

CHOICEPOINT INC  
Form PRE 14A  
March 15, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CHOICEPOINT INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
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  - (4) Proposed maximum aggregate value of transaction:
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

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**ChoicePoint Inc.  
1000 Alderman Drive  
Alpharetta, Georgia 30005**

Dear Shareholders,

It is my pleasure to invite you to attend the 2006 Annual Meeting of Shareholders of ChoicePoint Inc., which will be held at the Lowes Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203, on Tuesday, April 25, 2006 at 10:00 a.m., local time.

Information concerning the meeting, the nominees for the Board of Directors and other business to be conducted at the meeting is contained in the Notice of Annual Meeting of Shareholders and related Proxy Statement which follow.

It is important that your shares be represented at the meeting in order for the presence of a quorum to be assured and for your vote to be counted. Please return your signed proxy card promptly, whether or not you plan to attend the meeting. You also may also vote by telephone or via the Internet by following the instructions on your proxy card. Your vote is very important to ChoicePoint.

We appreciate your support in helping ChoicePoint create a safer, more secure society through the responsible use of information. On behalf of the officers and directors of ChoicePoint, we wish to thank you for your continuing confidence in ChoicePoint.

Derek V. Smith  
*Chairman and Chief Executive Officer*

Alpharetta, Georgia  
March [ ], 2006

**YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY OR  
VOTE BY TELEPHONE OR BY THE INTERNET.**

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**CHOICEPOINT INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held On April 25, 2006**

NOTICE IS HEREBY GIVEN that ChoicePoint Inc. will hold the 2006 annual meeting of its shareholders (the Annual Meeting ) on Tuesday, April 25, 2006 at 10:00 a.m. local time, for the following purposes:

- (1) To elect one director for a term expiring in 2007 and four directors for terms expiring in 2009;
- (2) To approve amendments to the Company s Articles of Incorporation and the Amended and Restated Bylaws to declassify the Board of Directors;
- (3) To approve the ChoicePoint Inc. 2006 Omnibus Incentive Plan;
- (4) To ratify the appointment of the Company s independent registered public accountants; and
- (5) To transact any other business properly brought before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors is not currently aware of any other matters that will come before the Annual Meeting. Only ChoicePoint shareholders of record at the close of business on March 7, 2006 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

Regardless of whether you plan to attend the Annual Meeting in person, you are urged to vote promptly by dating, signing and returning the enclosed proxy card in the accompanying envelope, or by voting by telephone or via the Internet as instructed on your proxy card.

By Order of the Board of Directors,

David W. Davis  
*Corporate Secretary*

Alpharetta, Georgia  
March [ ], 2006

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**CHOICEPOINT INC.  
1000 Alderman Drive  
Alpharetta, Georgia 30005**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**To be Held April 25, 2006**

The 2006 Annual Meeting of Shareholders of ChoicePoint Inc. ( ChoicePoint, the Company, our, we or us ) will be held on April 25, 2006, at the Lowes Vanderbilt Hotel, 2100 West End Avenue, Nashville, Tennessee 37203, beginning promptly at 10:00 a.m., local time (the Annual Meeting ). The enclosed form of proxy is solicited by our Board of Directors. It is anticipated that this proxy statement and the accompanying proxy card will first be mailed to holders of our common stock on or about March [ ], 2006.

**ABOUT THE MEETING**

**Why am I receiving these proxy materials?**

You are receiving these proxy materials because you own shares of common stock in ChoicePoint Inc. This proxy statement describes issues on which we would like you, as a shareholder, to vote. It also gives you information on these issues so that you can make an informed decision.

When you vote you appoint Derek V. Smith, Douglas C. Curling and David W. Davis as your representatives at the Annual Meeting. Messrs. Smith, Curling and Davis will vote your shares, as you have instructed them, at the Annual Meeting. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, it is a good idea to vote in advance of the Annual Meeting in the event your plans change.

If an issue properly comes up for vote at the Annual Meeting that is not on the proxy card, Messrs. Smith, Curling and Davis will vote your shares, under your proxy, in accordance with their best judgment.

**What am I voting on?**

You are being asked to vote on:

the election of one director for a term expiring in 2007 and four directors for terms expiring in 2009;

approval of amendments to the Company's Articles of Incorporation and the Amended and Restated Bylaws (the Bylaws ) to declassify the Board of Directors;

approval of the ChoicePoint Inc. 2006 Omnibus Incentive Plan; and

the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants.

No cumulative voting rights are authorized and dissenters' rights are not applicable to these matters.

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### **Who is entitled to vote?**

Shareholders as of the close of business on March 7, 2006 are entitled to vote at the Annual Meeting. This is referred to as the record date. Each share of common stock is entitled to one vote.

### **How do I vote?**

*You may vote by mail.* You do this by signing and dating your proxy card or voting instruction form and mailing it in the enclosed, prepaid and addressed envelope.

*You may vote by telephone.* You do this by calling the toll-free telephone number on your proxy card or voting instruction form on a touch-tone phone. Be sure to have your proxy card or voting instruction form available. Telephone voting facilities for shareholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Daylight Time on April 24, 2006. If you hold your shares in the name of a bank or broker, your ability to vote by telephone depends on their voting processes. Please follow the directions on your proxy card or voting instruction form carefully.

*You may vote by Internet.* You do this by visiting the Internet site at [www.cesvote.com](http://www.cesvote.com). Internet voting facilities for shareholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Daylight Time on April 24, 2006. If you hold your shares in the name of a bank or broker, your ability to vote by the Internet depends on their voting processes. Please follow the directions on your proxy card carefully.

*You may also vote in person at the Annual Meeting.* Written ballots will be available to anyone who wants to vote at the Annual Meeting. If you hold your shares in street name (through a broker or other nominee, such as a bank), you must request a legal proxy from your bank or broker in order to vote at the Annual Meeting.

### **How many shares must be present in order to hold the Annual Meeting?**

As of March 7, 2006, 86,184,037 shares of common stock were issued and outstanding, excluding 4,997,416 treasury shares. A majority of the outstanding shares as of the record date, equal to 43,092,019 shares, must be present at the Annual Meeting either in person or by proxy in order to hold the Annual Meeting and conduct business. This is called a quorum.

### **What does it mean if I receive more than one proxy card?**

It means that you have multiple accounts at the transfer agent and/or with brokers. Please vote all proxy cards to ensure that all your shares are voted. You may wish to consolidate as many of your transfer agent or brokerage accounts as possible under the same name and address for better customer service.

### **What if I change my mind after I return my proxy?**

If you are a shareholder of record, you may revoke your proxy and change your vote at any time before the polls close at the Annual Meeting. You may do this by:

sending written notice to our Corporate Secretary at 1000 Alderman Drive, Alpharetta, Georgia 30005;

signing another proxy with a later date;

voting again by telephone or Internet; or

voting in person at the Annual Meeting.

If you hold your shares in street name, you may submit new voting instructions by contacting your bank, stockbroker or other holder of record. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described above.

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**How may I vote for the nominees for election of director?**

With respect to the election of nominees for director, you may:

vote FOR the election of each of the five nominees for director;

WITHHOLD AUTHORITY to vote for any of the five nominees; or

WITHHOLD AUTHORITY to vote for one or more of the nominees and vote FOR the remaining nominee or nominees.

**How many votes must the nominees for election as director receive to be elected?**

If a quorum is present at the Annual Meeting, the nominee that receives the greatest number of affirmative votes of the nominees for a term expiring in 2007 and the four nominees receiving the greatest number of affirmative votes of all nominees for a term expiring in 2009, known as a plurality, will be elected to serve as directors. Shares that are not voted and shares for which votes are withheld will not affect the outcome of the election for directors. Withholding authority to vote for a particular nominee will not prevent that nominee from being elected.

**What happens if a nominee is unable to stand for election?**

The Board of Directors may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter event, shares represented by proxies may be voted for a substitute nominee.

**How may I vote for approval of the ChoicePoint Inc. 2006 Omnibus Incentive Plan?**

With respect to the proposal to approve the ChoicePoint Inc. 2006 Omnibus Incentive Plan, you may:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

**How many votes must the approval of the ChoicePoint Inc. 2006 Omnibus Incentive Plan receive to pass?**

If a quorum is present at the Annual Meeting, the proposal to approve the ChoicePoint Inc. 2006 Omnibus Incentive Plan must receive the affirmative vote of a majority of the votes cast on this proposal, provided that the total number of votes cast on this matter represents greater than 50% of ChoicePoint's outstanding shares entitled to vote. Abstentions are counted as votes cast on this proposal and, as a result, have the same effect as a vote against the proposal.

**How may I vote for approval of the amendments to the Articles of Incorporation and to the Bylaws to declassify the Board of Directors?**

With respect to the proposal to approve the amendments to the Articles of Incorporation and Bylaws to declassify the Board of Directors, you may:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

**How many votes must the approval of the amendments to the Articles of Incorporation and Bylaws to declassify the Board of Directors receive to pass?**

The approval of the amendment to Articles of Incorporation requires the affirmative vote of a majority of shares entitled to vote on the matter. The approval of an amendment to the Bylaws only requires that the number of votes cast favoring the action exceed the number of votes cast opposing the action. However, the amendments to the Articles of Incorporation and the Bylaws are intended to achieve the

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same purpose of declassifying the Board of Directors and therefore the amendment to the Bylaws is being submitted to shareholders contingent on the amendment to the Articles of Incorporation also being approved. Accordingly, the combined proposal to approve both amendments will only be approved if a quorum is present at the Annual Meeting and the proposal receives the affirmative vote of a majority of shares entitled to vote on the matter. Abstentions will have the same effect as a vote against approving this proposal.

### **How may I vote for the ratification of the appointment of the independent registered public accountants?**

With respect to the proposal to ratify the appointment of Deloitte & Touche LLP as ChoicePoint's independent registered public accountants for fiscal year 2006, you may:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

### **How many votes must the ratification of the appointment of the independent registered public accountants receive to pass?**

If a quorum is present at the Annual Meeting, the proposal to ratify the appointment of the independent registered public accountants will be approved if the number of votes cast favoring the action exceeds the number of votes cast opposing the action. Abstentions are neither counted as votes cast for or against this proposal and, as a result, have no effect on the outcome of the vote.

### **What happens if I sign and return my proxy card but do not provide voting instructions?**

If you return a signed proxy card but do not provide voting instructions, your shares will be voted FOR election of each of the five named director nominees, FOR the amendments to the Company's Articles of Incorporation and Bylaws to declassify the Board of Directors, FOR the approval of the ChoicePoint Inc. 2006 Omnibus Incentive Plan, and FOR the ratification of the appointment of the independent registered public accountants. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

### **Will my shares be voted if I do not sign and return my proxy card?**

If your shares are held in street name, your bank or brokerage firm may vote your shares under certain circumstances. These circumstances include certain routine matters, such as the election of directors and the ratification of independent registered public accountants. Therefore, if you do not vote your shares, your bank or brokerage firm may either vote your shares on routine matters or leave your shares unvoted. When a bank or brokerage firm votes its customers' unvoted shares on routine matters, these shares are also counted for purposes of establishing a quorum to conduct business at the meeting.

A bank or brokerage firm cannot vote customers' shares on non-routine matters such as the approval of the amendments to the Articles of Incorporation and Bylaws or approval of the 2006 Omnibus Incentive Plan without direction from the beneficial owner. Therefore, if your shares are held in street name and you do not vote your shares, your shares will not be voted on these non-routine matters. These broker non-votes are counted for purposes of establishing a quorum for the Annual Meeting; however, broker non-votes are neither counted as votes cast for or against a matter presented for shareholder consideration and, as a result, have no effect on the outcome of the vote, except with regard to the proposal to amend the Articles of Incorporation and Bylaws, in which case broker non-votes have the same effect as a vote against the proposal.

### **Where do I find the voting results of the meeting?**

We will announce preliminary voting results at the meeting and will publish the final results in the Company's Quarterly Report on Form 10-Q for the second quarter of fiscal 2006. The report will be filed with the Securities and Exchange Commission (the SEC), and you will be able to get a copy by contacting our Corporate Secretary at (770) 752-6000, the SEC at (800) SEC-0330 for the location of

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the nearest public reference room, through our Web site at [www.choicepoint.com](http://www.choicepoint.com) or the SEC's EDGAR system at [www.sec.gov](http://www.sec.gov).

**CORPORATE GOVERNANCE**

The ChoicePoint Board of Directors represents the shareholders' interests in achieving a successful business and increasing shareholder value in long-term financial returns and has always been committed to the highest level of corporate governance. The Board has a responsibility to its shareholders, employees, customers, and to the communities where it operates, to ensure that the Company operates with the highest professional, ethical, legal and socially responsible standards and to use information responsibly while helping our customers manage economic risks and threats to society.

**Director Independence**

Since ChoicePoint became a public company, the Board of Directors has always been comprised of a majority of independent directors, as required by the New York Stock Exchange listing standards. In July 2002, the Board of Directors created the position of lead director, whose primary responsibility is to preside over the regular executive sessions of the Board of Directors in which management directors and other members of management do not participate. The non-management directors elected Charles I. Story as lead director to preside over the Executive Sessions.

The Board of Directors has affirmatively determined that all of the directors and nominees for director are independent under the New York Stock Exchange listing standards, and the ChoicePoint categorical listing standards, with the exception of Derek V. Smith and Douglas C. Curling, each of whom are considered inside directors because of their employment with the Company. The ChoicePoint Board of Directors has adopted the following categorical listing standards:

In no event will a director be considered independent if:

the director was employed by the Company or any of its direct or indirect subsidiaries within the preceding three years;

an immediate family member of the director was employed by the Company or any of its direct or indirect subsidiaries as an executive officer within the preceding three years;

an immediate family member of the director is a current employee of the Company's internal or external auditor and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice;

the director or any immediate family member received more than \$100,000 during any 12-month period within the last three years in direct compensation from the Company or any of its direct or indirect subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (as long as such compensation is not contingent in any way on continued service);

the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor;

the director is a current employee at a firm that is the Company's internal or external auditor;

the director or an immediate family member of the director was within the last three years (but is no longer) a partner or employee of the Company's internal or external auditor and personally worked on the Company's audit within that time;

an executive officer of the Company was on the compensation committee of the board of directors of a company that employed either the director or an immediate family member of the director as an executive officer; or



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the director is or within the last three years was an executive officer or an employee, or an immediate family member of the director is or within the last three years was an executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million, or 2% of the other company's consolidated gross revenues.

The following relationships will not be considered to be material relationships that would impair a director's independence:

if a director is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of the indebtedness is less than one percent of the total consolidated assets of the indebted company; and

if a director serves as an executive officer, director or trustee, or an immediate family member of the director serves as an executive officer, of a charitable organization and the Company's charitable contributions to the organization in any of the last three fiscal years, in the aggregate, are less than (1) one percent of that organization's latest publicly-available consolidated gross revenues (or annual charitable receipts, if revenue information is not available) or (2) \$50,000, whichever is greater.

### **Corporate Governance Guidelines**

The ChoicePoint Inc. Corporate Governance Guidelines incorporate the practices and policies under which the Board has operated, including the requirement that a substantial majority of directors be outside, independent directors and that the Audit Committee, Management Compensation and Benefits Committee (the Compensation Committee) and the Corporate Governance and Nominating Committee be comprised entirely of independent directors. Principal topics addressed by the Corporate Governance Guidelines include:

Board composition, including board size, independence of directors, number of independent directors, lead director position and succession planning;

Board functions, including executive sessions of non-employee directors, length of board service, access to management, board retirement and management development and succession planning; and

Board committees, including responsibilities for each committee, nomination and selection of directors, director compensation, board assessment, chief executive officer evaluation and retention of independent advisors.

The Corporate Governance and Nominating Committee periodically reviews and amends the Corporate Governance Guidelines as needed. A copy of the ChoicePoint Inc. Code of Conduct, Code of Ethics for Senior Financial Officers and Business Unit Leaders, the Corporate Governance Guidelines and charters for the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee may be found on the Company's Web site at [www.choicepoint.com](http://www.choicepoint.com). Copies will be provided to shareholders without charge who request a copy in writing to the Corporate Secretary, ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005.

### **Nominees for Director**

The Corporate Governance and Nominating Committee will consider nominees recommended by the Board of Directors, management and shareholders. The Corporate Governance and Nominating Committee is authorized to retain third-party executive search firms to identify candidates.

The Corporate Governance and Nominating Committee will consider certain factors when selecting Board candidates, including, but not limited to, the current composition and diversity of skills of the Board, expertise and experience of a director leaving the Board, expertise required for a particular Board

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committee or if there is a corporate need for specific skills. The Corporate Governance and Nominating Committee applies the following guidelines when considering a prospective candidate for the Board:

A desire to serve on the Board primarily to contribute to the growth and prosperity of ChoicePoint and help create long-term value for its shareholders;

Individuals who possess the highest personal and professional ethics, integrity and values;

Business or professional knowledge and experience that will contribute to the effectiveness of the Board and the committees of the Board, and will replace, when possible, important attributes possessed by directors who have retired or will retire in the near future;

The ability to understand and exercise sound judgment on issues related to the goals of ChoicePoint;

A willingness and ability to devote the time and effort required to serve effectively on the Board, including preparation for and attendance at Board and committee meetings;

An understanding of the interests of shareholders, customers, employees and the general public, the intention and ability to act in the interests of all shareholders and an understanding of the use of information to help create a safer, more secure society;

A position of leadership in his or her field of endeavor which may include business, government, community or education; and

Free of interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest, and free of any material business relationship with ChoicePoint except for the employment relationship of an inside director.

A specific area of business expertise that will best benefit the Company will be identified by the Corporate Governance and Nominating Committee and based on this determination, and the criteria required for potential nominees, candidates possessing the targeted skills and requirements will be selected. Once a prospective nominee has been identified, the Chairman of the Board will initiate discussions with a prospective candidate and make appropriate recommendations to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will consider the qualifications of the potential candidate and make a recommendation to the full Board. Candidates are subject to ChoicePoint's background screening process.

Any shareholder who wishes to recommend a prospective candidate for the Board of Directors for consideration by the Corporate Governance and Nominating Committee may do so by submitting the nominee's name and qualifications in writing to the following address: ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005, Attn: Corporate Secretary. The Corporate Governance and Nominating Committee does not intend to alter the manner in which it evaluates a nominee based on whether the nominee was recommended by a shareholder, a director or the Corporate Governance and Nominating Committee.

### **Communications with Directors**

Shareholders wishing to communicate with the Board of Directors, any of its committees, or one or more individual directors regarding relevant business issues or who wish to make concerns regarding ChoicePoint known to the non-employee directors as a group, should send all written communications to: ChoicePoint Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005, Attn: Corporate Secretary. Written correspondence will be forwarded to the appropriate directors.

### **PROPOSAL NO. 1 ELECTION OF CHOICEPOINT DIRECTORS**

The ChoicePoint Board of Directors has currently fixed the number of ChoicePoint directors at ten. The ChoicePoint Board of Directors is divided into three classes, with each class elected for a three-year



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term. Terms are staggered so that one class is elected each year. The terms of Douglas C. Curling, James M. Denny, Kenneth G. Langone and Charles I. Story will expire at the Annual Meeting and all but Mr. Denny will stand for reelection. Mr. Denny will be retiring from the Board of Directors as of the date of the Annual Meeting. A non-employee director of the Company recommended M. Anne Szostak as a potential board candidate to the Corporate Governance and Nominating Committee, which recommended Ms. Szostak to the Board of Directors for election as a director. Ms. Szostak was appointed as a director by the Board of Directors in December 2005 and is now standing for election by the shareholders for a term expiring at the 2007 Annual Meeting of Shareholders. A non-employee director of the Company recommended E. Renae Conley as a potential board candidate to the Corporate Governance and Nominating Committee, which recommended Ms. Conley to the Board of Directors for election as a director. Ms. Conley is standing for election by the shareholders for a term expiring at the 2009 Annual Meeting of Shareholders.

Shareholders are being asked to consider approving Proposal No. 2, which, if approved, will amend the Articles of Incorporation and the Bylaws to eliminate the classified board structure. If this proposal is approved at the Annual Meeting, the current slate of directors will continue to serve for their elected terms. The proposed amendments will not shorten the term of any director now serving on the Board or elected to serve on the Board at this Annual Meeting. If the proposal is approved, then the class of directors whose terms expire in 2007 will be elected to a one-year term at the 2007 Annual Meeting. Thereafter, upon expiration of each director's term, he or she will be elected on an annual basis and the Board will be fully declassified in 2009. Please see Proposal No. 2 Amendment to the Articles of Incorporation and to the Bylaws to Declassify the Board of Directors for more information on this proposal.

The Board of Directors has nominated Messrs. Curling, Langone and Story and Ms. Szostak and Ms. Conley to stand for election or reelection at the Annual Meeting.

Each nominee, other than Ms. Conley, is currently a director of ChoicePoint, and each nominee has consented to serve as a director if elected. If elected, the nominees listed below will serve for the terms indicated or until their successors are elected and qualified. If any nominee for director shall be unable to serve, and the persons named in the proxy may vote for a substitute nominee.

There are no family relationships between any director, person nominated to be a director or any executive officer of ChoicePoint or its subsidiaries.

Set forth below is information about the director nominees and about the incumbent directors whose terms will expire in 2007 and 2008.

**Nominee for a Term Expiring in 2007**

*M. Anne Szostak*, 55, has served as a director of ChoicePoint since December 2005. She has served as President and Chief Executive Officer of Szostak Partners, LLC, a consulting firm that advises businesses on strategic and human resource issues, since 2004. From 1994 to 2004, she served as Executive Vice President and Corporate Director of Human Resources of FleetBoston Financial Corporation and served in a variety of executive positions with FleetBoston Financial Corporation since 1973. Ms. Szostak also serves as a director of Tupperware Brands Corporation, a manufacturer of food storage, preparation and serving items, Spherion Corporation, a provider of temporary staffing, managed services and permanent placement services, and Belo Corp, a media company.

**Nominees for Terms Expiring in 2009**

*E. Renae Conley*, 48, has been nominated to serve as a director of ChoicePoint. Ms. Conley has served as President and Chief Executive Officer of Entergy Louisiana Inc. since 2000, where she is responsible for the company's electric distribution system, natural gas distribution operations, regulatory and governmental affairs, customer service, economic development programs and the company's financial performance.

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*Douglas C. Curling*, 51, has served as a director of ChoicePoint since May 2000. He has served as President since April 2002 and as Chief Operating Officer since May 1999. He served as Chief Operating Officer and Treasurer from May 1999 to May 2000 and served as Executive Vice President, Chief Financial Officer and Treasurer of the Company from 1997 until May 1999.

*Kenneth G. Langone*, 70, has served as a director of ChoicePoint since May 2000. Mr. Langone has served as Chairman, President and Chief Executive Officer of Invemed Associates LLC, an investment banking and brokerage firm, since 1974. He also serves as a director of The Home Depot, Inc., a home improvement retailer, Unifi, Inc., a producer of textile yarns, YUM! Brands, Inc., a food services company, and several private corporations.

*Charles I. Story*, 51, has served as a director of ChoicePoint since June 1997. He has served as President of ECS Group, Inc., a provider of business consulting services for executive talent development, since January 2005. He served as President and CEO of INROADS, Inc., an international non-profit training and development organization, from January 1993 until October 2005. He also serves as a director of Briggs & Stratton Corporation, a producer of gasoline engines, and as an advisory director to AmSouth Bank.

**Incumbent Directors Whose Terms Will Expire in 2008**

*Dr. John J. Hamre*, 55, has served as a director of ChoicePoint since May 2002. Dr. Hamre has served as President and Chief Executive Officer of the Center for Strategic and International Studies, a non-partisan, non-profit research institute, since January 2000. Dr. Hamre served as U.S. Deputy Secretary of Defense from 1997 until 2000 and as Comptroller under the Secretary of Defense from 1993 to 1997. Dr. Hamre received his Ph.D., with distinction, in 1978 from the School of Advanced International Studies, John Hopkins University. He serves as a director of ITT Industries, Inc., a manufacturer of engineering products, and as an advisory board member for several organizations.

*John B. McCoy*, 62, has served as a director of ChoicePoint since December 2003. He is the retired Chairman of Bank One Corporation, a bank holding company. From June 2000 to December 2003, he served as Chairman of Corillian Corporation, a provider of online banking and software services. He served as Chief Executive Officer of Bank One Corporation from 1984 to 1999. Mr. McCoy currently serves as a director of AT&T Inc., a telecommunications service provider, and Cardinal Health, Inc., a provider of health care services.

*Terrence Murray*, 66, has served as a director of ChoicePoint since May 2002. He served as Chairman of the Board of FleetBoston Financial Corporation, a diversified financial services company, from 2001 to 2002 and served as Chairman, President and Chief Executive Officer from 1982 through 2001, except in 1988, when he served only as President and from 2000 to 2001, when he served as Chairman and Chief Executive Officer. He serves as a director of A. T. Cross Company, a producer of writing instruments, CVS Corporation, a retail drugstore chain, and Air Products and Chemicals, Inc., a gas and chemicals company.

**Incumbent Directors Whose Terms Will Expire in 2007**

*Ray M. Robinson*, 58, has served as a director of ChoicePoint since December 2004. Mr. Robinson has served as Vice Chairman of the East Lake Community Foundation since 2005 and as its Chairman from 2003 to 2005. He is the President Emeritus of Atlanta's East Lake Golf Club and served as its President from 2003 to January 2006. He was President of the Southern Region of AT&T Corporation from 1996 until his retirement in May 2003. Mr. Robinson currently serves as a director of Aaron Rents, Inc., a provider of rental, lease ownership and specialty retailing of consumer electronics, residential and office furniture and appliances, Acuity Brands, Inc., a producer of lighting equipment and specialty products, Avnet, Inc., a distributor of electronic components, enterprise network and computer equipment and embedded subsystems, American Airlines, Inc., a passenger airlines company, and Citizens Trust Bank.

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*Derek V. Smith*, 51, is the Chairman and Chief Executive Officer of the Company. Mr. Smith has served as Chairman of the Board since May 1999 and as Chief Executive Officer and a director of the Company since May 1997. He also served as President of the Company from May 1997 until April 2002.

**THE CHOICEPOINT BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF MS. SZOSTAK AS A DIRECTOR TO HOLD OFFICE UNTIL THE 2007 ANNUAL MEETING OF SHAREHOLDERS AND FOR THE ELECTION OF MESSRS. CURLING, LANGONE AND STORY AND MS. CONLEY AS DIRECTORS TO HOLD OFFICE UNTIL THE 2009 ANNUAL MEETING OF SHAREHOLDERS, AND UNTIL THEIR RESPECTIVE SUCCESSORS ARE ELECTED AND QUALIFIED.**

**PROPOSAL NO. 2 AMENDMENTS TO THE ARTICLES OF INCORPORATION AND TO THE BYLAWS TO DECLASSIFY THE BOARD OF DIRECTORS**

The Board of Directors presently consists of 10 directors and is divided into three classes. Each class is elected for a three-year term. The Board of Directors is currently comprised of four Class III directors whose terms expire at this Annual Meeting, three Class I directors whose terms expire at the 2007 Annual Meeting and three Class II directors whose terms expire at the 2008 Annual Meeting. The Board of Directors is submitting for approval by the Company's shareholders amendments to the Company's Articles of Incorporation and to the Bylaws that would transition the Board of Directors to a declassified structure. If this proposal is approved by the shareholders at the Annual Meeting, (1) the Bylaws will automatically be amended without further action by the Board of Directors and (2) ChoicePoint will file Articles of Amendment to its Articles of Incorporation with the Georgia Secretary of State as soon as practicable after the 2006 Annual Meeting to amend the Articles of Incorporation. These amendments will have the effect of declassifying the Board of Directors over time in the following manner:

directors elected at the Annual Meeting will be elected to a term expiring at the 2009 Annual Meeting;

directors elected at the 2007 Annual Meeting will be elected for a one-year term expiring at the 2008 Annual Meeting;

directors elected at the 2008 Annual Meeting will be elected for a one-year term expiring at the 2009 Annual Meeting; and

directors elected at the 2009 Annual Meeting and each Annual Meeting thereafter will be elected for a term expiring at the next Annual Meeting.

The current slate of directors, including the directors elected at the Annual Meeting, will continue to serve for their elected terms.

The Board of Directors unanimously has deemed that it is desirable and in the best interests of the Company and its shareholders, and recommends that the shareholders approve, an amendment to Article IV, Section 2 of the Company's Articles of Incorporation and to Section 2.2 of the Company's Bylaws, in order to declassify the Board of Directors and provide for the annual election of all directors as their terms expire.

This proposal to amend the Company's Articles of Incorporation and the Bylaws to declassify the Board of Directors is intended to continue to enhance the Company's corporate governance policies and procedures and to increase director accountability to shareholders.

Article IV of the Articles of Incorporation currently requires the Board of Directors to be divided into three classes as nearly equal in number as possible. Each class of directors serves staggered, three-year terms, with the term of office of one class expiring each year.

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The proposed amendment to Section 2 of Article IV of the Articles of Incorporation of ChoicePoint Inc. is as follows:

2. At the 2006 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2009 Annual Meeting of Shareholders; at the 2007 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2008 Annual Meeting of Shareholders; at the 2008 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2009 Annual Meeting of Shareholders; and at each Annual Meeting of Shareholders thereafter, the directors shall be elected for terms expiring at the next Annual Meeting of Shareholders. A Director shall hold office until the Annual Meeting of Shareholders for the year in which such Director's term expires and until his or her successor shall be elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

The proposed amendment to Section 2.2 of Article Two of the Bylaws of ChoicePoint Inc. is as follows:

Section 2.2 Number of Directors and Term of Office. The number of Directors shall be not less than seven, nor more than fifteen Shareholders, and shall be fixed within such range by the Board of Directors. At the 2006 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2009 Annual Meeting of Shareholders; at the 2007 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2008 Annual Meeting of Shareholders; at the 2008 Annual Meeting of Shareholders, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2009 Annual Meeting of Shareholders; and at each Annual Meeting of Shareholders thereafter, the directors shall be elected for terms expiring at the next Annual Meeting of Shareholders. A Director shall hold office until the Annual Meeting of Shareholders for the year in which such Director's term expires and until his or her successor shall be elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Classified boards have been widely adopted by companies and have a long history in corporate law. Some investors and corporate governance organizations have come to view classified boards as having the effect of insulating directors from being accountable to a company's shareholders. ChoicePoint adopted a classified Board at its inception as a means to deter unfriendly and unsolicited takeover proposals and to promote continuity and stability in the management of the business of the Company.

The Board of Directors has reviewed the arguments for and against continuation of the classified Board, and in light of ChoicePoint's continued growth since adoption of the Articles of Incorporation and the Bylaws, and given its current size and financial strength, the Board of Directors determined that the classified Board structure should be eliminated. This determination by the Board is in furtherance of its goal of ensuring that the Company's corporate governance policies establish director accountability to the Company's shareholders and will allow shareholders the opportunity each year to review and express their views on the performance of the Board of Directors collectively and each director individually. Because there is no limit to the number of terms an individual may serve, the continuity and stability of the Board's membership and the Company's corporate governance policies and long-term strategic planning should not be affected.

The Board of Directors has unanimously approved the proposed amendments to declassify the organization of the Board of Directors and, if approved by the requisite vote of the shareholders as set forth below, the Articles of Incorporation and the Bylaws shall be amended to declassify the Board of Directors.

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If this proposal is not approved, pursuant to the Company's current Articles of Incorporation, the Board of Directors will remain classified and approximately one-third of the Board will stand for election in any given year.

**Board Meetings and Committees**

The Board of Directors of ChoicePoint met five times during 2005. The Board of Directors has established several standing committees, which met at various intervals as indicated below. All directors attended at least 75% of the meetings of the Board of Directors and the various committees of which they were members. The Company has not adopted a formal policy regarding Board members' attendance at the Company's annual meetings; however, the Company encourages all Board members to attend the annual meetings. All of the Company's directors, except Mr. Thomas M. Coughlin, were in attendance at the 2005 Annual Meeting of Shareholders.

***Executive Committee***

The members of the Executive Committee are Messrs. Smith (Chairman), Langone, Murray and Story. The Executive Committee did not meet, but took action by written consent, once during 2005. This committee is authorized to exercise the powers of the Board of Directors in the management of all of the affairs of ChoicePoint during the intervals between Board of Directors meetings, subject to the Board of Directors' direction and certain statutory limitations.

***Management Compensation and Benefits Committee***

The members of the Compensation Committee are Messrs. Murray (Chairman) and McCoy and Dr. Hamre. The Compensation Committee met twice during 2005. This committee is responsible for all decisions regarding compensation of the Chief Executive Officer and named executive officers and incentive compensation awards for ChoicePoint's executive officers. The Compensation Committee is also responsible for establishing and approving compensation policies, management incentive compensation plans and other material benefit plans. The Board has affirmatively determined that all members of the Compensation Committee are independent under the New York Stock Exchange listing standards.

***Audit Committee***

The members of the Audit Committee are Messrs. McCoy (Chairman), Denny and Story. The Audit Committee met six times during 2005. This committee is responsible for reviewing and recommending to the Board of Directors the engagement or discharge of independent registered public accountants, reviewing with independent registered public accountants the scope, plan for and results of the audit engagement, reviewing the scope and results of ChoicePoint's internal audit department, reviewing the adequacy of ChoicePoint's system of internal accounting controls, reviewing the status of material litigation and corporate compliance, and any other matters the Audit Committee deems appropriate. The Board of Directors has determined that Mr. McCoy is qualified as an Audit Committee Financial Expert, within the meaning of SEC regulations, and possesses related financial management expertise within the meaning of the listing standards of the New York Stock Exchange. The Board has affirmatively determined that all members of the Audit Committee are independent under the New York Stock Exchange listing standards and Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Company has established the Audit Committee in accordance with Rule 10A-3 promulgated under the Exchange Act.

***Privacy and Public Responsibility Committee***

The members of the Privacy and Public Responsibility Committee are Dr. Hamre (Chairman) and Messrs. Curling and Robinson. The Privacy and Public Responsibility Committee met three times in 2005. This committee is responsible for reviewing, monitoring legislation and recommending policies to the Board of Directors as to privacy matters affecting ChoicePoint and overseeing the discharge of duties by

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the Office of Credentialing, Compliance and Privacy, as well as monitoring and evaluating the Company's corporate citizenship programs and activities for the support of charitable, political and educational organizations and community and government relations.

***Corporate Governance and Nominating Committee***

The members of the Corporate Governance and Nominating Committee are Messrs. Langone (Chairman), McCoy and Murray and Dr. Hamre. The Corporate Governance and Nominating Committee met twice during 2005. This committee is responsible for identifying corporate governance issues, creating corporate governance policies, identifying and recommending potential candidates for election to the Board of Directors and reviewing director compensation. The Board has affirmatively determined that all members of the Corporate Governance and Nominating Committee are independent under the New York Stock Exchange listing standards.

**Director Compensation**

Directors who are salaried officers or employees of ChoicePoint receive no additional compensation for services as a director or as a member of a committee of the Board of Directors. Each director who is not a salaried officer or employee of ChoicePoint is compensated as follows. The non-employee chairman of the Board of Directors is paid an annual fee of \$40,000 for his or her services and an additional fee of \$2,500 for attendance at each meeting of the Board of Directors or a committee thereof. ChoicePoint non-employee directors are paid an annual fee of \$40,000 for services as a director, an additional fee of \$1,500 for attendance at each meeting of the Board of Directors, and \$1,000 for attendance at each committee meeting. The chairman of the Audit Committee receives an annual fee of \$10,000 and each other committee chairman receives an annual fee of \$5,000. Derek V. Smith and Douglas C. Curling do not receive this compensation since they are salaried employees of ChoicePoint.

Upon initial election to the Board of Directors, each ChoicePoint non-employee director receives a one-time grant of share equivalent units with a market value of \$40,000 and an annual award of share equivalent units with a market value of \$125,000. The share equivalent units vest 12 months after cessation from service on the Board. Messrs. Smith and Curling do not receive these awards because they are salaried employees of ChoicePoint.

ChoicePoint non-employee directors are eligible for participation in ChoicePoint's deferred compensation plan, pursuant to which each ChoicePoint non-employee director may elect to defer up to 100% of earned director cash compensation into accounts that are credited with earnings or losses based upon imputed investments in one or more of the following, as selected by the individual director: (a) the market value of, and any dividends on ChoicePoint common stock (common share equivalents), (b) a short-term income fund, (c) an equity index fund, or (d) a fixed income fund. Funds invested in common share equivalents may be redeemed only for cash on a fixed date or upon termination of service as a director, as elected in advance by the director. No director has voting or investment power with respect to the common share equivalents. In addition, ChoicePoint provides coverage for the directors under its Directors and Officers Liability Insurance Policy.

**Table of Contents****CHOICEPOINT SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table reflects information, as of February 28, 2006, with respect to the beneficial ownership of the outstanding ChoicePoint common stock by (1) persons known to ChoicePoint to be the beneficial owners of more than five percent of the ChoicePoint common stock in accordance with Section 13(d) of the Exchange Act, (2) each of the executive officers of ChoicePoint named in the summary compensation table which follows, (3) each director and director nominee of ChoicePoint, and (4) all of the directors, director nominees and executive officers of ChoicePoint as a group. Share ownership information represents those shares as to which the individual holds sole voting and investment power, except as otherwise indicated. The number of outstanding shares of ChoicePoint common stock as of February 28, 2006 was 86,724,204.

| Name and Address                                                                                                                                         | Number of<br>Shares(1) | Percent<br>of<br>Class (%) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------|
| Baron Capital Group, Inc.<br>BAMCO, Inc.<br>Baron Capital Management, Inc.<br>Baron Asset Fund<br>Ronald Baron<br>767 Fifth Avenue<br>New York, NY 10153 | 10,122,185(2)          | 11.7                       |
| T. Rowe Price Associates, Inc.<br>100 East Pratt Street<br>Baltimore, MD 21202                                                                           | 5,862,634(3)           | 6.8                        |
| E. Renae Conley                                                                                                                                          | 0                      | *                          |
| Douglas C. Curling                                                                                                                                       | 861,515(4)             | *                          |
| Carol A. DiBattiste                                                                                                                                      | 3,139                  | *                          |
| James M. Denny                                                                                                                                           | 31,364(5)              | *                          |
| Jeffrey J. Glazer                                                                                                                                        | 143,502                | *                          |
| John J. Hamre                                                                                                                                            | 12,250                 | *                          |
| Kenneth G. Langone                                                                                                                                       | 1,970,011(6)           | 2.3                        |
| David T. Lee                                                                                                                                             | 597,362                | *                          |
| John B. McCoy                                                                                                                                            | 3,000                  | *                          |
| Terrence Murray                                                                                                                                          | 12,250                 | *                          |
| Ray M. Robinson                                                                                                                                          | 1,000                  | *                          |
| Derek V. Smith                                                                                                                                           | 3,082,065(7)           | 3.6                        |
| Charles I. Story                                                                                                                                         | 51,244                 | *                          |
| Steven W. Surbaugh                                                                                                                                       | 208,646(8)             | *                          |
| M. Anne Szostak                                                                                                                                          | 3,000                  | *                          |
| All Executive Officers, Directors, and Nominees as a Group<br>(19 persons)                                                                               | 7,424,266              | 8.1                        |

\* Represents beneficial ownership of less than 1.0% of the outstanding shares of ChoicePoint common stock.

(1) Includes shares issuable pursuant to stock options exercisable on February 28, 2006, or within 60 days thereafter, as follows: Mr. Curling 667,470 shares; Mr. Denny 24,332 shares; Mr. Glazer 111,895 shares; Dr. Hamre 11,666 shares; Mr. Langone 24,332 shares; Mr. Lee 473,150 shares; Mr. Murray 11,666 shares; Mr. Smith

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2,509,480 shares; Mr. Story 48,332 shares; Mr. Surbaugh 76,667 shares and Mr. Surbaugh's spouse 66,666 shares; and other executive officers 370,635 shares.

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- (2) This information is based on a Schedule 13G/ A filed with the SEC on February 13, 2006 by Baron Capital Group, Inc., BAMCO, Inc., Baron Capital Management, Inc., Baron Asset Fund and Ronald Baron. According to the Schedule 13G/ A, Baron Capital Group, Inc. has sole voting power and sole dispositive power covering 175,000 shares and shared voting power for 9,578,285 shares and shared dispositive power covering 9,947,185 shares. BAMCO, Inc. has shared voting power covering 9,114,000 shares and shared dispositive power covering 9,439,500 shares. Baron Capital Management, Inc. has sole voting and sole dispositive power covering 175,000 shares, shared voting power covering 464,285 shares and shared dispositive power covering 507,685 shares. Baron Asset Fund has shared voting and dispositive power covering 4,500,000 shares and Ronald Baron has sole voting power and sole dispositive power covering 175,000 shares, shared voting power covering 9,578,285 shares and shared dispositive power covering 9,947,185 shares.
- (3) This information is based on a Schedule 13G/ A filed with the SEC on February 13, 2006 by T. Rowe Price Associates, Inc. ( Price Associates ). According to the Schedule 13G/ A, Price Associates has sole voting power covering 1,138,981 shares and sole dispositive power covering 5,862,634 shares, which are owned by various individual and institutional investors, for which Price Associates serves as investment adviser with power to direct vestments and/or sole power to vote the securities. For purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (4) Includes 16,000 shares held in a trust, 1,250 shares held in a custodial account for his son, 1,200 shares held in a custodial account for his daughter and 2,383 shares held in a custodial account for his minor son. Excludes 50,000 shares of restricted stock granted under the 1997 Omnibus Stock Incentive Plan, the receipt o