

LAUREATE EDUCATION, INC.  
Form DEF 14A  
May 01, 2006  
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  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

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

**Laureate Education, 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):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 

(1)	Title of each class of securities to which transaction applies:
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(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
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- o Fee paid previously with preliminary materials.
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(1)	Amount Previously Paid:
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YOUR VOTE IS IMPORTANT. Please sign, date and return the enclosed Proxy Card promptly, whether or not you plan to attend the Laureate Education, Inc. Annual Meeting.

LAUREATE EDUCATION, INC.  
1001 Fleet Street  
Baltimore, Maryland 21202

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

June 28, 2006

To the Stockholders of Laureate Education, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders ( Annual Meeting ) of Laureate Education, Inc. (referred to as Laureate or the Company ) will be held at Courtyard Marriott Inner Harbor, 1000 Aliceanna Street, Baltimore, Maryland 21202, on June 28, 2006 at 9:00 a.m. (Eastern Time) for the following purposes:

- I. To elect three Class III Directors.
- II. To approve and ratify an amendment to the 2005 Stock Incentive Plan, which increases the number of shares of Laureate Common Stock that may be issued thereunder by 4,000,000 shares.
- III. To approve and ratify the Laureate Education, Inc. 2006 Executive Annual Incentive Plan.
- IV. To ratify the selection of Ernst & Young LLP as the independent auditors of Laureate for the year ending December 31, 2006.
- V. To transact such other business as may properly come before the meeting.

Accompanying this notice is a Proxy Statement, Proxy Card and Laureate's Annual Report for the year ended December 31, 2005. **Whether or not you expect to be present at the Annual Meeting, please sign and date the Proxy Card and return it in the enclosed envelope provided for that purpose prior to the date of the Annual Meeting.** Your Proxy may be revoked at any time prior to the time that it is voted at the Annual Meeting. The Board of Directors fixed April 28, 2006 as the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. Only stockholders of record at the close of business on April 28, 2006 will be entitled to vote at the Annual Meeting.

You are cordially invited to attend the Annual Meeting, and you may vote in person regardless of whether or not you have returned your Proxy Card.

BY ORDER OF THE BOARD OF DIRECTORS

Robert W. Zentz  
Secretary

Baltimore, Maryland  
May 1, 2006

**LAUREATE EDUCATION, INC.**  
**1001 Fleet Street**  
**Baltimore, Maryland 21202**  
**(410) 843-8000**

**PROXY STATEMENT**

**INTRODUCTION**

This Proxy Statement and the accompanying proxy card are furnished to stockholders of Laureate Education, Inc. (referred to as "Laureate" or the "Company") in connection with the solicitation of proxies by Laureate's Board of Directors to be used at the Annual Meeting of Stockholders described in the accompanying notice and at any adjournments or postponements thereof (the "Annual Meeting"). The purpose of the Annual Meeting is to: 1) elect three Class III Directors, 2) approve and ratify an amendment to the 2005 Stock Incentive Plan, which increases the number of shares of Laureate Common Stock that may be issued thereunder by 4,000,000 shares, 3) approve and ratify the Laureate Education, Inc. Executive Annual Incentive Plan, 4) ratify the selection of Ernst & Young LLP as independent auditors of Laureate for the year ending December 31, 2006 and 5) transact such other business as may properly come before the Annual Meeting. This Proxy Statement and the accompanying Proxy Card are first being sent to stockholders on or about May 15, 2006.

The record of stockholders entitled to notice of and to vote at the Annual Meeting was taken as of the close of business on April 28, 2006 (the "Record Date"). On the Record Date, there were outstanding and entitled to vote 51,258,419 shares of common stock, par value \$.01 per share (the "Laureate Common Stock").

The presence, in person or by proxy, of the holders of a majority of the shares of Laureate Common Stock issued and outstanding and entitled to vote at the Annual Meeting is necessary to constitute a quorum at the meeting. In the election of Directors, each share of Laureate Common Stock may be voted for as many individuals as there are Directors to be elected. Votes may be cast "FOR" the election of a Director; cumulative voting is not permitted. Those individuals receiving the highest number of votes "FOR" election to the Board of Directors shall be considered duly elected. A proxy card marked "WITHHOLD AUTHORITY" with respect to the election of one or more Directors will not be counted in the election of Directors although it will be counted for purposes of determining whether a quorum is present. For all matters except the election of Directors, each share is entitled to one vote. The affirmative vote of a majority of the shares of Laureate Common Stock present in person or represented by proxy at the Annual Meeting is required for approval and/or ratification of all matters (other than the election of Directors) being submitted to the stockholders for their consideration. An automated system administered by Laureate's transfer agent will be used to tabulate the votes. Abstentions, votes against or withholding approval and broker non-votes will be counted to determine whether a quorum is present. Abstentions and votes against or withholding approval will be counted as votes against any given proposal, whereas broker non-votes will not be counted in determining whether a particular proposal has been approved by the stockholders.

This solicitation is being made primarily by mail, but Laureate's Directors, officers and employees may also engage in the solicitation of proxies by telephone. Laureate is paying the cost of soliciting proxies. Laureate will not pay compensation in connection with the solicitation of proxies, except as reimbursement to brokers, custodians, nominees and other record holders for their reasonable out-of-pocket expenses in forwarding proxy material to beneficial owners.

## Voting By Proxy

The Board of Directors has selected Douglas L. Becker to act as proxy with full power of substitution. Any stockholder executing a proxy has the power to revoke the proxy at any time before it is voted at the Annual Meeting by delivering a written notice or duly executed proxy card bearing a later date or by attending the Annual Meeting and voting in person. Any stockholder may attend the Annual Meeting and vote in person, whether or not he or she has previously given a proxy.

With respect to the proposal regarding election of Directors, stockholders may (a) vote in favor of all nominees, (b) withhold their votes as to all nominees or, (c) withhold their votes as to specific nominees by so indicating in the appropriate space on the enclosed Proxy Card. With respect to the proposals to approve and ratify the increase in shares subject to the 2005 Stock Incentive Plan, to approve and ratify the Laureate Education, Inc. 2006 Executive Annual Incentive Plan, and the appointment of Ernst & Young LLP as Laureate's independent auditors for the year ending December 31, 2006, stockholders may (i) vote for, (ii) vote against, or (iii) abstain from voting as to such matter. All properly executed Proxy Cards delivered by stockholders and not revoked will be voted at the Annual Meeting in accordance with the directions given. **If no specific instructions are given with regard to the matters to be voted upon, the shares represented by a properly executed Proxy Card will be voted FOR the election of each of management's nominees for Director, to approve and ratify the amendment to increase the number of shares subject to the 2005 Stock Incentive Plan, to approve and ratify the Laureate Education, Inc. Executive Annual Incentive Plan and to ratify the appointment of Ernst & Young, LLP as independent auditors for the year ending December 31, 2006.** Management knows of no other matters that may come before the Annual Meeting for consideration by the stockholders. However, if any other matters properly come before the Annual Meeting, the person named in the accompanying Proxy Card as proxy will vote upon such matters in accordance with his judgment.

Stockholders who do not expect to attend the Annual Meeting in person are urged to execute and return the enclosed Proxy Card promptly. Any stockholder also may be represented by another person at the Annual Meeting by executing a form of proxy designating such person to act on the stockholder's behalf at the Annual Meeting.

**IF YOU DECIDE TO VOTE BY PROXY, YOUR PROXY CARD WILL BE VALID ONLY IF YOU SIGN, DATE AND RETURN IT BEFORE THE ANNUAL MEETING.**

## I. ELECTION OF LAUREATE DIRECTORS

The Board of Directors is comprised of nine persons separated into three classes, with each class serving a three-year term. At the Annual Meeting, each of the Class III Directors, Isabel Aguilera, R. William Pollock and Wolf H. Hengst, are subject to re-election to three-year terms. Each of the nominees has agreed to serve as a Director if elected. If any nominee cannot serve for any reason (which is not anticipated), the Board of Directors may designate a substitute nominee. If that happens, the Company will vote all valid proxies for the election of the substitute nominee. The Board of Directors may also decide to leave the Board seat or seats vacant until a suitable candidate is located, or the Board may decide to reduce the size of the Board.

**The individuals receiving the highest number of votes FOR election to the Board of Directors will be considered duly elected.**

**The Board of Directors unanimously recommends that stockholders vote FOR the three nominees for Director.**

**Information Concerning Nominees**

The following table presents information concerning the persons nominated by the Board of Directors for election at the Annual Meeting as the three Class III Directors. Information with respect to the number of shares of the Laureate Common Stock beneficially owned by each of the nominees, directly or indirectly, appears on page 23 of this Proxy Statement.

<b>Name and Age</b>	<b>Director Since</b>	<b>Nominated for Term Expiring</b>	<b>Principal Occupation, Directorships with Public Companies and other Information</b>
Isabel Aguilera (45)	February 2005	2009 Annual Meeting	Ms. Aguilera has been Managing Director of Google, Inc. for Spain and Portugal since January 2006. Previously, she was the Chief Operating Officer of NH Hoteles from May 2002 through July 2005. Prior to that, she was Chief Executive Officer and Director of Dell Computer Corporation for Spain, Italy and Portugal, since March 1997. Prior to that she served as Sales and Marketing Director for blue chip technology companies such as Compaq, Hewlett-Packard and Airtel (Vodafone) since 1987. Ms. Aguilera also serves as a director and member of the Executive Committee for Indra Sistemas in Spain.
R. William Pollock (77)	December 1995	2009 Annual Meeting	Mr. Pollock serves as Chairman of the Board of Drake Holdings Limited, a company that owns interests in various businesses throughout the world. He also was one of the prior owners of Drake Prometric, L.P., acquired by Sylvan Learning Systems, Inc. ( Sylvan ), the predecessor to Laureate, in 1995 and sold in 2000. Mr. Pollock founded Drake International Inc. in Canada in 1951. Mr. Pollock is also a director of DiscoverWare Inc. in Canada.
Wolf H. Hengst (62)	June 2003	2009 Annual Meeting	Mr. Hengst has been President of Worldwide Hotel Operations for Four Seasons Hotels and Resorts since 1998. Prior to 1998, Mr. Hengst held various positions within Four Seasons, including Executive Vice President, Operations, President of Regent International Hotels beginning in 1992, Vice President in charge of Eastern North America, Mexico and Europe beginning in 1987, Corporate Vice President beginning in 1985, Regional Vice President/General Manager of the Four Seasons Hotel in Houston beginning in 1981 and opening General Manager of the Four Seasons Hotel in Washington D.C. in 1978.

**Information Concerning Continuing Directors**

<b>Name and Age</b>	<b>Director Since</b>	<b>Term Expires</b>	<b>Principal Occupation, Directorships with Public Companies and other Information</b>
Douglas L. Becker (40)	December 1986	2007 Annual Meeting	Mr. Becker has been Chairman and Chief Executive Officer of Laureate since February 2000. Previously, he had been President and Co-Chief Executive Officer of Sylvan since April 1993. From February 1991 through April 1993, Mr. Becker was the Chief Executive Officer of the Sylvan Learning Center Division of Sylvan. Mr. Becker also serves as a director of Educate, Inc. and Constellation Energy Corporation.
James H. McGuire (62)	December 1995	2007 Annual Meeting	Mr. McGuire has served as President of NJK Holding Company since 1992. Mr. McGuire is also a director of Digital Insight Corporation and Proxy Med, Inc. d/b/a Medavant Healthcare Solutions.
Richard W. Riley (73)	June 2001	2007 Annual Meeting	Mr. Riley is currently a partner with the law firm of Nelson Mullins Riley & Scarborough, L.L.P. From 1993 until 2001, Mr. Riley served as U.S. Secretary of Education. Mr. Riley was Governor of South Carolina from 1979 through 1987.
R. Christopher Hoehn-Saric (43)	December 1986	2008 Annual Meeting	Mr. Hoehn-Saric assumed the position of Chief Executive Officer and a Director of Educate, Inc. in June 2003. From February 2000 to June 2003, Mr. Hoehn-Saric was the Chairman and Chief Executive Officer of Sylvan Ventures. Previously, Mr. Hoehn-Saric had served as Chairman and Co-Chief Executive Officer of Sylvan since April 1993 and was President of Sylvan from 1988 until 1992.
John A. Miller (52)	October 2001	2008 Annual Meeting	Mr. Miller has been the President since 1987 of North American Corporation of Illinois, a multi-divisional supplier and solutions provider specializing in industrial paper products, specialty packaging, and other commercial consumables. Mr. Miller is also a director of Atlantic Premium Brands, Inc. and Alberto Culver Company.
David A. Wilson (64)	June 2002	2008 Annual Meeting	Dr. Wilson has been President and CEO of the Graduate Management Admission Council, a not-for-profit education association dedicated to creating access to graduate management and professional education, which provides the GMAT (Graduate Management Admission Test), since 1995. From 1978 to 1994, Dr. Wilson was a Partner and Managing Partner of Ernst & Young LLP.

### **Information Regarding the Laureate Board, Committees and Remuneration**

During 2005, there were five regular meetings and three special meetings of the Board of Directors. All members of the Board of Directors attended the 2005 Annual Meeting of Stockholders. Each Director, with the exception of Mr. Hengst, attended at least 75% of the total number of meetings of the Board and Board Committees of which the Director was a member. The Laureate Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each member of the Audit, Compensation, and Nominating and Corporate Governance Committees is independent as defined under current NASDAQ listing standards.

The Audit Committee meets with Laureate's independent auditors to: (i) review whether satisfactory accounting procedures are being followed by Laureate and whether its internal accounting controls are adequate, (ii) monitor audit and non-audit services performed by the independent auditors, (iii) approve fees charged by the independent auditors, and (iv) all other oversight and review of the Company's financial reporting process. The Audit Committee also reviews the performance of the independent auditors and annually selects the firm of independent auditors to recommend to the stockholders to audit the Company's financial statements. During 2005, independent Directors David A. Wilson, James H. McGuire, and John A. Miller were the members of the Audit Committee. There were twelve meetings of the Audit Committee during 2005. The report of the Audit Committee required by the rules of the Securities and Exchange Commission (the SEC) is included in this Proxy Statement. The Audit Committee Charter is available on the Laureate website at [www.Laureate-inc.com](http://www.Laureate-inc.com).

The Compensation Committee establishes the compensation for the Chief Executive Officer (CEO) and approves recommendations for the other executive officers of Laureate and generally reviews benefits and compensation for all officers and employees. It also administers Laureate's stock option plans. During 2005, independent Directors James H. McGuire, John A. Miller, Wolf H. Hengst and Isabel Aguilera, who joined the Compensation Committee in April 2005, were the members of the Compensation Committee. There were eight meetings of the Compensation Committee during 2005. The report of the Compensation Committee required by the rules of the SEC is included in this Proxy Statement. The Compensation Committee Charter is available on the Laureate website at [www.Laureate-inc.com](http://www.Laureate-inc.com).

The Nominating and Corporate Governance Committee screens and evaluates candidates for vacancies on the Laureate Board of Directors and committees thereof, reviews Board compensation matters, and reviews and monitors corporate governance matters. During 2005, independent Directors Richard W. Riley, R. William Pollock and David A. Wilson, who joined the Nominating and Corporate Governance Committee in April 2005, were the members of the Nominating and Corporate Governance Committee, which met on three occasions. The Nominating and Corporate Governance Committee Charter is available on the Laureate website at [www.Laureate-inc.com](http://www.Laureate-inc.com).

In evaluating and determining whether to nominate a candidate for a position on Laureate's Board, the Nominating and Corporate Governance Committee will consider the criteria outlined in the Company's corporate governance policy, which include high professional ethics and values, relevant management and/or educational experience and a commitment to enhancing shareholder value. In evaluating candidates for nomination, the Committee utilizes a variety of methods. The Committee regularly assesses the size of the Board, whether any vacancies are expected due to retirement or otherwise, and the need for particular expertise on the Board. Candidates may come to the attention of the Committee from current Board members, shareholders, professional search firms, officers or other persons. The Committee will review all candidates in the same manner regardless of the source of the recommendation, including a stockholder.

Under the Bylaws, nominations for Director may be made only by the Board of Directors or a committee thereof or by a stockholder of record who delivers notice along with the additional information and materials required by the Bylaws to the Corporate Secretary not less than 90 days and no more than



120 days before the first anniversary date of the mailing date for the preceding year's annual meeting. For the annual meeting in 2007, the Company must receive this notice between January 15, 2007 and February 14, 2007. Interested parties may obtain a copy of the Bylaws by writing to the General Counsel/Corporate Secretary at Laureate Education, Inc., 1001 Fleet Street, Baltimore, Maryland 21202. A copy of the Bylaws has been filed with the SEC.

The Board has adopted Corporate Governance Guidelines drafted by the Nominating and Corporate Governance Committee. These guidelines are available on the Laureate website at [www.Laureate-inc.com](http://www.Laureate-inc.com).

Laureate has adopted a Code of Ethics and Conduct that applies to all of its Directors, officers (including its Chief Executive Officer, Chief Financial Officer, Controller and any person performing similar functions) and employees. The Company has conducted training sessions at each of its locations and at each of its universities for all levels of employees and officers. The Company provides all of its significant vendors with a copy of the Code and maintains a hotline in four languages to allow for communication of any concerns. In satisfaction of the requirements of SEC Regulation S-K, Item 406(d), the Company intends to post on its website, [www.Laureate-inc.com](http://www.Laureate-inc.com), any amendment to, or waiver of, any provision of the Code that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Company has not granted any such waiver and does not anticipate ever granting such a waiver. Laureate has made the Code of Ethics and Conduct available on its website at [www.Laureate-inc.com](http://www.Laureate-inc.com).

Beginning in 2006, non-Employee Directors of Laureate receive compensation of \$30,000 per year for service on the Laureate Board, \$10,000 per year for service as the Chairman of the Compensation or Audit Committee and Lead Director, \$5,000 per year for service as the Chairman of the Nominating and Corporate Governance Committee, \$2,000 per regular meeting of the Board and \$1,000 per Board meeting attended via telephone, \$1,500 per committee meeting and \$750 per committee meeting attended via telephone (currently, Mr. Pollock does not receive compensation from Laureate for Board or Committee service). All Directors are reimbursed for their out-of-pocket expenses in connection with attending meetings. Each non-employee Director, upon appointment, election or re-election to the Laureate Board, and continuation of service on the Laureate Board as of January 1 of each year is granted an option to purchase 6,500 shares of Laureate Common Stock at an exercise price equal to the fair market value of the stock on the date of the grant with options immediately vested prior to 2006 and beginning with the 2006 grant, will vest monthly over the year of grant.

Prior to 2006, non-employee Directors received direct compensation of \$15,000 per year for service on the Laureate Board, \$10,000 per year for service as the Chairman of the Compensation or Audit Committee, \$5,000 per year for service as the Chairman of the Nominating and Corporate Governance Committee, \$1,200 per regular meeting of the Board held in the U.S. \$2,400 per regular meeting of the Board held outside the US, \$1,200 per committee meeting attended in person and \$600 per committee meeting attended via telephone.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Based upon the Company's records and other information, the Company believes all of its Directors and Executive Officers and other stockholders who may own 10% or more of Laureate Common Stock, except Mr. Dennis, Ms. Mecca, Mr. Becker and Mr. Pollock who each filed one late Form 4, have complied with the requirements of the Securities and Exchange Commission to report ownership and transactions that change ownership.

**Certain Relationships and Related Transactions**

As part of the sale of the K-12 segment to Educate, Inc. ( Educate ), Laureate entered into a management services agreement with Educate for the receipt of accounting, benefits, IT, human resources, purchasing and payroll services for a period of three years from July 1, 2003. For the same period, Laureate will provide certain tax and treasury services to Educate. The annual net amount payable under this agreement by Laureate is approximately \$3 million. Messrs. Hoehn-Saric and Becker are Directors of Educate, and Mr. Hoehn-Saric is Educate s Chief Executive Officer.

**Compensation Committee Interlocks and Insider Participation in Compensation Decisions**

The Compensation Committee consists of Messrs. Hengst, McGuire and Miller and Ms. Aguilera. All of the members of the Compensation Committee as presently constituted are independent Directors and do not have compensation committee interlocks.

7

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**Compensation of Executive Officers**

*Compensation of Executive Officers.* The following table shows for the years ended December 31, 2005, 2004, and 2003, compensation paid by Laureate, including salary, bonuses, stock options and certain other compensation, to its Chief Executive Officer and each of its other most highly compensated executive officers on December 31, 2005 (the Named Executive Officers ):

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Annual Compensation(1)		Other Annual Compensation \$(3)	Long-Term Compensation Awards	Shares Underlying Options #	All Other Compensation \$(5)(6)
		Salary \$	Bonus(2) \$		Restricted Stock Awards \$(4)		
Douglas L. Becker Chairman of the Board and Chief Executive Officer	2005	600,000	850,000	6,600		150,000	5,258,229
	2004	500,000	441,911	6,600	5,126,080		6,649,311
	2003	425,000	531,250	6,600			195,080
Raph Appadoo President	2005	500,000	716,000	6,600	1,591,200	100,000	4,613
	2004	413,333	404,600	6,600			1,949,602
	2003	400,000	281,000	6,600	1,109,405	138,750	7,000
William C. Dennis, Jr. President, Latin America Operations	2005	500,000	716,000	6,600	1,591,200	125,000	1,297,111
	2004	409,167	412,500	6,600			2,340,117
	2003	375,000	340,000	6,600	1,613,600	120,000	389,900
Paula R. Singer President, Laureate Online Education	2005	325,000	335,750	6,600	1,060,800	35,000	585,962
	2004	279,167	1,500	6,600			597,907
	2003	270,000	180,000	6,600	526,200	30,000	
Daniel M. Nickel Executive Vice President, Corporate Operations	2005	360,000		6,188	1,376,400	60,000	
Rosemarie Mecca Executive Vice President and Chief Financial Officer	2005	106,452 (7)			3,361,480	85,000	

(1) Includes amounts paid and deferred.

(2) Bonus amounts are comprised of cash payments. Under Company policy, annual cash bonuses in any fiscal year are awarded in March of the following year. Therefore, bonus amounts for 2005 were awarded in March 2006. The bonus amounts awarded to the Named Officers in March 2005, 2004, and 2003, are compensation for performance in the prior fiscal year.

(3) The amounts in this column represent automobile allowances for all of the officers.

(4) The value of unvested restricted stock awards at the end of 2005, which was calculated by multiplying the closing market price for the stock on the last trading day of the Company's year end (\$52.51) by the number of restricted shares held by the named Executive Officers on that date, was:

Becker	\$8,716,660
Appadoo	\$3,235,876
Dennis	\$4,410,840
Singer	\$1,995,380
Nickel	\$1,575,300
Mecca	\$3,885,740

The number of shares of unvested restricted stock units or awards held by the Named Executive Officers the end of 2005 was:

Becker	166,000
Appadoo	61,624
Dennis	84,000
Singer	38,000
Nickel	30,000
Mecca	74,000

For Mr. Becker, restrictions lapse for 166,000 units ratably over 6 years; however, based on certain Company performance targets, the restrictions can be accelerated to 3 years, however the units may not be converted and distributed until the later of six months following termination of employment or resignation from the Board.

For Mr. Appadoo, the restrictions on 31,624 shares lapse ratably over four years, and the restrictions for the remaining 30,000 shares lapse annually over a four year period based on annual Company performance targets.

For Mr. Dennis, the restrictions on 54,000 shares lapse ratably over four years; and the restrictions on the remaining 30,000 shares lapse annually based on annual Company performance targets.

For Ms. Singer, the restrictions on 18,000 shares lapse ratably over five years, and the restrictions for the remaining 20,000 shares lapse annually based on annual Company performance targets.

For Mr. Nickel, the restrictions on 30,000 shares lapse ratably over 5 years.

For Ms. Mecca, the restrictions on 11,000 shares lapse on October 1, 2006; the restrictions on 33,000 shares lapse on December 31, 2007; and for the remaining 30,000 shares, the restrictions lapse annually based on annual Company performance targets.

(5) The amounts in this column represent stock option exercises for Messrs. Becker, Dennis, Appadoo and Ms. Singer and relocation allowance interest forgiven (for 2004) and a housing allowance and interest forgiven (for 2003) for Mr. Dennis, who was hired in October 2001.

(6) The following amounts were contributed to the Named Executive Officer's 401(k) Plan as a Company contribution for 2005:

D. Becker	\$4,612.50
R. Appadoo	\$4,612.50
P. Singer	\$4,561.63

(7) Ms. Mecca joined the Company on October 1, 2005.



*Option Grants in Fiscal Year.*

In 2005, the following options and restricted stock were granted to Named Executive Officers:

Name	Number of Securities Underlying Options/Restricted Stock Granted	Percent of Total Options And Restricted Stock Granted To Employees In Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option/Restricted Stock Term (\$)	
					5%	10%
Douglas L. Becker options	150,000	11.9 %	\$ 46.37 (1)	9/20/2012	2,831,587	6,598,802
Raph Appadoo options	100,000	7.9 %	\$ 46.37 (1)	9/20/2012	1,887,725	4,399,201
restricted stock	30,000	2.4 %	(2)		2,238,978	3,100,799
William C. Dennis, Jr. options	100,000	7.9 %	\$ 46.37 (1)	9/20/2012	1,877,725	4,399,201
options	25,000	2.0 %	\$ 46.37 (1)	9/20/2012	471,931	1,099,800
restricted stock	30,000	2.4 %	(2)			