Change of Control" on December 31, 2008</u>	<u>Non-Renewal on December 31, 2008</u>
Stock Options . . . . .	—	—	—	— (2)	— (2)	—
Cash Severance . . . . .	—	—	—	\$112,500(3)	—	—

- (1) Assumes no additional payments of accrued salary or discretionary bonus due to payments made in full to Mr. Ferrara prior to December 31, 2008, in accordance with normal payroll procedures.
- (2) Assumes immediate vesting of all options but no exercise as the option exercise price exceeds \$1.25 per share, the closing price of our Common Stock on December 31, 2008.
- (3) Amount payable in pro-rata bi-monthly payments over six months following termination.

*Stefan Chopin*

On March 13, 2008, we entered into an employment agreement with Mr. Chopin. The Agreement provides that the Company will have cause to terminate Mr. Chopin if (a) he fails to substantially perform his job related duties, (b) he engages in criminal acts (e.g., embezzlement or fraud) or unprofessional conduct which is injurious to the Company, (c) he is convicted or pleads guilty to a felony or misdemeanor involving theft, larceny, or moral turpitude; or (d) he is grossly negligent in the performance of his duties. If Mr. Chopin is terminated for cause he will only be entitled to his earned but unpaid base salary, bonus and benefits up to his date of termination.

Under the terms of Mr. Chopin's Agreement, Mr. Chopin will receive a minimum annual salary of \$250,000 and a discretionary annual bonus. In the event his employment is terminated without cause by the Company, he shall receive 12 months salary from the last date of employment. In the event of a "change of control" or if Mr. Chopin's employment is terminated without cause by the Company, his stock options and other awards shall immediately vest and remain exercisable by him for the lesser of the original term of the stock option grant or award or five years. A "change of control" means: (a) the acquisition of fifty percent (50%) or more of the Company's outstanding Common Stock or voting securities; (b) the sale of all or substantially all of the Company's assets which is approved by the Company's stockholders; or (c) the reorganization, merger or consolidation of the Company into another entity, approved by the Company's stockholders. The Agreement also contains a standard confidentiality and twelve month non-solicitation and non-competition provisions.

The following chart details the severance benefits that would be received by Mr. Chopin according to his contract if the severance event occurred on December 31, 2008.

<u>Executive Benefits and Payments (1)</u>	<u>Termination for "cause" on December 31, 2008</u>	<u>Death on December 31, 2008</u>	<u>Disability on December 31, 2008</u>	<u>Termination without "cause" on December 31, 2008</u>	<u>"Change of Control" on December 31, 2008</u>	<u>Non-Renewal on December 31, 2008</u>
Restricted Stock . . . . .	—	—	—	\$ 11,250(2)	\$11,250(2)	—
Stock Options . . . . .	—	—	—	\$ 750(3)	\$ 750(3)	—
Cash Severance . . . . .	—	—	—	\$292,000(4)	—	—

- (1) Assumes no additional payments of accrued salary or discretionary bonus due to payments made in full to Mr. Chopin prior to December 31, 2008, in accordance with normal payroll procedures.
- (2) Assumes vesting of all unvested restricted stock grants at \$1.25, the closing price of our Common Stock on December 31, 2008.

- (3) Assumes immediate vesting of all options as well as the exercise of options with an exercise price exceeding \$1.25 per share, the closing price of our Common Stock on December 31, 2008.
- (4) Amount payable in pro-rata bi-monthly payments over 12 months following termination.

*Sue Bratone Childs*

On May 15, 2007 we entered into an employment agreement with Ms. Childs. This Agreement provides that in the event the Company terminates her employment for any reason other than for cause or there is a change of control of the Company and Ms. Childs' employment is terminated (excluding a termination for cause) within one year of this change of control, we will provide Ms. Childs with severance equal to the sum of her base salary and the average of any bonus paid to her during the two prior years. A change of control is not defined in Ms. Childs' Agreement.

The following chart details the severance benefits that would be received by Ms. Childs according to her contract if the severance event occurred on December 31, 2008.

Executive Benefits and Payments (1)	Termination for "cause" on December 31, 2008	Death on December 31, 2008	Disability on December 31, 2008	Termination without cause on December 31, 2008	"Change of Control" on December 31, 2008	Non-Renewal on December 31, 2008
Cash Severance . . . . .	—	—	—	\$256,000	\$256,000	\$—

- (1) Assumes no additional payments of accrued salary or discretionary bonus due to payments made in full to Ms. Childs prior to December 31, 2008 in accordance with normal payroll procedures.

## DIRECTOR COMPENSATION

The Company uses a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board of Directors. In setting director compensation, the Company considers the significant amount of time that directors expend in fulfilling their duties to the Company, as well as the skill-level required by the Company of members of the Board of Directors.

### Cash Compensation Paid to Board Members

For 2008, members of the Board who are not employees of the Company are entitled to receive an annual cash retainer of \$10,000. Directors are also eligible to receive \$5,000 per year for serving on each of the Audit Committee and the Compensation Committee. The chairman of the Audit Committee and the chairman of the Compensation Committee are also eligible to receive \$7,500 and \$2,500, respectively. The Chairman of the Board's compensation was set at \$50,000 per year and he was also granted 25,677 shares of restricted stock which vest in two equal installments over two years. Directors who are employees of the Company receive no compensation for their service as directors.

### Stock Options

Directors are currently eligible to receive stock options every three years under the 2005 Plan, which replaced the 1996 Stock Option Plan (the "1996 Plan"), the 1999 Stock Option Plan (the "1999 Plan") and the 1999 Outside Directors' Stock Option Plan (the "1999 Directors Plan"). Each new non-employee director is granted, at the time of his or her appointment and on each third anniversary thereafter, a nonstatutory option to purchase 15,000 shares of Common Stock. In addition, during 2008, in order to more closely align the interests of the directors with those of the stockholders, and to align the option holdings of the various directors relative to one another, the additional one-time grants set forth in the following table were made to the directors. The exercise price of each of these options is equal to the fair market value of Common Stock on the date of grant. These options vest equally over a three-year period. The table below summarizes the options and restricted stock granted to directors in the year ended December 31, 2008.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Number of Securities Underlying Restricted Stock Grants (#)	Exercise or Base Price of Awards(1)	Grant Date Fair Value
Mark Maged	6/23/08	—	25,677	\$1.76	\$45,192(2)
Elisabeth DeMarse	6/23/08	15,000	—	\$1.76	\$18,150(3)
Richard Feinstein	4/28/08	5,000	—	\$2.41	\$ 8,250(3)
	6/23/08	15,000	—	\$1.76	\$18,150(3)
Douglas Mellinger	6/4/08	30,000	—	\$2.31	\$47,400(3)
John Mutch	6/4/08	30,000	—	\$2.31	\$47,400(3)
William J. O'Neill, Jr.	6/4/08	30,000	—	\$2.31	\$47,400(3)

- (1) The amounts shown represent the closing market value of our Common Stock on the date of grant.
- (2) The amounts shown represent the total grant date fair value determined by the closing market value of our Common Stock on the date of grant of the restricted shares awarded to the Director. This expense is being recognized over a two-year vesting term.
- (3) The amounts shown represent the total FAS 123(R) grant date fair value of the options awarded to the Director. This expense is being recognized over the three-year vesting terms of the options. See "Note 2(m), Stock-Based Compensation" to our audited financial statements in our Form 10-K for the year ended December 31, 2008 for the assumptions used in such calculations.

## Director Summary Compensation Table

The table below summarizes the compensation paid by the Company to non-employee directors for the year ended December 31, 2008.

Name (1)	Fees Earned or Paid in Cash (\$)	Stock Awards (\$ (2))	Option Awards (\$ (3))	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)	Total (\$)
Mark Maged, Chairman . . . . .	\$43,125	\$27,224	\$10,719	—	—	—	\$81,068
Elisabeth DeMarse . . . . .	\$17,582	—	\$13,885	—	—	—	\$31,467
Richard L. Feinstein . . . . .	\$32,500	—	\$15,745	—	—	—	\$48,245
Douglas K. Mellinger . . . . .	\$25,000	—	\$20,890	—	—	—	\$45,890
John Mutch . . . . .	\$30,000	—	\$18,540	—	—	—	\$48,540
William J. O’Neill, Jr. . . . .	\$21,875	—	\$18,540	—	—	—	\$40,415

- (1) Philip D. Moyer, the Company’s President and Chief Executive Officer, is not included in this table as he receives no compensation for his services as a director. The compensation he receives is shown in the Summary Compensation Table.
- (2) The amount shown represents the 2008 expense related to the total grant date fair value of restricted stock awarded to the Director in 2007 and 2008. This expense is being recognized over the three-year vesting term of the shares granted in 2007 and the two-year vesting term of the shares granted in 2008.
- (3) The amounts shown represent the 2008 expense related to the total FAS 123(R) grant date fair value of the options awarded to the Named Executive Officers. This expense is being recognized over the three-year vesting terms of the options. See “Note 2(l), Stock—Based Compensation” to our audited financial statements in our Form 10-K for the year ended December 31, 2008 for the assumptions used in such calculations.

## Compensation Committee Interlocks and Insider Participation

No interlocking relationships exist between any members of the Board of Directors or the Compensation Committee and the board of directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

## CODE OF ETHICS

We have adopted a written Code of Ethics (the “Code of Ethics”) that applies to our Chief Executive Officer and senior financial officers and a written Code of Conduct (the “Code of Conduct”) that applies to all our directors, officers and employees.

A copy of the Code of Ethics and the Code of Conduct is available on our web site at [www.edgar-online.com](http://www.edgar-online.com) and print copies are available to any stockholder that requests a copy. Any amendment to the Code of Ethics or the Code of Conduct or any waiver of the Code of Ethics or the Code of Conduct will be disclosed on our web site promptly following the date of such amendment or waiver.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information regarding the beneficial ownership of our Common Stock as of April 15, 2009 by:

- each person, or group of affiliated persons, known by us to be the beneficial owner of more than 5% of our outstanding Common Stock;
- each of our directors;
- each of the Named Executive Officers; and
- all of our directors and executive officers as a group.

Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all of our Common Stock owned by them.

<u>Name of Beneficial Owner</u>	<u>Number of Shares (1)</u>	<u>Percent of Shares Owned</u>
Executive Officers and Directors:		
Philip D. Moyer (2)(3) .....	453,338	1.69%
John C. Ferrara (2) .....	116,667	*
Stefan Chopin (4) .....	524,462	1.95%
Sue Bratone Childs (5) .....	87,750	*
Elizabeth DeMarse (6) .....	45,000	*
Richard L. Feinstein (7) .....	46,667	*
Mark Maged (8) .....	152,940	*
Douglas K. Mellinger (9) .....	25,000	*
John Mutch (10) .....	40,000	*
William J. O'Neill, Jr. (11) .....	15,000	*
All executive officers and directors as a group (10 persons) .....	1,506,824	5.54%
Other 5% Stockholders:		
Dawson-Herman Capital Management (12) .....	2,635,020	9.85%
354 Pequot Avenue		
Southport, CT 06890		
Theodore L. Cross (13) .....	2,036,100	7.61%
One Cambelton Circle		
Princeton, NJ 08540		
Bank of New York Mellon Corp. (14) .....	1,855,172	6.94%
One Wall Street		
New York, NY 10026		
Susan Strausberg (15) .....	1,848,250	6.85%
c/o EDGAR Online, Inc		
50 Washington Street		
Norwalk, CT 06854		
Burnham Asset Management Corporation/Burnham Securities Inc. (16) .....	1,591,300	5.95%
1325 Avenue of the Americas		
New York, NY 1002619		
R.L. Renck & Co., Inc (17) .....	1,437,820	5.38%
116 West 23rd Street, Suite 500		
New York, NY 10011		
Basil P. Regan c/o Regan Partners, L.P. (18) .....	1,421,861	5.32%
32 East 57 <sup>th</sup> Street, 20 <sup>th</sup> Floor		
New York, NY 10002		

\* Less than 1%.

- (1) Shares of Common Stock underlying options currently exercisable or exercisable within 60 days are deemed outstanding for the purpose of computing the percentage ownership of the person holding such options but are not deemed outstanding for computing the percentage ownership of any other person.
- (2) Includes 16,667 shares issuable upon exercise of options exercisable within 60 days.
- (3) Does not include 142,857 shares of restricted stock issuable on vesting after 60 days.
- (4) Includes shares owned jointly with Barbara Chopin, his wife, and 179,166 shares issuable upon exercise of options exercisable within 60 days. Does not include 4,500 shares of restricted stock issuable on vesting after 60 days.
- (5) Includes 50,000 shares issuable upon exercise of options exercisable within 60 days. Does not include 50,000 shares of restricted stock issuable on vesting after 60 days.
- (6) Includes 45,000 shares issuable upon exercise of options exercisable within 60 days.
- (7) Includes 46,667 shares issuable upon exercise of options exercisable within 60 days.
- (8) Includes 62,500 shares issuable upon exercise of options exercisable within 60 days. Does not include 35,677 shares of restricted stock issuable on vesting after 60 days.
- (9) Includes 25,000 shares issuable upon exercise of options exercisable within 60 days.
- (10) Includes 25,000 shares owned by MV Advisors, LLC and 15,000 shares issuable upon exercise of options exercisable within 60 days. Mr. Mutch is the managing partner of MV Advisors, LLC and as such he may be deemed to be the beneficial owner of all the shares held by MV Advisors, LLC.
- (11) Includes 15,000 shares issuable upon exercise of options exercisable within 60 days.
- (12) Reflects amount derived from such entity's Schedule 13G, as filed with the SEC on March 27, 2009.
- (13) Reflects amount derived from such entity's Schedule 13G, as filed with the SEC on February 12, 2009.
- (14) Reflects amount derived from such entity's Schedule 13G/A, as filed with the SEC on February 17, 2009.
- (15) Reflects amount derived from such entity's Schedule 13G/A, as filed with the SEC on February 24, 2009.
- (16) Reflects amount derived from such entity's Schedule 13G, as filed with the SEC on February 11, 2009.
- (16) Reflects amount derived from such entity's Schedule 13G, as filed with the SEC on February 13, 2009.
- (16) Reflects amount derived from such entity's Schedule 13G/A, as filed with the SEC on February 17, 2009.

### Equity Compensation Plans

The following table sets forth information as of December 31, 2008 with respect to compensation plans under which our equity securities are authorized for issuance.

	Number of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number Of Securities Remaining Available For Future Issuance
Equity compensation plans approved by stockholders . . . . .	3,732,772(1)	\$2.50	927,793(2)
Equity compensation plans not approved by stockholders . . . . .	—	—	—
Total . . . . .	<u>3,732,772(1)</u>	<u>\$2.50</u>	<u>927,793(2)</u>

- (1) Includes 172,500 options issued and outstanding in the 1996 Plan with a weighted average exercise price of \$3.96 per share, 1,157,216 options issued and outstanding under the 1999 Plan with a weighted average exercise price of \$2.36 per share, 45,000 options issued and outstanding in the 1999 Directors Plan with a weighted average exercise price of \$1.59 per share, 1,987,500 shares outstanding under the 2005 Plan with a weighted average exercise price of \$2.42 per share, 270,556 unvested shares of restricted stock with a weighted average exercise price of \$0.00 and 100,000 warrants with a weighted average exercise price of \$2.81 per share.
- (2) Includes Common Stock available for issuance under the 2005 Plan.

## **Stock Option Plan Information**

We previously had three stock option plans: the 1996 Plan, the 1999 Plan, as amended, and the 1999 Directors Plan. The 1996 Plan provided for the granting of options to purchase up to an aggregate of 800,000 shares of our authorized but unissued Common Stock to our officers, directors, employees and consultants. The 1999 Plan provided for the granting of options to purchase up to an aggregate of 3,200,000 shares of our authorized but unissued Common Stock to our officers, directors, employees and consultants. The 1999 Directors Plan provided for the granting of options to purchase up to an aggregate of 100,000 shares of our authorized but unissued Common Stock to outside directors. We also assumed the FreeEDGAR Stock Option Plan (the "FreeEDGAR Plan") related to our acquisition of FreeEDGAR in 1999.

In May 2005, we adopted the 2005 Plan. The 2005 Plan replaced the 1999 Plan, the FreeEDGAR Plan, the 1996 Plan and the 1999 Directors Plan, so that shares are available for future awards only under the 2005 Plan. The remaining available shares under the 1999 Plan, the FreeEDGAR Plan, the 1996 Plan and the Directors Plan were made available under the 2005 Plan. In addition, the 2005 Plan made 1,087,500 new shares of our Common Stock available for equity awards. At the Annual Meeting of Stockholders held on June 23, 2008, the 2005 Plan was amended to increase the number of shares available for grant by 1,000,000. The 2005 Plan authorizes a broad range of awards, including stock options, stock appreciation rights, restricted stock grants, and deferred stock grants. Our executive officers and other employees and our subsidiaries, directors, and non-employee directors, consultants and others who provide substantial services to us and our subsidiaries, are eligible to be granted awards under the 2005 Plan.

The exercise price and term of options (including both incentive and non-qualified options) granted under the 2005 Plan are determined by the Compensation Committee, except that the exercise price of incentive stock options must be at least as equal to the fair market value of our Common Stock on the date of grant and the option term cannot exceed ten years. In addition, no incentive stock option may be granted to an individual who, at the time the option is granted, owns, directly or indirectly, stock possessing more than 10% of the total combined voting power of all classes of our Common Stock, unless (1) such option has an exercise price of at least 110% of the fair market value of the Common Stock on the date of the grant of such option and (2) such option cannot be exercised more than five years after the date it is granted. The 2005 Plan also authorizes the Board of Directors to provide for option vesting to accelerate and become fully vested in the event of certain significant corporate transactions if the options are not assumed or substituted by a successor corporation.

At March 31, 2009, options to purchase 2,400,917 shares and 294,307 unvested restricted shares were outstanding under the 2005 Plan, options to purchase 1,132,216 shares were outstanding under the 1999 Plan, options to purchase 27,500 shares were outstanding under the 1996 Plan and options to purchase 45,000 shares were outstanding under the 1999 Directors' Plan. In addition, there are 474,376 options available for future grants under the 2005 Plan at March 31, 2009.

## **Related Persons Transactions Policy**

The Board of Directors is charged with approving transactions involving our directors, executive officers or any nominees for director and any stockholder holding more than 5% of our Common Stock and their immediate family members. There were no such transactions during our last fiscal year. The types of transactions covered by this policy are transactions, arrangements or relationships or any series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) we (including any of our subsidiaries) were, or will be a participant, (2) the aggregate amount involved exceeds \$120,000 in any calendar year, and (3) any related person had, has or will have a direct or indirect interest (other than solely as a result of being a director or holding less than a 10 percent beneficial ownership interest in another entity), and which is required by the rules and regulations of the SEC to be disclosed in our public filings. The Board of Directors will only approve transactions with related persons when the Board of Directors determines such transactions are in our best interests or the best interests of our stockholders. In determining whether to approve or ratify a related

person transaction, the Board of Directors will apply the following standards and such other standards it deems appropriate:

- whether the related person transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances;
- whether the transaction is material to us or the related person;
- the role the related person has played in arranging the related person transaction;
- the structure of the related person transaction;
- the extent of the related person's interest in the transaction; and
- whether there are alternative sources for the subject matter of the transaction.

### **Indemnification Agreements**

We have entered into indemnification agreements with each of our directors and officers. The indemnification agreements and our certificate of incorporation and by-laws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and any person or entity who own more than 10% of a registered class of our Common Stock or other equity securities, to file with the SEC certain reports of ownership and changes in ownership of our securities. Executive officers, directors and stockholders who hold more than 10% of our outstanding Common Stock are required by the SEC to furnish us with copies of all required forms filed under Section 16(a). We prepare Section 16(a) forms on behalf of our executive officers and directors based on the information provided by them. Based solely on review of this information, we believe that, during 2008, no reporting person failed to file the forms required by Section 16(a) of the Securities Exchange Act of 1934 on a timely basis.

## PROPOSAL TWO

### **PROPOSAL TO APPROVE AMENDMENTS TO THE 2005 PLAN TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AVAILABLE FOR AWARD UNDER SUCH PLAN AND TO MAKE CLEAR THAT, UNDER SUCH PLAN, THE COMPANY MAY NOT REPRICE STOCK OPTIONS OR STOCK APPRECIATION RIGHTS (“SARS”) WITHOUT STOCKHOLDER APPROVAL**

Stockholders will be asked at the Annual Meeting to vote on a proposal to approve an amendment to increase the number of shares of Common Stock available for award under the 2005 Plan by 1,000,000 shares of Common Stock. The shares are requested to issue grants to new and existing employees, including the issuance of performance-based grants which align employee performance with the stock and financial success of the Company. The affirmative vote of a majority of the shares of Common Stock present in person or by proxy at the Annual Meeting is required to approve this proposal.

Stockholders are also being asked to delete the discretionary repricing provisions of the 2005 Plan. The 2005 Plan, in Section 8(a), currently allows the Compensation Committee to grant awards in substitution for, exchange for or as a buyout of other awards under the 2005 Plan, awards under other company plans, or other rights to payment from the Company, and to exchange or buy out outstanding awards for cash or other property. It also allows the Compensation Committee to grant awards in addition to and in tandem with other awards or rights. In granting a new award, the Compensation Committee has the option to determine that the in-the-money value or fair value of any surrendered award may be applied to reduce the exercise price of any option, base price of any SAR, or purchase price of any other award. Stockholders are being asked to approve an amendment to Section 8(a) to make clear that the prohibitions in Section 11(e), which restrict the Company from taking actions to reprice any stock options or SARs granted under the 2005 Plan without stockholder approval, supersede the provisions of Section 8(a). This amendment is designed to make clear that no repricing in any form, of stock options or SARS, is available without stockholder approval.

The purpose of the 2005 Plan is to attract and retain skilled and qualified officers, employees and directors by providing long-term incentive compensation opportunities competitive with those made available by other companies, motivate participants to achieve the long-term success and growth of the Company, facilitate ownership of shares of the Company and align the interests of the participants with those of the Company's stockholders.

The 2005 Plan was approved by the Board of Directors on May 19, 2005, and approved by the Company's stockholders at the 2005 Annual Meeting of Stockholders. At the Annual Meeting of Stockholders held on June 23, 2008, the number of shares available for grant under the 2005 Plan was increased by 1,000,000. As of April 15, 2009, there were only 474,376 shares of Common Stock available for future grant under the 2005 Plan.

The Board of Directors believes that equity awards made under the 2005 Plan have been, and continue to be, an important incentive for our officers, employees, and directors. Consequently, we have consistently included equity incentives, in the form of stock options or occasionally restricted stock grants, as a significant component of compensation for our officers and key employees. The Board of Directors' goal is to tie the stockholders' interest securely with that of the Company's officers, employees and directors, so that the financial performance of the Company is directly linked to compensation and recipients of grants pursuant to the 2005 Plan are increasingly motivated to perform at their optimal level.

The Board of Directors believes that the increase in the number of shares available for grant under the 2005 Plan is critical to the successful implementation of the Company's strategic and operational initiatives over the next several years, as it will enable us to provide competitive long-term incentives to the officers and key employees who are responsible for directing and delivering these initiatives. The Board of Directors further believes that the successful completion of these initiatives are essential to building and sustaining long-term stockholder value.

Further, the approval of the increase in the number of shares available for grant under the 2005 Plan will enable us to continue to grant stock options and other awards at levels determined appropriate by the Board of Directors as part of our long-term incentive compensation program. The increase will also provide us with flexibility in designing equity incentives in an environment where a number of companies have moved from traditional stock option grants to other stock-based awards, including SARs, restricted stock awards, restricted stock unit awards, and performance stock awards. Accordingly, the share reserve increase will allow us to continue to use equity incentives to secure and retain the services of our officers, employees, and directors, and to provide long-term incentives that align their interests with those of the Company's stockholders.

### **General Plan Information**

The Board of Directors and the Compensation Committee approved the 2005 Plan to help the Company:

- Attract, retain, motivate and reward officers, employees and directors of the Company and its subsidiaries and consultants and advisors to the Company and its subsidiaries (collectively, "Participants");
- Provide equitable and competitive compensation opportunities; and
- Promote creation of long-term value for stockholders by closely aligning the interests of Participants with the interests of stockholders.

The Board of Directors and the Compensation Committee believe that awards linked to Common Stock and awards with terms tied to Company performance can provide incentives for the achievement of important performance objectives and promote the long-term success of the Company. Therefore, they view the 2005 Plan as a key element of the Company's overall compensation program.

### **Overview of 2005 Plan Awards**

The 2005 Plan authorizes a broad range of awards, including:

- stock options;
- SARs;
- restricted stock, a grant of actual shares subject to a risk of forfeiture and restrictions on transfer;
- deferred stock, a contractual commitment to deliver shares at a future date, which may or may not be subject to a risk of forfeiture (forfeitable deferred stock is sometimes called "restricted stock units");
- other awards based on Common Stock;
- dividend equivalents;
- performance shares or other stock-based performance awards (these include deferred stock or restricted stock awards that may be earned by achieving specific performance objectives);
- cash-based performance awards tied to achievement of specific performance objectives; and
- shares issuable in lieu of rights to cash compensation.

### **Administration**

The 2005 Plan is administered by the Compensation Committee on the basis of a plan year ending on December 31. Each member of the Compensation Committee is a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, an "outside director" as set forth in Section 162(m) of the Internal Revenue Code (the "Code"), and an "independent director" under The NASDAQ Stock Market Marketplace Rules. The Compensation Committee's authority under the 2005 Plan includes, but is not limited to, the authority to: (i) grant awards under the 2005 Plan; (ii) select the officers, employees and eligible directors to whom awards are granted; (iii) determine the types of awards granted and the timing of such awards; (iv) determine whether an award is, or is intended to be, "performance-based compensation" within the

meaning of 162(m) of the Code; (v) determine or modify the terms and conditions of any award, to the extent not inconsistent with the terms of the 2005 Plan and any operative employment or other agreement; (vi) determine whether any conditions or objectives relating to awards have been met; (vii) adopt, alter and repeal such administrative rules, guidelines, practices and administrative forms governing the 2005 Plan as it deems advisable; (viii) construe, interpret, administer and implement the terms of the 2005 Plan, any award and related agreements; (ix) correct any defect, supply any omission and reconcile any inconsistency in or between the 2005 Plan, any award and related agreements; (x) prescribe any legends to be affixed to certificates representing Common Stock or other interests granted or issued under the 2005 Plan; (xi) subsequently modify or waive any terms and conditions of awards, not inconsistent with the terms of the 2005 Plan and any operative employment or other agreement; (xii) promulgate such administrative forms as they from time to time deem necessary or appropriate for administration of the 2005 Plan; and (xiii) otherwise supervise the administration of the 2005 Plan securities to be offered.

For more information on the total number of shares available under the Company's equity compensation plans and subject to outstanding options, warrants and rights as of the end of the last fiscal year, see "Equity Compensation Plans" above.

### **Restriction on Repricing and Loans**

Consistent with the requirements of Nasdaq, the 2005 Plan includes a restriction providing that, without stockholder approval, the Company will not amend or replace options or SARs previously granted under the 2005 Plan in a transaction that constitutes a "repricing." For this purpose, a "repricing" is defined as amending the terms of an option or SAR after it is granted to lower its exercise price, any other action that is treated as a repricing under generally accepted accounting principles, or canceling an option at a time when its strike price is equal to or greater than the fair market value of the underlying stock in exchange for another option, SAR, restricted stock, or other equity, unless the cancellation and exchange occurs in connection with a merger, acquisition, spin-off or other similar corporate transaction. Adjustments to the exercise price or number of shares subject to an option or SAR to reflect the effects of a stock split or other extraordinary corporate transaction will not constitute a "repricing."

The 2005 Plan does not authorize loans from the Company to participants.

Only the number of shares actually delivered to participants in connection with an award after all restrictions have lapsed will be counted against the number of shares reserved under the 2005 Plan. Thus, shares will remain available for new awards if an award expires, is forfeited, or is settled in cash, if shares are withheld or separately surrendered to pay the exercise price of an option or to satisfy tax withholding obligations relating to an award, if fewer shares are delivered upon exercise of an SAR than the number to which the SAR related, or if shares that had been issued as restricted stock are forfeited. The maximum number of shares that may be issued under the 2005 Plan is not affected by (i) the payment in cash of dividends or dividend equivalents in connection with outstanding awards or (ii) the granting or payment of stock-denominated awards that by their terms may be settled only in cash. Shares delivered under the 2005 Plan may be either newly issued or treasury shares.

*Per-Person Award Limitations.* The 2005 Plan includes a limitation on the amount of awards that may be granted to any one participant in a given year in order to qualify awards as "performance-based" compensation not subject to the limitation on deductibility under Section 162(m) of the Code. Under this annual per-person limitation, no participant may in any year be granted share-denominated awards under the 2005 Plan relating to more than his or her "Annual Limit". The Annual Limit equals 300,000 shares plus the amount of the participant's unused Annual Limit relating to share-based awards as of the close of the previous year, subject to adjustment for splits and other extraordinary corporate events. In the case of cash-denominated awards, the 2005 Plan limits performance awards that may be earned by a participant to the participant's defined Annual Limit, which for this purpose equals \$1 million plus the amount of the participant's unused cash Annual Limit as of the close of the previous year. The per-person limit for cash-denominated performance awards does not operate to

limit the amount of share-based awards, and vice versa. These limits apply only to awards under the 2005 Plan, and do not limit the Company's ability to enter into compensation arrangements outside of the 2005 Plan.

*Adjustments.* Adjustments to the number and kind of shares subject to the share limitations and specified in the share-based Annual Limit are authorized in the event of a large, special or non-recurring dividend or distribution, recapitalization, stock split, stock dividend, reorganization, business combination, or other similar corporate transaction or event affecting the Common Stock. The Company is also obligated to adjust outstanding awards upon the occurrence of these types of events to preserve, without enlarging, the rights of the 2005 Plan participants with respect to such awards. The Compensation Committee may adjust performance conditions and other terms of awards in response to these kinds of events or to changes in applicable laws, regulations, or accounting principles, except that adjustments to awards intended to qualify as "performance-based" generally must conform to requirements imposed by Section 162(m).

*Eligibility.* Executive officers and other employees of the Company and its subsidiaries, and non-employee directors, consultants and others, who provide substantial services to the Company and its subsidiaries, are eligible to be granted awards under the 2005 Plan. In addition, any person who has been offered employment by the Company or a subsidiary may be granted awards, but such prospective grantee may not receive any payment or exercise any right relating to an award until he or she has commenced employment or the providing of services.

*Administration.* The 2005 Plan is administered by the Compensation Committee, except that the Board of Directors may itself act to administer the Plan. (References to the "Committee" here mean the Compensation Committee or the full Board of Directors exercising authority with respect to a given Award.) Subject to the terms and conditions of the 2005 Plan, the Committee is authorized to select participants, determine the type and number of awards to be granted and the number of shares to which awards will relate or the amount of a performance award, specify times at which awards will be exercisable or settled, including performance conditions that may be required as a condition thereof, set other terms and conditions of such awards, prescribe forms of award agreements, interpret and specify rules and regulations relating to the 2005 Plan, and make all other determinations which may be necessary or advisable for the administration of the 2005 Plan. Nothing in the 2005 Plan precludes the Committee from authorizing payment of other compensation, including bonuses based upon performance, to officers and employees, including the Named Executive Officers, outside of the 2005 Plan. The 2005 Plan provides that members of the Committee and the Board of Directors shall not be personally liable, and shall be fully indemnified, in connection with any action, determination, or interpretation taken or made in good faith under the 2005 Plan.

*Stock Options and SARs.* The Committee is authorized to grant stock options, including both incentive stock options ("ISOs"), which can result in potentially favorable tax treatment to the participant, and non-qualified stock options. SARs may also be granted, entitling the participant to receive the excess of the fair market value of a share on the date of exercise over the SAR's designated "base price." The exercise price of an option and the base price of an SAR are determined by the Committee, but generally may not be less than the fair market value of the shares on the date of grant (except as described below under "*Other Terms of Awards*"). The maximum term of each option or SAR will be ten years. Subject to this limit, the times at which each option or SAR will be exercisable and provisions requiring forfeiture of unexercised options (and in some cases gains realized upon an earlier exercise) at or following termination of employment or upon the occurrence of other events generally are fixed by the Committee. Options may be exercised by payment of the exercise price in cash, shares having a fair market value equal to the exercise price or surrender of outstanding awards or other property having a fair market value equal to the exercise price, as the Committee may determine. This may include withholding of option shares to pay the exercise price if that would not result in additional accounting expense. The Committee also is permitted to establish procedures for broker-assisted cashless exercises. Methods of exercise and settlement and other terms of SARs will be determined by the Committee. SARs may be exercisable for shares or for cash, as determined by the Committee. Options and stock appreciation rights may be granted on terms that cause such awards not to be subject to Code Section 409A ("Section 409A"). Alternatively, such awards and cash stock

appreciation rights may have terms that cause those awards to be deemed deferral arrangements subject to Section 409A. The Committee can require that outstanding options be surrendered in exchange for a grant of SARs with economically matching terms.

*Restricted and Deferred Stock/Restricted Stock Units.* The Committee is authorized to grant restricted stock and deferred stock. Prior to the end of the restricted period, shares granted as restricted stock may not be sold, and will be forfeited in the event of termination of employment in specified circumstances. The Committee will establish the length of the restricted period for awards of restricted stock. Aside from the risk of forfeiture and non-transferability, an award of restricted stock entitles the participant to the rights of a stockholder of the Company, including the right to vote the shares and to receive dividends (which may be forfeitable or non-forfeitable), unless otherwise determined by the Committee.

Deferred stock gives a participant the right to receive shares at the end of a specified deferral period. Deferred stock subject to forfeiture conditions may be denominated as an award of “restricted stock units.” The Committee will establish any vesting requirements for deferred stock/restricted stock units granted for continuing services. One advantage of restricted stock units, as compared to restricted stock, is that the period during which the award is deferred as to settlement can be extended past the date the award becomes non-forfeitable, so the Committee can require or permit a participant to continue to hold an interest tied to Common Stock on a tax-deferred basis. Prior to settlement, deferred stock awards, including restricted stock units, carry no voting or dividend rights or other rights associated with stock ownership, but dividend equivalents (which may be forfeitable or non-forfeitable) will be paid or accrued if authorized by the Committee.

*Other Stock-Based Awards, Stock Bonus Awards, and Awards in Lieu of Other Obligations.* The 2005 Plan authorizes the Committee to grant awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Common Stock. The Committee will determine the terms and conditions of such awards, including the consideration to be paid to exercise awards in the nature of purchase rights, the periods during which awards will be outstanding, and any forfeiture conditions and restrictions on awards. In addition, the Committee is authorized to grant shares as a bonus free of restrictions, or to grant shares or other awards in lieu of obligations under other plans or compensatory arrangements, subject to such terms as the Committee may specify.

*Performance-Based Awards.* The Committee may grant performance awards, which may be cash-denominated awards or share-based awards. Generally, performance awards require satisfaction of pre-established performance goals, consisting of one or more business criteria and a targeted performance level with respect to such criteria as a condition of awards being granted or becoming exercisable or settleable, or as a condition to accelerating the timing of such events. Performance may be measured over a period of any length specified by the Committee. If so determined by the Committee, in order to avoid the limitations on tax deductibility under Section 162(m) of the Code, the business criteria used by the Committee in establishing performance goals applicable to performance awards to the named executive officers will be selected from among the following:

- Sales or sales growth;
- Expenses or expense ratios;
- Operating income, earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items;
- Net income or net income per common share (basic or diluted; including or excluding extraordinary items);
- Return on assets, return on investment, return on capital, or return on equity;
- Cash flow, free cash flow, cash flow return on investment, or net cash provided by operations;
- Economic profit or value created;

- Stock price or total stockholder return; and
- Specific strategic or operational business criteria, including market penetration, geographic expansion, new concept development goals, new projects, new products, or new ventures; customer satisfaction; staffing, training and development, succession planning or employee satisfaction; goals relating to acquisitions, divestitures, affiliates or joint ventures.

The Committee retains discretion to set the level of performance for a given business criteria that will result in the earning of a specified amount under a performance award. These goals may be set with fixed, quantitative targets, targets relative to past Company performance, or targets compared to the performance of other companies, such as a published or special index or a group of companies selected by the Committee for comparison. The Committee may specify that these performance measures will be determined before payment of bonuses, capital charges, non-recurring or extraordinary income or expense, or other financial and general and administrative expenses for the performance period, if so specified by the Committee.

*Annual Incentive Awards.* One type of performance award that may be granted under the 2005 Plan is annual incentive awards, settleable in cash or in shares upon achievement of preestablished performance objectives achieved during a specified period of up to one year. The Committee generally must establish the terms of annual incentive awards, including the applicable performance goals and the corresponding amounts payable (subject to per-person limits), and other terms of settlement, and all other terms of these awards, not later than 90 days after the beginning of the fiscal year. As stated above, annual incentive awards granted to Named Executives Officers are intended to constitute “performance-based compensation” not subject to the limitation on deductibility under Code Section 162(m). In order for such an annual incentive award to be earned, one or more of the performance objectives described in the preceding paragraph will have to be achieved. The Committee may specify additional requirements for the earning of such awards.

*Other Terms of Awards.* Awards may be settled in cash, shares, other awards or other property, in the discretion of the Committee. The Committee may require or permit participants to defer the settlement of all or part of an award, including shares issued upon exercise of an option subject to compliance with Code Section 409A, in accordance with such terms and conditions as the Committee may establish, including payment or crediting of interest or dividend equivalents on any deferred amounts. The 2005 Plan allows vested but deferred awards to be paid out to the participant in the event of an unforeseeable emergency. The Committee is authorized to place cash, shares or other property in trusts or make other arrangements to provide for payment of the Company’s obligations under the 2005 Plan. The Committee may condition awards on the payment of taxes, and may provide for mandatory or elective withholding of a portion of the shares or other property to be distributed in order to satisfy tax obligations. Awards granted under the 2005 Plan generally may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of descent and distribution, or to a designated beneficiary upon the participant’s death, except that the Committee may permit transfers of awards other than incentive stock options on a case-by-case basis. This flexibility can allow for estate planning or other limited transfers consistent with the incentive purpose of the 2005 Plan.

The Committee is authorized to impose non-competition, non-solicitation, confidentiality, non-disparagement and other requirements as a condition on the participant’s right to retain an award or gains realized by exercise or settlement of an award. Awards under the 2005 Plan may be granted without a requirement that the participant pay consideration in the form of cash or property for the grant (as distinguished from the exercise), except to the extent required by law.

The 2005 Plan currently allows the Committee to grant awards in substitution for, exchange for or as a buyout of other awards under the 2005 Plan, awards under other Company plans, or other rights to payment from the Company, and to exchange or buy out outstanding awards for cash or other property. It also allows the Committee to grant awards in addition to and in tandem with other awards or rights. In granting a new award, the Committee has the option to determine that the in-the-money value or fair value of any surrendered award may be applied to reduce the exercise price of any option, base price of any SAR, or purchase price of any other

award. Pursuant to this Proposal Two, the 2005 Plan is being amended to make clear that with, respect to stock options and SARs, the prohibition on repricing supersede the provisions described in this paragraph.

*Dividend Equivalents.* The Committee may grant dividend equivalents. These are rights to receive payments equal in value to the amount of dividends paid on a specified number of shares of Common Stock while an award is outstanding. These amounts may be in the form of cash or rights to receive additional awards or additional shares of Common Stock having a value equal to the cash amount. The awards may be granted on a stand-alone basis or in conjunction with another award, and the Committee may specify whether the dividend equivalents will be forfeitable or non-forfeitable. Typically, rights to dividend equivalents are granted in connection with restricted stock units or deferred stock, so that the participant can earn amounts equal to dividends paid on the number of shares covered by the award while the award is outstanding.

*Vesting, Forfeitures, and Related Award Terms.* The Committee may in its discretion determine the vesting schedule of options and other awards, the circumstances that will result in forfeiture of the awards, the post-termination exercise periods of options and similar awards, and the events that will result in acceleration of the ability to exercise and the lapse of restrictions, or the expiration of any deferral period, on any award.

In addition, the 2005 Plan provides that following a “Change in Control,” the Committee may take any of the following actions with respect to an award: provide for its full vesting, provide for its termination beyond the date of full vesting, deem performance goals to have been met, provide for the settlement of an award in cash or for termination of the award or cause the award to be assumed as part of the transaction. A “Change of Control” generally includes (A) a merger, reorganization, consolidation, or similar transaction in which the stockholders of the Company immediately prior to the transaction do not own more than 50% of the voting power of the surviving corporation in substantially the same proportions as before the transaction , (B) stockholder approval of a liquidation or dissolution of the Company, (C) sale of substantially all assets of the Company, (D) any “person” becomes the owner, directly or indirectly of shares representing at least 25% of the Company’s voting power, or (E) certain changes of more than half of the membership of the Board of Directors. Change in control provisions are limited, however, by applicable restrictions under Code Section 409A.

*Amendment and Termination of the 2005 Plan.* The Board of Directors may amend, suspend, discontinue, or terminate the 2005 Plan or the Committee’s authority to grant awards thereunder without stockholder approval, except as required by law or regulation or under the Marketplace Rules of the Nasdaq. Nasdaq Marketplace rules now require stockholder approval of any material amendment to plans such as the 2005 Plan. Under these rules, however, stockholder approval will not necessarily be required for all amendments which might increase the cost of the 2005 Plan or broaden eligibility. Unless earlier terminated, the authority of the Committee to make grants under the 2005 Plan will terminate ten years after the latest stockholder approval of the 2005 Plan, and the 2005 Plan will terminate when no shares remain available and the Company has no further obligation with respect to any outstanding award.

### **Federal Income Tax Implications of the 2005 Plan**

The Company believes that under current law the following Federal income tax consequences generally would arise with respect to awards under the 2005 Plan.

Options and SARs that are not deemed to be deferral arrangements under Section 409A would have the following tax consequences: The grant of an option or an SAR will create no federal income tax consequences for the participant or the Company. A participant will not have taxable income upon exercising an option which is an ISO, except that the alternative minimum tax may apply. Upon exercising an option which is not an ISO, the participant generally must recognize ordinary income equal to the difference between the exercise price and the fair market value of the freely transferable and nonforfeitable shares acquired on the date of exercise. Upon exercising an SAR, the participant must generally recognize ordinary income equal to the cash or the fair market value of the shares received.

Upon a disposition of shares acquired upon exercise of an ISO before the end of the applicable ISO holding periods, the participant must generally recognize ordinary income equal to the lesser of (i) the fair market value of the ISO shares at the date of exercise minus the exercise price or (ii) the amount realized upon the disposition of the ISO shares minus the exercise price. Otherwise, a participant's sale of shares acquired by exercise of an option generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the participant's tax "basis" in such shares. The tax "basis" normally is the exercise price plus any amount he or she recognized as ordinary income in connection with the option's exercise. A participant's sale of shares acquired by exercise of an SAR generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the tax "basis" in the shares, which generally is the amount he or she recognized as ordinary income in connection with the SAR's exercise.

The Company normally can claim a tax deduction equal to the amount recognized as ordinary income by a participant in connection with an option or SAR, but no tax deduction relating to a participant's capital gains. Accordingly, the Company will not be entitled to any tax deduction with respect to an ISO if the participant holds the shares for the applicable ISO holding periods before selling the shares.

Some options and SARs, such as those with deferral features, and an SAR settleable in cash, may be subject to Code Section 409A, which regulates deferral arrangements. In such case, the distribution to the participant of shares or cash relating to the award would have to meet certain restrictions in order for the participant not to be subject to tax and a tax penalty at the time of vesting. One significant restriction would be a requirement that the distribution not be controlled by the participant's discretionary exercise of the option or stock appreciation right (subject to limited exceptions). If the distribution and other award terms meet applicable requirements under Section 409A, the participant would realize ordinary income at the time of distribution rather than earlier, with the amount of ordinary income equal to the distribution date value of the shares less any exercise price actually paid. The Company would not be entitled to a tax deduction at the time of exercise, but would become entitled to a tax deduction at the time shares are delivered at the end of the deferral period.

Awards other than options and stock appreciation rights that result in a transfer to the participant of cash or shares or other property generally will be structured under the 2005 Plan to meet applicable requirements under Code Section 409A. If no restriction on transferability or substantial risk of forfeiture applies to amounts distributed to a participant, the participant generally must recognize ordinary income equal to the cash or the fair market value of shares actually received. Thus, for example, if the Company grants an award of deferred stock that has vested or requires or permits deferral of receipt of cash or shares under a vested award, the participant should not become subject to income tax until the time at which shares are actually delivered, and the Company's right to claim a tax deduction will be deferred until that time. On the other hand, if a restriction on transferability and substantial risk of forfeiture applies to shares or other property actually distributed to a participant under an award (such as, for example, a grant of restricted stock), the participant generally must recognize ordinary income equal to the fair market value of the transferred amounts at the earliest time either the transferability restriction or risk of forfeiture lapses. In all cases, the Company can claim a tax deduction in an amount equal to the ordinary income recognized by the participant, except as discussed below. A participant may elect to be taxed at the time of grant of restricted stock or other property rather than upon lapse of restrictions on transferability or the risk of forfeiture, but if the participant subsequently forfeits such shares or property he or she would not be entitled to any tax deduction, including as a capital loss, for the value of the shares or property on which he or she previously paid tax.

Any award that is deemed to be a deferral arrangement (excluding certain exempted short-term deferrals) will be subject to Code Section 409A. Certain participant elections and the timing of distributions relating to such awards must meet requirements under Section 409A in order for income taxation to be deferred and tax penalties avoided by the participant upon vesting of the award.

As discussed above, compensation that qualifies as "performance-based" compensation is excluded from the \$1 million deductibility cap of Code Section 162(m), and therefore remains fully deductible by the company that

pays it. Under the 2005 Plan, options and SARs granted with an exercise price or base price at least equal to 100% of fair market value of the underlying stock at the date of grant, annual incentive awards to employees the Committee expects to be named executive officers at the time compensation is received, and certain other awards which are conditioned upon achievement of performance goals are intended to qualify as such “performance-based” compensation. A number of requirements must be met in order for particular compensation to so qualify, however, so there can be no assurance that such compensation under the 2005 Plan will be fully deductible under all circumstances. In addition, other awards under the 2005 Plan generally will not so qualify, so that compensation paid to named executive officers in connection with such awards may, to the extent it and other compensation subject to Section 162(m)’s deductibility cap exceed \$1 million in a given year, not be deductible by the Company as a result of Section 162(m).

The foregoing provides only a general description of the application of federal income tax laws to certain awards under the 2005 Plan. This discussion is intended for the information of stockholders considering how to vote at the Annual Meeting and not as tax guidance to participants in the 2005 Plan, as the consequences may vary with the types of awards made, the identity of the recipients and the method of payment or settlement. Different tax rules may apply, including in the case of variations in transactions that are permitted under the 2005 Plan (such as payment of the exercise price of an option by surrender of previously acquired shares). The summary does not address the effects of other federal taxes (including possible “golden parachute” excise taxes) or taxes imposed under state, local, or foreign tax laws.

#### **New Plan Benefits**

The amount, if any, of any awards to officers, directors, employees and consultants under the 2005 Plan will be determined in the future discretion of our Board of Directors and is not presently determinable. Information regarding awards to our named executive officers and directors in fiscal year 2008 and awards held by such officers and directors at December 31, 2008 is provided in the Grants of Plan Based Awards table, the Outstanding Equity Awards at Fiscal Year-End table and the Director Summary Compensation table in the “Executive Compensation” section of this proxy statement.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” APPROVAL OF THE AMENDMENTS TO THE 2005 PLAN TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AVAILABLE FOR AWARD UNDER SUCH PLAN AND TO MAKE CLEAR THAT, UNDER SUCH PLAN, THE COMPANY MAY NOT REPRICE STOCK OPTIONS OR SARs WITHOUT STOCKHOLDER APPROVAL**

## PROPOSAL THREE

### RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company's Audit Committee has appointed the firm of BDO Seidman to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2009, and is asking the stockholders to ratify this appointment. The affirmative vote of a majority of the shares of Common Stock present in person or by proxy at the Annual Meeting is required to ratify the selection of BDO Seidman. A representative of BDO Seidman is expected to be present at the Annual Meeting and will have an opportunity to make a statement at such time and respond to appropriate questions.

In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

### FEES PAID TO BDO SEIDMAN

During 2007 and 2008, we retained our principal accountants, BDO Seidman, in several capacities (in thousands):

	<u>2007</u>	<u>2008</u>
Audit Fees—Annual Audit and Quarterly Reviews . . . . .	\$270	\$215
Audit-Related Fees . . . . .	38	53
Tax Fees . . . . .	—	—
All Other Fees . . . . .	—	—
Total . . . . .	<u>\$308</u>	<u>\$268</u>

*Audit Fees.* Audit fees represent amounts incurred in connection with the audit of our annual financial statements included in our Form 10-K and review of quarterly financial statements included in our Forms 10-Q. In addition, audit fees in 2007 include fees for the audit of our internal control over financial reporting with the objective of obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

*Audit-Related Fees.* Audit-related fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and internal controls over financial reporting, including services in connection with the audit of our employee benefit plan and various consultations.

### AUDIT COMMITTEE POLICY ON PRE-APPROVAL OF SERVICES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

*Pre-Approval Policies.* Pursuant to the rules and regulations of the SEC, before our independent registered accounting firm is engaged to render audit or non-audit services, the engagement must be approved by the Audit Committee or entered into pursuant to the Audit Committee's pre-approval policies and procedures. The policy granting pre-approval to certain specific audit and audit-related services and specifying the procedures for pre-approving other services is set forth in the Amended and Restated Charter of the Audit Committee, a copy of which is available on our website at [www.edgar-online.com](http://www.edgar-online.com).

All fees paid by us to our independent registered public accounting firm were approved by the Audit Committee in advance of the services being performed by such auditors.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE  
SELECTION OF BDO SEIDMAN TO SERVE AS THE COMPANY'S INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING  
DECEMBER 31, 2009.**

## **OTHER MATTERS**

The Company knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent as the Board of Directors may recommend. Discretionary authority with respect to such other matters is granted by the execution of the enclosed proxy.

## **ANNUAL REPORT**

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 accompanies this proxy statement. Upon written request, we will send to stockholders of record, without charge, additional copies of our Annual Report on Form 10-K (without exhibits) and additional copies of this proxy statement, each of which we have filed with the Securities and Exchange Commission. In addition, upon written request and payment of a fee equal to our reasonable expenses, we will send to stockholders of record copies of any exhibit to our Annual Report on Form 10-K filed with the Securities and Exchange Commission. All written requests should be sent to EDGAR Online, Inc., 122 East 42<sup>nd</sup> Street, Suite 2400, New York, New York, 10168, Attention: Corporate Secretary.

**By Order of the Board of Directors**



Philip D. Moyer  
President and Chief Executive Officer

Dated: April 27, 2009



