infoGROUP Inc.
Form PRER14A
May 18, 2010

Table of Contents

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

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

þ Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to § 240.14a-12

***info*GROUP Inc.**
(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

***info*GROUP Inc.**
5711 South 86th Circle
Omaha, Nebraska

, 2010

Dear Stockholder:

The board of directors of *info*GROUP Inc., a Delaware corporation (*info*GROUP), acting upon the unanimous recommendation of the Mergers & Acquisitions Committee (M&A Committee) of *info*GROUP s board of directors, has unanimously approved a merger agreement providing for the acquisition of *info*GROUP by Omaha Holdco Inc., an entity controlled by CCMP Capital Investors II, L.P. and CCMP Capital Investors (Cayman) II, L.P. If the merger contemplated by the merger agreement is completed, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of the Company s common stock (the Common Stock) owned by you (unless you have exercised your appraisal rights with respect to the merger).

At a special meeting of our stockholders, you will be asked to vote on a proposal to adopt the merger agreement. The special meeting will be held on at [location TBD]. Notice of the special meeting and the related proxy statement are enclosed.

The accompanying proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the entire proxy statement and the merger agreement carefully. You may also obtain more information about *info*GROUP from documents we have filed with the Securities and Exchange Commission.

Our board of directors has unanimously determined that the merger is fair to and in the best interests of *info*GROUP and its stockholders, and unanimously recommends that you vote FOR the adoption of the merger agreement. This recommendation is based, in large part, upon the unanimous recommendation of the M&A Committee of the board of directors consisting of four independent and disinterested directors.

Your vote is very important, regardless of the number of shares of Common Stock you own. We cannot complete the merger unless a majority of the votes entitled to be cast by the holders of the outstanding shares of our Common Stock are cast in favor of the adoption of the merger agreement. The failure of any stockholder to vote on the proposal to adopt the merger agreement or an abstention will have the same effect as a vote against the adoption of the merger agreement.

Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy in the accompanying reply envelope, or submit your proxy by telephone or the Internet. If you have Internet access, we encourage you to record your vote via the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

Thank you in advance for your cooperation and continued support.

Sincerely,

/s/ Roger Siboni
Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated , 2010, and is first being mailed to stockholders on or about , 2010.

Table of Contents

***info*GROUP Inc.**
5711 South 86th Circle
Omaha, Nebraska

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2010

Dear Stockholder:

A special meeting of stockholders of *info*GROUP Inc., a Delaware corporation (the Company), will be held on , 2010, at .m. local time, at [location TBD], for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement), dated as of March 8, 2010, by and among the Company, Omaha Holdco Inc., a Delaware corporation (Parent), and Omaha Acquisition Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (Acquisition Sub). A copy of the Merger Agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the Merger Agreement, Acquisition Sub will merge with and into the Company (the Merger) and each outstanding share of the Company s Common Stock, par value $0.0025 per share (the Common Stock), (other than (i) shares of Common Stock owned by Parent, Acquisition Sub or the Company, in each case immediately prior to the effective time of the Merger, and (ii) shares held by stockholders, if any, who have properly demanded statutory appraisal rights, if any) will be converted into the right to receive $8.00 in cash, without interest and less any applicable withholding taxes.

2. To consider and vote on a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the proposal to adopt the Merger Agreement.

Only stockholders of record at the close of business on , 2010 are entitled to notice of and to vote at the special meeting or at any adjournment or postponement of the special meeting. All stockholders of record are cordially invited to attend the special meeting in person.

Your vote is very important, regardless of the number of shares of Common Stock you own. The adoption of the Merger Agreement requires the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding shares of Common Stock. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares will be represented at the special meeting if you are unable to attend. If you have Internet access, **we encourage you to record your vote via the Internet**. If you fail to return your proxy card or fail to submit your proxy by phone or the Internet, your shares will not be counted for purposes of determining whether a quorum is present at the meeting and will have the same effect as a vote against the adoption of the Merger Agreement, but will not affect the outcome of the vote regarding the adjournment proposal, if necessary. If you are a stockholder of record, voting in person at the meeting will revoke any proxy previously submitted. If you hold your shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the meeting.

Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives) holding admission tickets or other evidence of ownership. The admission ticket is detachable from your proxy card. If your shares are held by a bank or broker, please bring to

Table of Contents

the special meeting your statement evidencing your beneficial ownership of Common Stock and photo identification.

The board of directors, acting upon the unanimous recommendation of the Mergers & Acquisitions Committee, which is comprised entirely of independent members of the board of directors, unanimously (i) determined that the Merger is in the best interests of the Company and its stockholders, and declared it advisable to enter into the Merger Agreement, (ii) approved the execution and delivery of the Merger Agreement, the performance by the Company of its covenants and agreements contained in the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger upon the terms and subject to the conditions contained in the Merger Agreement, and (iii) resolved to recommend that the stockholders approve the adoption of the Merger Agreement and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting. **The board of directors unanimously recommends that you vote FOR the adoption of the Merger Agreement, and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies**.

Stockholders of the Company who do not vote in favor of the adoption of the Merger Agreement will have the right to seek appraisal of the fair value of their shares of Common Stock if they deliver a demand for appraisal before the vote is taken on the Merger Agreement and comply with all requirements of Delaware law, which are summarized in the accompanying proxy statement.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU HAVE INTERNET ACCESS, WE ENCOURAGE YOU TO RECORD YOUR VOTE VIA THE INTERNET. STOCKHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

By Order of the Board of Directors,

/s/ Thomas J. McCusker
Thomas J. McCusker
Executive Vice President
for Business Conduct, General Counsel and Secretary

Omaha, Nebraska
, 2010

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

References to *info*GROUP, the Company, we, our or us in this proxy statement refer to *info*GROUP Inc. and its subsidiaries unless otherwise indicated by context.

SUMMARY

The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. See also Where You Can Find More Information on page 82.

Proposals (Page 59)

You are being asked to vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement) by and among *info*GROUP, Omaha Holdco Inc. (Parent), and Omaha Acquisition Inc., a wholly-owned subsidiary of Parent (Acquisition Sub). The Merger Agreement provides that Acquisition Sub will merge with and into *info*GROUP (the Merger). *info*GROUP will be the surviving corporation in the Merger (the Surviving Corporation). In the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the Merger Agreement, the stockholders may be asked to vote on a proposal to adjourn the special meeting to permit solicitation of additional proxies.

The Parties to the Merger (Page 13)

*info*GROUP, a Delaware corporation founded in 1972 with its headquarters in Omaha, Nebraska, is a leading provider of sales leads, mailing lists, direct marketing, database marketing, e-mail marketing and market research solutions that help *info*GROUP clients grow their sales and increase their profits. *info*GROUP operates three principal business groups. The Data Group maintains several proprietary databases of information relating to U.S. and international businesses and consumers and offers access to those databases over the Internet through its various websites. The Services Group consists of subsidiaries providing list brokerage and list management, direct mail, database marketing and e-mail marketing services to large customers. The Marketing Research Group provides customer satisfaction surveys, employee surveys, opinion polling, and other market research services for businesses and for government.

Parent and Acquisition Sub are newly-organized Delaware corporations. Parent was organized solely for the purpose of effecting the Merger and the transactions related to the Merger. Acquisition Sub was organized solely for the purpose of completing the Merger. Neither Parent or Acquisition Sub engaged in any business except activities incidental to their organization and in connection with the transactions contemplated by the Merger Agreement. Parent is owned and controlled by CCMP Capital Investors II, L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively CCMP).

The Merger (Page 17)

In the Merger, each outstanding share of *info*GROUP capital stock (consisting of Common Stock, par value $0.0025 per share (the Common Stock)) (other than (i) shares of Common Stock owned by Parent, Acquisition Sub or the Company, in each case immediately prior to the effective time of the Merger, and (ii) shares held by stockholders, if any, who have properly demanded statutory appraisal rights) will be converted into the right to receive $8.00 in cash, without interest and less any applicable withholding taxes, which we refer to in this proxy statement as the merger consideration.

Effects of the Merger (Page 59)

If the Merger is completed, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of Common Stock owned by you, unless you have properly exercised your statutory appraisal rights with respect to the Merger. As a result of the Merger, *info*GROUP will cease to be an independent, publicly traded company. You will not own any shares of the Surviving Corporation.

Table of Contents

The Special Meeting (Page 14)

Time, Place and Date (Page 14)

The special meeting will be held on , starting at , at [location TBD].

Purpose (Page 14)

You will be asked to consider and vote upon the proposal to adopt the Merger Agreement pursuant to which Acquisition Sub will merge with and into *info*GROUP and to consider and vote upon the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Record Date and Quorum (Page 14)

You are entitled to vote at the special meeting if you owned shares of Common Stock at the close of business on , the record date for the special meeting. You will have one vote for each share of Common Stock that you owned on the record date. As of the record date there were shares of Common Stock outstanding and entitled to vote. A majority of the total voting power of Common Stock issued, outstanding and represented at the special meeting in person or by a duly-authorized and properly completed proxy constitutes a quorum for the purpose of considering the proposals.

Vote Required (Page 14)

Completion of the Merger requires the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock. **Failure to vote your shares of Common Stock by proxy or in person or an abstention will have the same effect as voting against adoption of the Merger Agreement.** Approval of the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of a majority of the Common Stock present in person or represented by proxy at the special meeting and entitled to vote on the matter, whether or not a quorum is present. Failure to vote your shares of Common Stock or an abstention will have no effect on the approval of the proposal to adjourn the special meeting.

Voting Agreements (Page 50)

Stockholders (including the executive officers and directors of the Company) beneficially owning between approximately 33% to 34% of our outstanding Common Stock have executed voting agreements pursuant to which they have agreed to vote their shares of Common Stock in favor of the adoption of the Merger Agreement. The full text of the form of the voting agreement is attached to this proxy statement as Annex D. Mr. Vinod Gupta s voting agreement contains additional provisions to those set forth in the form of the voting agreement which exempt certain of his shares of Common Stock from the restriction on transfer.

Common Stock Ownership of Directors and Executive Officers (Page 77)

As of the record date, the directors and executive officers of *info*GROUP held in the aggregate approximately [ ]% of the shares of Common Stock entitled to vote at the special meeting. In the aggregate, these shares represent approximately [ ]% of the votes necessary to approve the proposal to adopt the Merger Agreement at the special meeting. Each of our directors and executive officers has entered into a voting agreement requiring them to vote all of their beneficially owned shares of Common Stock of the Company in favor of the adoption of the Merger Agreement. In addition, Mr. Vinod Gupta, a former director of the Company who, as of May 14, 2010, beneficially owned approximately 33.4% of the shares of Common Stock entitled to vote at the special meeting, has entered into a voting

agreement, requiring him to vote all of his beneficially owned shares of Common Stock of the company in favor of the adoption of the Merger Agreement. While all of Mr. Gupta s shares of Common Stock are subject to Mr. Gupta s voting agreement, the agreement contains provisions which exempt certain of his shares of Common Stock from the restriction on transfer contained in his voting agreement. Mr. Gupta is permitted to sell up to 1.5 million shares of Common Stock in the aggregate (inclusive of any sales under existing 10b5-1 trading plans) so long as any such sale is in compliance with applicable securities laws. As of May 14, 2010, Mr. Gupta had sold approximately 1.1 million of the 1.5 million shares he is allowed to sell under this exemption. Those shares already sold by Mr. Gupta are no longer subject to Mr. Gupta s voting agreement.

Table of Contents

Voting and Proxies (Page 15)

Any stockholder of record entitled to vote at the special meeting may vote by submitting a proxy by telephone, the Internet, by returning the enclosed proxy card by mail, or by voting in person by appearing at the special meeting. If your shares of Common Stock are held in street name by your broker, you should instruct your broker on how to vote your shares of Common Stock using the instructions provided by your broker. If you do not provide your broker with instructions, your shares of Common Stock will not be voted and that will have the same effect as a vote AGAINST the adoption of the Merger Agreement. The persons named in the accompanying proxy will also have discretionary authority to vote on any adjournments of the special meeting.

Revocability of Proxy (Page 15)

Any stockholder of record who executes and returns a proxy card (or submits a proxy via telephone or the Internet) may revoke the proxy at any time before it is voted at the special meeting in any one of the following ways:

if you hold your shares in your name as a stockholder of record, by notifying our Secretary, Thomas J. McCusker, at 5711 South 86th Circle, Omaha, Nebraska 68127;

by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting a second time by telephone or Internet; or

if you have instructed a broker, bank or other nominee to vote your shares of Common Stock, by following the directions received from your broker, bank or other nominee to change those instructions.

Treatment of Options and Other Awards (Page 59)

Stock Options. Upon the consummation of the Merger (i) all outstanding options to acquire Common Stock will become fully vested and (ii) all such options not exercised prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the number of shares of Common Stock underlying the options multiplied by the amount (if any) by which $8.00 exceeds the exercise price, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Company Stock-Based Awards. Upon the consummation of the Merger, rights granted under the Company s stock plans or employee plans to receive shares of Common Stock or benefits measured by the value of the Common Stock will (i) become fully vested, and (ii) each such right outstanding immediately prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the aggregate number of shares or fractional shares of Common Stock represented by such right multiplied by $8.00, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Recommendation of the Mergers & Acquisitions Committee and Our Board of Directors (Page 35)

M&A Committee. The Mergers & Acquisitions Committee (M&A Committee) is a committee of independent members of our board of directors that was formed on January 30, 2009 for the purpose of evaluating various strategic alternatives of the Company. The M&A Committee unanimously determined that the Merger is in the best interests of

*info*GROUP and its stockholders, declared it advisable to enter into the Merger Agreement and unanimously recommended that the board of directors (i) approve the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contained therein and (ii) resolve to recommend that the stockholders of *info*GROUP approve the adoption of the Merger Agreement.

Board of Directors. The board of directors, acting upon the unanimous recommendation of the M&A Committee, unanimously (i) determined that the Merger is in the best interests of the Company and its stockholders, and declared it advisable to enter into the Merger Agreement, (ii) approved the execution and delivery of the Merger Agreement, the performance by the Company of its covenants and agreements contained in the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger upon the terms and subject to

Table of Contents

the conditions contained in the Merger Agreement, and (iii) resolved to recommend that the stockholders approve the adoption of the Merger Agreement and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting. **The board of directors unanimously recommends that our stockholders vote FOR the adoption of the Merger Agreement, and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.**

For a discussion of the material factors considered by the M&A Committee and the board of directors in reaching their conclusions, see The Merger Reasons for the Merger; Recommendation of the M&A Committee and Our Board of Directors beginning on page 35.

Interests of the Company s Directors and Executive Officers in the Merger (Page 51)

In considering the recommendation of the board of directors, you should be aware that our directors and executive officers may have interests in the Merger that are different from, or in addition to, your interests as a stockholder, and that may present actual or potential conflicts of interest.

If the Merger is completed, Mr. Gupta will receive immediate liquidity for his significant shareholdings at a fixed price, a result which he might otherwise not be able to achieve. On March 8, 2010, the date on which the Company entered into the Merger Agreement, Mr. Gupta entered into a Voting Agreement pursuant to which, among other things, Mr. Gupta agreed to vote all of his shares of Common Stock in favor of adoption of the Merger Agreement. Later that afternoon, Mr. Gupta resigned from the Board of Directors. On March 17, 2010, Mr. Gupta s settlement of the SEC complaint against him was approved by order of the United States District Court for the District of Nebraska (the Final Judgment). The Final Judgment, among other things, contained sanctions and fines against Mr. Gupta, pursuant to which he is:

prohibited from future violations of multiple provisions of federal securities laws;

barred for life from serving as an officer of director of a public company;

(A) allowed to enter into the Voting Agreement pursuant to which, among other things, he may agree to vote all his shares (x) in favor of adoption of the Merger Agreement and (y) against any competing proposal, and (B) allowed if the Merger Agreement is not adopted, to vote against any other acquisition transaction if Mr. Gupta would receive an amount or form of consideration per share of Company Common Stock in any such transaction less than or different from any other Company shareholders, and (C) required on all other matters submitted to a vote of the Company shareholders, to vote his shares of Company Common Stock in the same proportion as other shareholders vote;

required to pay a civil penalty to the United States treasury in the amount of $2,240,700 (plus post judgment interest); and

required to pay the Company $4,045,000 plus, prejudgment interest of $1,145,400, for a total of $5,190,400 (plus post-judgment interest).

As a practical matter, the voting restrictions contained in the Final Judgement:

permit Mr. Gupta to fulfill his obligations under the Voting Agreement and, in effect, irrevocably cast all of the votes associated with his shares of Common Stock in favor of adoption of the Merger Agreement; but

effectively took away Mr. Gupta s discretion with respect to any shareholder vote on any other matter submitted to a vote of the Company shareholders; however

did not restrict Mr. Gupta from selling his shares of Common Stock, either pursuant to regular market transactions or in private or block sales.

Opinion of infoGROUP s Financial Advisor (Page 39)

The *info*GROUP board of directors received an opinion, dated March 8, 2010, from Evercore Group L.L.C. (Evercore) to the effect that, as of that date and based on and subject to assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore as set forth therein, the cash consideration (as

Table of Contents

defined in the opinion) was fair, from a financial point of view, to the holders of the shares of *info*GROUP common stock entitled to receive such consideration. The full text of Evercore s written opinion, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore in rendering its opinion is attached as Annex B to this proxy statement. The opinion was directed to the *info*GROUP board of directors and addresses only the fairness, from a financial point of view, of the cash consideration to the holders of shares of *info*GROUP common stock entitled to receive such cash consideration. The opinion does not address any other aspect of the proposed merger and does not constitute a recommendation to the *info*GROUP board of directors, to any holder of shares of *info*GROUP common stock or to any other persons in respect of the proposed merger, including as to how any holder of shares of *info*GROUP common stock should vote or act in respect of the proposed merger.

Financing (Page 48)

Parent and Acquisition Sub estimate that the total amount of funds necessary to consummate the Merger and related transactions will be approximately $ million, which will be funded by debt and equity financing commitments. Funding of the equity and debt financing is subject to the satisfaction of the conditions set forth in the financing letters under which the financing will be provided. See The Merger Financing of the Merger beginning on page 48. The following arrangements are in place for the financing for the Merger, including the payment of related transaction costs, charges, fees and expenses:

Equity Financing. Parent has received an equity commitment letter, dated as of March 8, 2010 by and among Acquisition Sub and CCMP, pursuant to which, subject to terms and the conditions contained therein, CCMP has agreed to purchase $343.7 million of the equity securities of Parent and to cause Parent to use all of such proceeds to purchase equity securities of Acquisition Sub in connection with the transactions contemplated by the Merger Agreement.

Debt Financing. Parent has received a debt commitment letter, dated as of March 8, 2010, from Bank of America, N.A. (BANA) and Banc of America Securities LLC (BAS and collectively, BofA) pursuant to which, subject to the terms and conditions contained therein, BANA has agreed to provide (a) a $365.0 million senior secured credit facility (the Senior Credit Facility), comprised of (i) a term loan facility of $315.0 million and (ii) a revolving credit facility of up to $50.0 million.

Regulatory Approvals (Page 57)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and the rules promulgated thereunder by the Federal Trade Commission (FTC), the Merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice (DOJ), and the applicable waiting period has expired or been terminated. *info*GROUP filed this notification on March 22, 2010 and Parent filed this notification on March 24, 2010; however, the applicable waiting period has not yet expired or been terminated.

The Merger may also be subject to review by the governmental authorities of various other jurisdictions under the antitrust laws of those jurisdictions.

Material U.S. Federal Income Tax Consequences (Page 56)

The exchange of shares of Common Stock for cash pursuant to the Merger Agreement generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. stockholder that exchanges shares of Common Stock in the Merger generally will recognize gain or loss in an amount equal to the difference between the cash received in the

Merger and such shareholder s adjusted tax basis in the shares of Common Stock. You should consult your tax advisor for a complete analysis of the effect of the Merger on your U.S. federal, state and local and/or non-U.S. taxes. See The Merger Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders beginning on page 56 for a more detailed explanation of the material U.S. federal income tax consequences of the Merger.

Table of Contents

Conditions to the Merger (Page 67)

As more fully described in this proxy statement, the consummation of the Merger depends upon the satisfaction or where legally permissible, waiver of certain conditions. Each party s obligation to consummate the Merger is subject to the satisfaction of certain conditions, including the adoption of the Merger Agreement by the Company s stockholders, compliance with federal antitrust laws, and the absence of any legal or other prohibition of the Merger. Parent and Acquisition Sub s obligation to consummate the Merger is conditioned upon the satisfaction of certain conditions, including, but not limited to:

- the accuracy of our representations and warranties,
- the performance in all material respects of our obligations prior to the consummation of the Merger,
- the absence of a continuing Company Material Adverse Effect (as defined in the Merger Agreement),
- our consolidated debt to EBITDA ratio, as calculated pursuant to the Merger Agreement, not exceeding 3.75:1 for a specific period prior to the Merger, and
- the delivery of certificates attesting to the foregoing conditions.

The Company s obligation to consummate the Merger is subject to certain conditions, including the accuracy of Parent and Acquisition Sub s representations and warranties, the performance in all material respects of Parent and Acquisition Sub s obligations prior to the consummation of the Merger, and the delivery of a certificate attesting to the foregoing conditions.

Restrictions on Solicitations of Other Offers (Page 69)

Until 11:59 p.m. (Eastern) on March 29, 2010, we are permitted to initiate, solicit or encourage any acquisition proposal (including by way of providing non-public information upon execution of a confidentiality agreement with the appropriate party), and participate in discussions or negotiations regarding, or take any other action to facilitate, any acquisition proposal.

We have agreed that, from and after March 30, 2010, neither we, nor any of our directors, officers or employees, affiliates or representatives will solicit, initiate, or induce the making of, or knowingly encourage, facilitate or assist in the submission or announcement of any alternative acquisition proposal or furnish any non-public information to any third party with the intent to induce the making of an alternative acquisition proposal or participate in any discussions or negotiations regarding any alternative acquisition proposal.

Notwithstanding these restrictions, prior to the adoption of the Merger Agreement by the Company stockholders, we may engage in discussions with another party, and furnish non-public information to such party, if such party has made an unsolicited written acquisition proposal that the board of directors has concluded constitutes a superior proposal or is reasonably likely to lead to a superior proposal. We have agreed to provide Parent with notice of certain events, with regard to alternative acquisition proposals, including the name of any party submitting an acquisition proposal and the material terms of such proposal.

Termination of the Merger Agreement (Page 70)

Either Parent or the Company may terminate the Merger Agreement under certain circumstances. In particular, the Merger Agreement may be terminated at any time by the mutual written consent of the parties. In addition, the Merger Agreement may be terminated by us in order to enter into a definitive agreement for an alternative acquisition transaction that constitutes a superior proposal not solicited in breach of the Merger Agreement. Parent may terminate the Merger Agreement if our board of directors withdraws or changes its recommendation that our stockholders approve and adopt the Merger Agreement or the Company shall have provided to Parent notice of a superior proposal and shall have failed, upon the request of Parent, to issue a public announcement that reaffirms our board of director s recommendation that our stockholders approve and adopt the Merger Agreement. The Company or Parent may terminate the Merger Agreement for material breach by the other party of a representation or warranty or failure to perform a covenant, which material breach or failure would result in the failure of a condition to closing being satisfied, that remains uncured for 30 days after notice of such breach. The Merger Agreement may

Table of Contents

be terminated by the Company or Parent in the event that stockholder approval of the Merger Agreement is not obtained at the special meeting or the Merger is not consummated by 11:59 p.m. (New York City time) on July 21, 2010.

Termination Fees (Page 72)

If the Merger Agreement is terminated under certain circumstances, described in further detail in The Merger Agreement Termination Fees and Expenses, the Company may be required to pay a cash termination fee equal to $15,847,000 and/or may be required to reimburse Parent for any reasonable and documented out-of-pocket fees and expenses (including reasonable legal fees and expenses) in connection with the Merger Agreement up to a maximum amount not to exceed $2,000,000.

If the Merger Agreement is terminated by either Parent or the Company because Parent was unable to obtain the proceeds of the financing described in the debt commitment letter prior to the Termination Date, where it would have otherwise been obligated to close due to satisfaction or waiver of all other requisite conditions to closing, or in the case of termination by the Company as the result of Parent s material breach of its covenants, agreements or other obligations, Parent will be required to pay to Company a cash termination fee equal to $25,356,000 and reimburse the Company for any reasonable and documented out-of-pocket fees and expenses (including the reasonable legal fees and expenses) in connection with the Merger Agreement up to a maximum amount not to exceed $2,000,000.

Limited Guarantee (Page 50)

In connection with the Merger Agreement, CCMP and the Company entered into a limited guarantee under which, among other things, CCMP guarantees payment of the termination fee payable by Parent, if applicable, as well as, if payable pursuant to the terms of the Merger Agreement, the reasonable documented out-of-pocket fees and expenses incurred by the Company.

Specific Performance (Page 75)

The Company is entitled to an injunction to prevent or restrain breaches or threatened breaches of the Merger Agreement, the equity commitment letter or the limited guarantee, and to enforce specifically the terms and provisions of the Merger Agreement, the equity commitment letter and the limited guarantee.

Appraisal Rights (Page 79)

Under Delaware law, holders of Common Stock who do not vote in favor of adopting the Merger Agreement will have the right to seek appraisal of the fair value of their shares of Common Stock as determined by the Delaware Court of Chancery if the Merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement. This appraisal amount could be more than, the same as or less than the merger consideration. Any holder of Common Stock intending to exercise such holder s appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption of the Merger Agreement, must not vote or otherwise submit a proxy in favor of adoption of the Merger Agreement, and must continuously hold their shares of Common Stock from the date they make the demand through the closing of the Merger. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. A copy of the relevant section of Delaware law is attached hereto as Annex C.

Litigation (Page 58)

In connection with the Merger, three putative stockholder class action lawsuits have been filed, one in the Delaware Court of Chancery, and three in the District Court of Douglas County. The Company believes the complaints are without merit, and intends to defend the actions vigorously.

Table of Contents

Market Price of Common Stock (Page 76)

The closing sale price of the Common Stock on the NASDAQ Stock Market (symbol: IUSA) on March 5, 2010, the last trading day prior to public announcement of the proposed acquisition was $8.16 per share. The closing sale price of the Common Stock on the NASDAQ Stock Market on October 30, 2009, the last trading day prior to press reports of rumors regarding a potential acquisition of infoGROUP, was $6.56.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the Merger, the Merger Agreement and the special meeting. These questions and answers may not address all questions that may be important to you as an infoGROUP stockholder. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. See Where You Can Find More Information on page 82.

Q. What is the proposed transaction?

A. The proposed transaction is the acquisition of *info*GROUP by Parent, pursuant to the Merger Agreement. Once the Merger Agreement has been adopted by our stockholders and other closing conditions under the Merger Agreement have been satisfied or waived, Acquisition Sub will merge with and into *info*GROUP. *info*GROUP will be the Surviving Corporation and a wholly-owned subsidiary of Parent.

Q. What will I receive in the Merger?

A. Upon completion of the Merger, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of Common Stock that you own, unless you have properly exercised your appraisal rights with respect to the Merger. For example, if you own 100 shares of Common Stock, you will receive $800.00 in cash in exchange for your shares of Common Stock, less any applicable withholding taxes. You will not own any shares in the Surviving Corporation.

Q. When and where is the special meeting?

A. The special meeting of stockholders of *info*GROUP will be held on , 2010, at .m. local time, at [location