

STEWART INFORMATION SERVICES CORP
Form DEFA14A
April 05, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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 under Rule 14a-12

Stewart Information Services Corporation

(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.

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(1) Amount Previously Paid:

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EXPLANATORY NOTE: On March 28, 2013, Stewart Information Services Corporation (the Company) mailed the definitive proxy statement for its 2013 Annual Meeting of Stockholders to be held on May 3, 2013 to its stockholders. On page 36 of such proxy statement, certain column headings were inadvertently omitted from the table detailing termination and change in control benefits for Mr. Steven M. Lessack. The benefits amounts disclosed are correct but, to provide a more easily readable table, the Company is hereby filing the section of its proxy statement titled Potential Payments upon Termination or Change of Control with a reformatted version of the table with appropriate column headings. No other changes have been made to the proxy statement.

Potential Payments upon Termination or Change in Control

Each of the NEOs (or their beneficiaries) would be entitled to certain payments upon termination of employment. In the case of death, these would include the following Accrued Amounts :

Any portion of the NEO s accrued but unpaid base salary and accrued but unused vacation time that shall have been earned prior to the termination but not yet paid;

Any short term incentive and long term incentive payments for the prior fiscal year that shall have been earned prior to the termination and not yet paid;

Any employee benefits (401(k) Plan) that have vested as of the date of termination as a result of participation in any of the Company s benefit plans; and

Any expenses with respect to which they are entitled to reimbursement.

In the case of retirement, or involuntary termination without Cause or Good Reason(1), in exchange for a general release of claims, the NEO is generally entitled to:

Accrued Amounts;

Twelve to twenty four months of base salary (2x Base for CEO; 1x Base for all other NEOs);

An extension of medical benefits at the employee rate for up to 12 months;

All unvested long-term incentive compensation that becomes fully vested and unrestricted as a result of this type of Termination; and

Outplacement services not to exceed \$10,000.

If terminated upon disability, the executive would be limited solely to the payment of the Accrued Amounts, and all unvested long-term incentive compensation would become fully vested and unrestricted.

(1) Good Reason includes, among other things (as affected by the terms and conditions of the employment agreement), the NEO s voluntary termination of his employment agreement in the event of a breach of his employment agreement by the Company.

The following table estimates the amount that would have been payable to each Named Executive Officer upon termination of employment under each of the identified circumstances as of December 31, 2012:

| Matthew W. Morris | Retirement (\$) | Involuntary Termination Without Cause or Termination | For Cause Termination (\$) | Termination in Connection with a | Change in Control (\$) | Disability (\$) | Death (\$) |
|-------------------|-----------------|--|----------------------------|----------------------------------|------------------------|-----------------|------------|
|-------------------|-----------------|--|----------------------------|----------------------------------|------------------------|-----------------|------------|

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| | | for Good Reason (\$) | Change in Control (\$) | | | |
|--|---------|---------------------------------|-----------------------------------|---------|---------|---------|
| Cash Severance | 800,000 | 800,000 | 800,000 | | | |
| Nonequity Incentive Compensation | | | | | | |
| Accelerated Vesting of Cash-Based Performance Units | 120,000 | 120,000 | 240,000 | 240,000 | 120,000 | 120,000 |
| Accelerated Vesting of Performance Based Restricted Stock | 53,333 | 53,000 | 160,000 | 160,000 | 53,333 | 53,333 |
| Continuation of Insurance Benefits | 23,621 | 23,621 | 23,621 | | | |
| Excise Tax Gross-Up | | | | | | |
| Outplacement | | 10,000 | 10,000 | | | |
| Total | 996,955 | 1,006,955 | 1,233,621 | 400,000 | 196,955 | 173,333 |

| | Retirement (\$) | Involuntary Termination Without Cause or Termination for Good Reason (\$) | For Cause Termination (\$) | Termination in Connection with a Change in Control (\$) | Change in Control (\$) | Disability (\$) | Death (\$) |
|--|--------------------|---|----------------------------------|--|------------------------------|--------------------|------------|
| J. Allen Berryman | | | | | | | |
| Cash Severance | 310,000 | 310,000 | | 310,000 | | | |
| Nonequity Incentive Compensation | | | | | | | |
| Accelerated Vesting of Cash-Based Performance Units | 93,000 | 93,000 | | 186,000 | 186,000 | 93,000 | 93,000 |
| Accelerated Vesting of Performance Based Restricted Stock | 41,333 | 41,333 | | 124,000 | 124,000 | 41,333 | 41,333 |
| Continuation of Insurance Benefits | 25,824 | 25,824 | | 25,824 | | 25,824 | |
| Excise Tax Gross-Up | | | | | | | |
| Outplacement | | 10,000 | | 10,000 | | | |
| Total | 470,157 | 480,157 | | 655,824 | 310,000 | 160,157 | 134,333 |

| | Retirement (\$) | Involuntary Termination Without Cause or Termination for Good Reason (\$) | For Cause Termination (\$) | Termination in Connection with a Change in Control (\$) | Change in Control (\$) | Disability (\$) | Death (\$) |
|--|--------------------|---|----------------------------------|--|------------------------------|--------------------|------------|
| Glenn H. Clements | | | | | | | |
| Cash Severance | 400,000 | 400,000 | | 400,000 | | | |
| Nonequity Incentive Compensation | | | | | | | |
| Accelerated Vesting of Cash-Based Performance Units | 120,000 | 120,000 | | 240,000 | 240,000 | 120,000 | 120,000 |
| Accelerated Vesting of Performance Based Restricted Stock | 53,333 | 53,333 | | 160,000 | 160,000 | 53,333 | 53,333 |
| Continuation of Insurance Benefits | 22,142 | 22,142 | | | | | |
| Excise Tax Gross-Up | | | | | | | |
| Outplacement | | 10,000 | | 10,000 | | | |
| Total | 595,475 | 605,475 | | 832,142 | 400,000 | 195,475 | 173,333 |

| | Retirement (\$) | Involuntary Termination Without Cause or Termination for Good Reason (\$) | For Cause Termination (\$) | Termination in Connection with a Change in Control (\$) | Change in Control (\$) | Disability (\$) | Death (\$) |
|--|--------------------|---|----------------------------------|--|------------------------------|--------------------|------------|
| Jason R. Nadeau | | | | | | | |
| Cash Severance | 350,000 | 350,000 | | 350,000 | | | |
| Nonequity Incentive Compensation | | | | | | | |
| Accelerated Vesting of Cash-Based Performance Units | 105,000 | 105,000 | | 210,000 | 210,000 | 105,000 | 105,000 |
| Accelerated Vesting of Performance Based Restricted Stock | 46,667 | 46,667 | | 140,000 | 140,000 | 46,667 | 46,667 |
| Continuation of Insurance Benefits | 23,849 | 23,849 | | 23,849 | | 23,849 | |
| Excise Tax Gross-Up | | | | | | | |
| Outplacement | | 10,000 | | 10,000 | | | |
| Total | 525,516 | 535,516 | | 733,849 | 350,000 | 175,516 | 151,667 |

| | Retirement (\$) | Involuntary Termination Without Cause or Termination for Good Reason (\$) | For Cause Termination (\$) | Termination in Connection with a Change in Control (\$) | Change in Control (\$) | Disability (\$) | Death (\$) |
|--|--------------------|---|----------------------------------|--|---------------------------|--------------------|------------|
| Steven M. Lessack | | | | | | | |
| Cash Severance | 500,000 | 500,000 | | 500,000 | | | |
| Nonequity Incentive Compensation | | | | | | | |
| Accelerated Vesting of Cash -Based | | | | | | | |
| Performance Units | 120,000 | 120,000 | | 240,000 | 240,000 | 120,000 | 120,000 |
| Accelerated Vesting of Performance Based | | | | | | | |
| Restricted Stock | 53,333 | 53,333 | | 160,000 | 160,000 | 53,333 | 53,333 |
| Continuation of Insurance Benefits | 10,947 | 10,947 | | 10,947 | | 10,947 | |
| Excise Tax Gross-Up | | | | | | | |
| Outplacement | | 10,000 | | 10,000 | | | |
| Total | 684,281 | 694,281 | | 920,947 | 400,000 | 184,281 | 173,333 |