STEWART INFORMATION SERVICES CORP
Form DEF 14A
March 27, 2009

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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 þ
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))**

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to § 240.14a-12

STEWART INFORMATION SERVICES CORPORATION
(Name of the 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):

þ 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:

(2) Aggregate number of securities to which transaction applies:

(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:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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STEWART INFORMATION SERVICES CORPORATION
1980 Post Oak Boulevard
Houston, Texas 77056

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 1, 2009

Notice is hereby given that Stewart Information Services Corporation, a Delaware corporation, will hold its annual meeting of stockholders on May 1, 2009, at 8:30 a.m., in the First Floor Conference Room of Three Post Oak Central, 1990 Post Oak Boulevard, Houston, Texas, for the following purposes:

(1) To elect Stewart s directors to hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified;

(2) To approve an amendment to the Stewart Information Services Corporation Restated Certificate of Incorporation to increase the number of authorized shares of common stock;

(3) To approve the Stewart Information Services Corporation 2008 Strategic Incentive Pool Plan;

(4) To approve an increase in the number of shares authorized under the Stewart Information Services Corporation 2005 Long-Term Incentive Plan; and

(5) To transact such other business as may properly come before the meeting or any adjournment thereof.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE FIVE NOMINEES FOR DIRECTOR TO BE ELECTED BY THE COMMON STOCKHOLDERS; FOR THE APPROVAL OF THE AMENDMENT TO THE STEWART INFORMATION SERVICES CORPORATION RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK; FOR THE PROPOSAL TO APPROVE THE STEWART INFORMATION SERVICES CORPORATION 2008 STRATEGIC INCENTIVE POOL PLAN; AND FOR THE APPROVAL OF AN INCREASE IN THE NUMBER OF SHARES AUTHORIZED UNDER THE STEWART INFORMATION SERVICES CORPORATION 2005 LONG-TERM INCENTIVE PLAN.

The holders of record of Stewart s common stock and Class B common stock at the close of business on March 3, 2009 will be entitled to vote at the meeting.

By Order of the Board of Directors,

J. Allen Berryman
Secretary

March 27, 2009

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD MAY 1, 2009

Our proxy statement for the 2009 Annual Meeting and our Annual Report to Stockholders for the year 2008 are available at http://www.Stewart.com/2009AnnualMeeting.

IMPORTANT

You are cordially invited to attend the annual meeting in person. Even if you plan to be present, you are urged to sign, date and mail the enclosed proxy promptly. If you attend the meeting you can vote either in person or by your proxy
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STEWART INFORMATION SERVICES CORPORATION
1980 Post Oak Boulevard
Suite 800
Houston, Texas 77056
(713) 625-8100

PROXY STATEMENT FOR
ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 1, 2009

We at Stewart Information Services Corporation are furnishing this proxy statement to our stockholders in connection with the solicitation by our board of directors of proxies for the annual meeting of stockholders we are holding on Friday, May 1, 2009, at 8:30 a.m., in the First Floor Conference Room of Three Post Oak Central, 1990 Post Oak Boulevard, Houston, Texas, or for any adjournment of that meeting. For directions to the annual meeting, please contact Ted C. Jones in Investor Relations at (713) 625-8014.

Proxies in the form enclosed, properly executed by stockholders and received in time for the meeting, will be voted as specified therein. Unless you specify otherwise, the shares represented by your proxy will be voted <u>for</u> the board of directors nominees listed therein, <u>for</u> approval of the amendment to the Stewart Information Services Corporation Restated Certificate of Incorporation, <u>for</u> approval of the Stewart Information Services Corporation 2008 Strategic Incentive Pool Plan, and <u>for</u> approval of an increase in the number of shares authorized under the Stewart Information Services Corporation 2005 Long-Term Incentive Plan. If after sending in your proxy you wish to vote in person, you may revoke the proxy at any time before it is exercised by delivering written notice to us at or prior to the meeting. We are mailing this proxy statement on or about March 27, 2009, to stockholders of record at the close of business on March 3, 2009.

At the close of business on March 3, 2009, 17,133,775 shares of our common stock (Common Stock) and 1,050,012 shares of our Class B common stock (Class B Stock) were outstanding and entitled to vote, and only the holders of record on such date may vote at the meeting. As long as 600,000 or more shares of Class B Stock are outstanding, the Common Stock and Class B Stock will be voted as separate classes at each election of directors. Holders of our Class B Stock, to whom we refer to as our Class B Stockholders, may convert their shares of Class B Stock into shares of our Common Stock on a one-for-one basis at any time.

The holders of our Common Stock, to whom we refer to as our Common Stockholders, voting as a class, are entitled to elect five of our nine directors. Each Common Stockholder is entitled either to cast one vote per share for each of those five directors, or to vote cumulatively by casting five votes per share, which may be distributed in any manner among any number of the nominees for director. The enclosed form of proxy allows you to vote for all of the nominees listed therein, to withhold authority to vote for one or more of such nominees or to withhold authority to vote for all of such nominees. If you withhold authority to vote for four or fewer of the nominees, and if there are nominees other than nominees for the director positions to be elected by the Common Stockholders listed in this proxy statement, then the persons named in the enclosed proxy may vote cumulatively by dividing the number of votes represented by the proxy equally among the nominees for which you did not withhold authority to vote. If there are no nominees other than nominees for the five positions to be elected by the Common Stockholders, the persons named in the enclosed proxy intend to allocate the votes represented by the proxy evenly among the nominees listed in this proxy statement. If there are any additional nominees for such positions, the persons named in the enclosed proxy will vote cumulatively to elect as many as possible of the nominees. If it is not possible to elect each of the five nominees, the persons named in the enclosed proxy will have discretion as to how they allocate the votes among the nominees.

Withholding of authority to vote in the enclosed proxy will not affect the election of those directors for whom you withhold authority to vote, unless you vote in person at the meeting or by means of another proxy, because our By-Laws provide that directors are elected by a plurality of the votes cast. For the purpose of electing directors, broker non-votes are not treated as a vote cast affirmatively or negatively, and therefore will not affect the outcome of the election of directors. We will count the shares held by each stockholder who signs and returns the enclosed form of proxy only to determine the presence of a quorum at the meeting.

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Our Class B Stockholders, voting as a class, are entitled to elect the remaining four of our nine directors. Each Class B Stockholder has the right to vote, in person or by proxy, the number of shares owned by him for those four directors for whose election he has a right to vote.

Our Common Stockholders and Class B Stockholders each will vote as a separate class with respect to the approval of the amendment to the Restated Certificate of Incorporation. The affirmative vote of a majority of the issued and outstanding shares held by both of the Common Stockholders and Class B Stockholders, each voted as a separate class, is required to approve such proposal. Because the proposed amendment to our Restated Certificate of Incorporation requires the affirmative vote of a majority of the issued and outstanding shares held by our Common Stockholders, abstentions and broker non-votes will have the effect of a vote AGAINST the proposed amendment.

Our Common Stockholders and Class B Stockholders will vote together as a single class with respect to the approvals of the 2008 Strategic Incentive Pool Plan and of an increase in the number of shares authorized under the 2005 Long-Term Incentive Plan. Under New York Stock Exchange rules, the approvals of the Stewart Information Services Corporation 2008 Strategic Incentive Pool Plan and an increase in the number of authorized shares under the Stewart Information Services Corporation 2005 Long-Term Incentive Plan require an affirmative vote of the majority of the votes cast on the proposals, provided that the total votes cast on the proposals represent over 50% of the voting power of the total outstanding shares of Common Stock and Class B Stock. Only votes FOR, AGAINST, and abstentions count as votes cast. The number of votes FOR each proposal must be greater than 50% of the total votes cast. Thus, abstentions have the same effect as a vote AGAINST the proposals. Brokers do not have discretionary authority to vote shares on these proposals without direction from the beneficial owner. Consequently, broker non-votes could impair our ability to satisfy the requirement that the total votes cast represent over 50% of the total outstanding voting power. Your shares will be voted as you specify on your proxy. If your properly executed proxy does not specify how you want your shares voted, we will vote them FOR the approval of each proposal.

Except as otherwise specifically noted in this proxy statement, the Company, we, our, us, and similar words in this proxy statement refer to Stewart Information Services Corporation.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 3, 2009 with respect to persons we believe to be the beneficial owners of more than 5% of either class of our voting shares:

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
Malcolm S. Morris 3992 Inverness Houston, Texas 77019	Class B Common Stock	525,006	50.0
Stewart Morris, Jr. #8 West Rivercrest Houston, Texas 77042	Class B Common Stock	525,006	50.0
Artisan Partners Limited Partnership 875 East Wisconsin Avenue, Suite 800 Milwaukee, Wisconsin 53202	Common Stock	1,890,594(1)	10.8
Wells Fargo & Company 402 Montgomery Street San Francisco, California 94163	Common Stock	1,603,400(2)	9.1
Dimensional Fund Advisors L.P. 1299 Ocean Avenue Santa Monica, California 90401	Common Stock	1,442,943(3)	8.2
Barclay s Global 400 Howard Street San Francisco, California 94105	Common Stock	1,218,204(4)	6.9
Barrow, Hanley, Mewhinney & Strauss, Inc. 2200 Ross Avenue, 31st Floor Dallas, Texas 75201-2761	Common Stock	1,145,170(5)	6.5
Columbia Wanger Asset Management, L.P. 227 West Monroe Street, Suite 3000 Chicago, Illinois 60606	Common Stock	909,420(6)	5.2

(1) Artisan Partners Limited Partnership reported shared dispositive power with respect to all of such shares and shared voting power with respect to 1,734,994 of such shares in its most recent report on Schedule 13G filed January 9, 2009. Artisan Partners is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940. The shares reported have been acquired on behalf of discretionary clients of Artisan Partners. Persons other than Artisan Partners are entitled to receive all dividends from and proceeds from the sale of such shares.

(2) Wells Fargo & Company reported sole voting power with respect to all of such shares and sole dispositive power with respect to 1,339,400 of such shares in its report on Schedule 13G filed January 22, 2009, which it filed on its behalf and on behalf of certain of its subsidiaries, including Evergreen Investment Management Company, LLC.

(3) Dimensional Fund Advisors L.P. reported sole voting power with respect to 1,432,940 of such shares and sole dispositive power with respect to all of such shares in its report on Schedule 13G filed February 9, 2009. Dimensional is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940 and furnishes investment advice to four investment companies registered under the Investment Company Act of 1940. Dimensional also serves as investment manager to certain other commingled group trusts and separate accounts. All securities reported in this schedule are owned by these investment companies, trusts and accounts. Dimensional disclaims beneficial ownership of such securities.

(4) In its group filing on Schedule 13G filed February 5, 2009, Barclays Global Investors, N.A., Barclays Global Fund Advisors and Barclays Global Investors, Ltd., reported sole voting power with respect to 919,797 of such shares and sole dispositive power with respect to all of such shares.

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(5) Barrow, Hanley, Mewhinney & Strauss, Inc. reported sole dispositive power with respect to all of such shares, shared voting power with respect to 649,000 of such shares and sole voting power with respect to 496,170 of such shares in its report on Schedule 13G filed February 12, 2009.

(6) Columbia Wanger Asset Management, L.P. reported sole voting and dispositive power with respect to all of such shares in its report on Schedule 13G filed February 5, 2009.

Our Class B Stockholders have entered into an agreement to maintain an equal ownership of shares of Class B Stock by Malcolm S. Morris and the estate of Carloss Morris, collectively, and by Stewart Morris, Jr. and Stewart Morris, collectively. Such agreement also provides for rights of first refusal among themselves with respect to Class B Stock in the event of the death or voluntary or involuntary disposition of Class B Stock and upon certain other specified conditions.

The following table sets forth information as of March 3, 2009 with respect to each class of our voting shares beneficially owned by our executive officers, directors and nominees for director and by all our executive officers, directors and nominees for director as a group:

Name	Title of Class	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Malcolm S. Morris	Common Stock	149,204(2)	*
	Class B Common Stock	525,006	50.0
Stewart Morris, Jr.	Common Stock	213,626(3)	1.2
	Class B Common Stock	525,006	50.0
Matthew W. Morris	Common Stock	17,153(4)	*
J. Allen Berryman	Common Stock	8,010(5)	*
Max Crisp	Common Stock	46,084(6)	*
E. Ashley Smith	Common Stock	3,389(7)	*
Robert L. Clarke	Common Stock	11,465	*
Nita B. Hanks	Common Stock	8,255(8)	*
Paul W. Hobby	Common Stock	8,227	*
Dr. E. Douglas Hodo	Common Stock	10,427	*
Laurie C. Moore	Common Stock	4,821	*
Dr. W. Arthur Porter	Common Stock	6,227	*
Catherine A. Allen	Common Stock	3,393	*
Thomas G. Apel	Common Stock	3,420	*
All executive officers, directors and nominees for director as a group (14 persons)	Common Stock	493,701	2.8
	Class B Common Stock	1,050,012	100.0

* Less than 1%.

(1) Unless otherwise indicated, the beneficial owner has sole voting and dispositive power with respect to all shares indicated.

(2) Includes 100,000 shares subject to stock options and 12,000 shares of restricted stock that vest on December 31, 2009.

(3) Includes 170,000 shares subject to stock options and 12,000 shares of restricted stock that vest on December 31, 2009.

(4) Includes 1,600 shares subject to stock options, 469 shares owned through the Company s 401(k) plan and 10,000 shares of restricted stock that vest on December 31, 2009.

(5) Includes 10 shares owned through the Company s 401(k) plan and 8,000 shares of restricted stock that vest on December 31, 2009.

(6) Includes 38,000 shares subject to stock options.

(7) Includes 1,000 shares subject to stock options and 389 shares owned through the Company s 401(k) plan.

(8) Includes 7,300 shares subject to stock options.

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Section 16(a) Beneficial Ownership Reporting Compliance

Each of our directors and certain officers are required to report to the Securities and Exchange Commission, by a specified date, his or her transactions related to Common Stock or Class B Stock. Based solely on a review of the copies of reports furnished to us or written representations that no other reports were required, we believe that all filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were met during the 2008 fiscal year.

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

At our annual meeting, our stockholders will elect nine directors, constituting the entire board of directors. Our Common Stockholders are entitled to elect five directors, and our Class B Stockholders are entitled to elect four directors.

Common Stockholders Nominees

The following persons have been nominated by the board of directors as directors to be elected by our Common Stockholders. The persons named in your proxy intend to vote the proxy for the election of each of these nominees, unless you specify otherwise. Although we do not believe that any of these nominees will become unavailable, if one or more should become unavailable before the meeting, your proxy will be voted for another nominee, or other nominees, selected by our board of directors.

Nominee, Age and Position with Stewart	**Director Since**
Catherine A. Allen, 62, Advisory Director	
Robert L. Clarke, 66, Director	2004
Dr. E. Douglas Hodo, 74, Director	1988
Laurie C. Moore, 63, Director	2004
Dr. W. Arthur Porter, 67, Director	1993

Each of the five nominees up for election by our Common Stockholders, except Catherine A. Allen, was elected by the Common Stockholders at our 2008 annual meeting of stockholders.

Ms. Allen is currently serving as Chairman and CEO of The Santa Fe Group, a strategic consulting company that serves the financial sector in the areas of payments, fraud, information security and regulatory reform. Until 2007, Ms. Allen served as founding CEO of BITS, a consortium of the 100 largest financial services companies in the United States, which led the industry in developing best practices and strategies for the industry in fraud prevention, cybersecurity, business continuity, anti-terrorism, payments and e-commerce. Ms. Allen currently serves as one of our advisory directors and was recommended by the Nominating and Corporate Governance Committee.

Mr. Clarke has been a partner of the law firm Bracewell & Giuliani LLP for more than the past five years. Mr. Clarke also serves as a director of Mutual of Omaha Insurance Company, and as a director and chairman of the audit committees of the boards of Eagle Materials, Inc., a NYSE-listed manufacturer of building materials, and First Investors Financial Services Group, Inc., a consumer finance company. He served as U.S. Comptroller of the Currency from December 1985 through February 1992.

Dr. Hodo serves as Chairman of our Audit Committee. Dr. Hodo served as President of Houston Baptist University for more than nineteen years and became President Emeritus of the University in 2006.

Ms. Moore is the President of Laurie Moore and Associates, a speaking and consulting practice. In 2003 she founded, and has since served as the CEO of, The Institute for Luxury Home Marketing, LLC, an international membership organization targeting real estate agents who work in the upper-tier residential market. Prior to 2003, Ms. Moore co-founded and served as managing partner of REAL Trends, Inc., a publishing, communications and research company serving brokerage company owners and top management of franchise organizations in the residential real estate industry. Prior to her election as our director, Ms. Moore had served as our advisory director since 2002.

Dr. Porter is a Professor Emeritus of the University of Oklahoma. Prior to his retirement, he served as University Professor and Regents Chair of Engineering at that university. From 1998 to 2006 he served as University Vice President for Technology Development and also served as Dean of the College of Engineering from 1998 to 2005. Prior to those appointments, he had served as President and Chief Executive Officer of Houston Advanced Research Center, a nonprofit research consortium, for more than five years. He also served as an Adjunct Professor of Electrical Engineering at Rice University for more than five years prior to his appointment with the University of Oklahoma. Dr. Porter is also a director of Electro Scientific Industries, Inc., in Oregon and Bookham Technologies in California.

YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE FIVE NOMINEES FOR DIRECTOR.

Class B Common Stockholders Nominees

The following persons have been nominated as directors to be elected by our Class B Stockholders. The persons named in the Class B Stockholders proxies intend to vote the proxies for the election of the nominees named below, unless otherwise specified. Although we do not believe that any of these nominees will become unavailable, if one or more should become unavailable before the meeting, proxies will be voted for another nominee, or other nominees, selected by our board of directors.

Nominee, Age and Position with Stewart	Director Since
Thomas G. Apel, 48, Director	2009
Paul W. Hobby, 48, Director	1989
Malcolm S. Morris, 62, Co-Chief Executive Officer and Chairman of the Board of Directors	2000
Stewart Morris, Jr., 60, Co-Chief Executive Officer, President and Director	2000

Each of these nominees, except Thomas G. Apel, was elected by our Class B Stockholders at our 2008 annual meeting of stockholders. Upon the resignation of Mr. Crisp from his position on the board of directors, Mr. Apel was appointed to the board of directors on March 2, 2009.

Mr. Apel currently serves as president of Intrepid Ideas Inc., a product development, technology evaluation and business strategy consulting firm for financial services and real estate finance companies. He is also acting Chairman and CEO of Adfitech, Inc., the nation s largest mortgage quality control outsourcing firm. Additionally, he is a fellow with the Massachusetts Institute of Technology in the advanced study program currently focused on business model taxonomy and IT portfolio strategies. From 2002 to 2006, Mr. Apel was Chairman and CEO of Centex Title and Ancillary Services, a wholly owned subsidiary of Centex Corporation. Mr. Apel served as one of our advisory directors and was recommended by the Nominating and Corporate Governance Committee.

Mr. Hobby is founding chairman of Genesis Park, L.P., a Houston-based private equity business specializing in technology and communications investments. He has served since 2004 as the CEO of Alpheus Communications, Inc., a Texas wholesale telecommunications provider, and, from 2002 to 2006, as Chairman of CapRock Services, Inc., the largest provider of satellite services to the global energy business. Mr. Hobby previously served on the boards of four publicly traded companies: Coastal Bancorp, Inc. and Aronex Pharmaceutical, Inc. from 1999 through 2001 and Amegy Bank of Texas, Inc. from 2002 through 2005, and EGL, Inc. from 2001 through 2007. He currently serves on the board of one other publicly traded company: NRG Energy, Inc., a nonutility power generation company.

Malcolm S. Morris has served as our Chairman of the Board and Co-Chief Executive Officer since 2000 and as our Senior Executive Vice President - Assistant Chairman for more than five years prior to that time. Malcolm S. Morris has also served for more than the past five years as Chief Executive Officer of Stewart Title Guaranty Company and Chairman of the Board of Stewart Title Company.

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Stewart Morris, Jr. has served as our President and Co-Chief Executive Officer since 2000 and as our Senior Executive Vice President - Assistant President for more than five years prior to that time. Stewart Morris, Jr. has also served for more than the past five years as President and Chief Executive Officer of Stewart Title Company and Chairman of the Board of Stewart Title Guaranty Company.

Malcolm S. Morris and Stewart Morris, Jr. are first cousins. Acting together they have the power to direct our management and policies. Accordingly, they may be deemed to be control persons as such term is used in regulations adopted under the Securities Exchange Act of 1934. Matthew W. Morris is the son of Malcolm S. Morris.

CORPORATE GOVERNANCE

Board of Directors

We are managed by a board of directors comprised of nine members, five of whom are elected by our Common Stockholders and four of whom are elected by our Class B Stockholders. A majority of the members of the board of directors are independent within the meaning of the listing standards of the New York Stock Exchange. These directors are: Thomas G. Apel, Robert L. Clarke, E. Douglas Hodo, Laurie C. Moore, and W. Arthur Porter. During our most recent annual governance review, it was determined that Paul W. Hobby was no longer an independent director. Due to his lack of independence, Mr. Hobby immediately resigned as Chair and as a member of the Compensation Committee. The board has appointed Dr. Porter to Chair the Compensation Committee and appointed Ms. Moore to replace Mr. Hobby on the Compensation Committee. To ensure a majority of the board of directors remained independent within the meaning of the listing standards of the New York Stock Exchange, Mr. Crisp resigned as a member of the board of directors and Thomas G. Apel was appointed to the board of directors in his place on March 2, 2009. Except as previously discussed, the board of directors has determined that none of these directors has any material relationship with us or our management that would impair the independence of their judgment in carrying out their responsibilities to us. In making this determination, the board of directors considers any transaction, or series of similar transactions, or any currently proposed transaction, or series of similar transactions, between us or any of our subsidiaries and a director to be material if the amount involved exceeds $120,000, exclusive of directors fees, in any of our last three fiscal years.

All of our directors hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified. All of our officers hold office until the regular meeting of directors following the annual meeting of stockholders or until their respective successors are duly elected and qualified. Any action by the board of directors requires the affirmative vote of at least six members.

During 2008, the board of directors held nine meetings and one retreat. Each director attended each of such meetings, except that at three of such meetings, only eight of the nine directors were in attendance. The board of directors has an Executive Committee, an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. See Committees of the Board of Directors below.

The board of directors has adopted the *Stewart Code of Business Conduct and Ethics, Guidelines on Corporate Governance* and *Code of Ethics for Chief Executive Officers, Principal Financial Officer and Principal Accounting Officer*, each of which is available on our website at www.stewart.com and available in print to any stockholder who requests it. Our Guidelines on Corporate Governance and the charters of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee require an annual self-evaluation of the performance of the board of directors and of such committees, including the adequacy of such guidelines and charters. The charters of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee are available on our website at www.stewart.com and available in print to any stockholder who requests them.

Our Guidelines on Corporate Governance strongly encourage attendance by our directors in person at our annual meetings of stockholders. All but one of our directors attended our 2008 annual meeting of stockholders.

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Advisory Directors

In addition to the directors elected by our Common Stockholders and Class B Stockholders, our board of directors appoints advisory directors to supplement the experience and expertise of our elected directors. Our advisory directors receive notice of and regularly attend meetings of our board of directors and committees on which they serve as non-voting members. They provide valuable insights and advice to us and participate fully in all deliberations of our board of directors but are not included in quorum and voting determinations. Advisory directors receive the same compensation for their services as our elected directors receive.

Committees of the Board of Directors

The board of directors of the Company has the following committees: Executive, Audit, Nominating and Corporate Governance, and Compensation.

Executive Committee. The Executive Committee may exercise all of the powers of the directors, except those specifically reserved to the board of directors by law or resolution of the board of directors. Until the resignation of Max Crisp from the board of directors on March 2, 2009, Malcolm S. Morris, Stewart Morris, Jr. and Max Crisp served as the members of the Executive Committee. During 2008, the Executive Committee held three meetings, at which all members were present, and executed 19 consents in lieu of meetings.

Audit Committee. It is the Audit Committee s duty to (i) review with our independent auditors the scope of the annual audit, (ii) review the independent auditors findings related to our internal controls over financial reporting, and (iii) meet with our internal auditors. The Audit Committee has sole authority to appoint or replace our independent auditors. The Audit Committee operates under a written charter adopted by our board of directors, a copy of which is available on our website at www.stewart.com. The Audit Committee is comprised of Dr. E. Douglas Hodo (Chair), Robert L. Clarke and Laurie C. Moore. During 2008, the Audit Committee held nine meetings, at which all members then serving were present. Each of the members of the Audit Committee is independent as defined under the listing standards of the New York Stock Exchange and the Securities Exchange Act of 1934, and the board of directors has determined that Dr. Hodo is an audit committee financial expert as defined in the rules of the Securities and Exchange Commission. No member of our Audit Committee serves on the audit committees of more than three public companies. The Audit Committee has the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.

The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls and auditing matters, and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. Persons wishing to communicate with the Audit Committee may do so by writing in care of Chairman, Audit Committee, Stewart Information Services Corporation, 1980 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

The Audit Committee has received the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP s communication with the Audit Committee concerning independence, and has discussed KPMG LLP s independence with KPMG LLP.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is comprised of Dr. W. Arthur Porter (Chair), Robert L. Clarke and Laurie C. Moore, each of whom is independent as that term is defined in the listing standards of the New York Stock Exchange. It is the Nominating and Corporate Governance Committee s duty to (i) recommend to our board of directors nominations of persons for election by our Common Stockholders to our board of directors, (ii) create procedures for identification of nominees, (iii) consider and recommend to the board of directors criteria for nomination to our board of directors, and (iv) receive and consider nominations submitted by our stockholders. The Nominating and Corporate Governance Committee held three meetings during 2008, at which all members were present. Our Nominating and Corporate Governance Committee s charter is available on our website at www.stewart.com.

Our Guidelines on Corporate Governance require that a majority of the nine members of our board of directors be independent as that term is defined in the rules of the New York Stock Exchange. As described above, a majority of our current board of directors are independent under the filing standards of the New York Stock

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Exchange. Those Guidelines also provide that the Nominating and Corporate Governance Committee shall be guided by the following principles:

Each director should be an individual of the highest character and integrity and have an inquiring mind, experience at a strategy or policy-setting level, or otherwise possess a high level of specialized expertise, and the ability to work well with others. Special expertise or experience that will augment the board of directors expertise is particularly desirable.

Each director should have sufficient time available to devote to our affairs to carry out the responsibilities of a director and, absent special circumstances, no director should simultaneously serve on the boards of directors of more than three public companies. Directors are qualified for service on the board of directors only if they are able to make a commitment to prepare for and attend meetings of the board of directors and its committees on a regular basis.

Each independent director should be free of any significant conflict of interest that would interfere with the independence and proper performance of the responsibilities of a director.

Directors to be nominated for election by our Common Stockholders should not be chosen as representatives of a constituent group or organization. Each should utilize his or her unique experience and background to represent and act in the best interests of all stockholders as a group.

In recent years, vacancies occurring in our board of directors have been filled by advisory directors whose experience and expertise have contributed significantly to the deliberations of the board of directors and who meet the criteria set forth above.

Directors should have an equity ownership in us. Toward that end, each non-employee director shall be paid a portion of his or her director s fees in our Common Stock pursuant to our 2005 Long-Term Incentive Plan, or any successor plan, but only to the extent permitted by law and the Corporate Governance Standards of the New York Stock Exchange.

Pursuant to our By-Laws, the Nominating and Corporate Governance Committee will accept and consider nominations by stockholders of persons for election by our Common Stockholders to our board of directors. To be considered for nomination at our 2010 annual meeting of stockholders, stockholder nominations must be received by us no later than February 15, 2010. Persons wishing to submit the names of candidates for consideration by the Nominating and Corporate Governance Committee may write to the Nominating and Corporate Governance Committee in care of Corporate Secretary, Stewart Information Services Corporation, 1980 Post Oak Boulevard, Suite 800, Houston, Texas 77056. Any such submission should include the candidate s name, credentials, contact information and consent to be considered as a candidate. The person proposing the candidate should include his or her contact information and a statement of his or her share ownership, including the number of shares and the period of time the shares have been held.

Compensation Committee. It is the duty of the Compensation Committee to approve the compensation of our executive officers. During 2008, the Compensation Committee was comprised of Paul W. Hobby (Chair), Robert L. Clarke and Dr. W. Arthur Porter. During 2008, the Compensation Committee executed five consents in lieu of meetings. Except as set forth below, our board of directors has determined that each member of our Compensation Committee is independent as that term is defined in the rules of the New York Stock Exchange.

During our most recent annual governance review, it was determined that Mr. Hobby was no longer independent. Due to his lack of independence, Mr. Hobby immediately resigned as Chair and as a member of the Compensation

Committee. The Board has appointed Dr. Porter to Chair the Compensation Committee and appointed Ms. Moore to replace Mr. Hobby on the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

During 2008, Messrs. Hobby, Clarke, and Porter served on the Compensation Committee. None of these members is a former or current officer or employee of the Company or any of its subsidiaries, is involved in a relationship requiring disclosure as an interlocking executive officer/director, or had any relationship requiring disclosure under Item 404 of Regulation S-K.

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During our most recent annual governance review, it was determined that Mr. Hobby was no longer independent. Due to his lack of independence, Mr. Hobby immediately resigned as Chair and as a member of the Compensation Committee. The Board has appointed Dr. Porter to Chair the Compensation Committee and appointed Ms. Moore to replace Mr. Hobby on the Compensation Committee.

Sessions of Non-Management Directors

Our non-management directors, all of whom are independent, except as noted above, meet at regularly scheduled sessions without management. Our Audit Committee s Chairman serves as the presiding director at those sessions. Persons wishing to communicate with our non-management directors may do so by writing in care of Chairman, Audit Committee, Stewart Information Services Corporation, 1980 Post Oak Boulevard, Suite 800, Houston, Texas 77056. Persons wishing to communicate with our other directors may do so by writing in care of Corporate Secretary, Stewart Information Services Corporation, at the same address.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

During 2008, the Compensation Committee was comprised of Paul W. Hobby (Chair), Robert L. Clarke and Dr. W. Arthur Porter, each of whom was an independent director under the listing standards of the New York Stock Exchange. Please see the discussion above under Corporate Governance Committees of the Board of Directors Compensation Committee for recent changes to the Compensation Committee. The Compensation Committee functions pursuant to its charter, which is available on our web site at www.stewart.com. Under its charter, the Compensation Committee is charged with establishing and monitoring the basic philosophy and policies governing the compensation of our executive officers and senior managers. The Compensation Committee makes recommendations to the board of directors with respect to compensation, incentive compensation plans and equity-based plans. The Compensation Committee during 2008 revised its charter to reflect that the director compensation function has been transferred to the Nominating and Governance Committee to conform to modern trends in public company governance practices.

The Compensation Committee s specific duties and responsibilities include, but are not limited to, the following:

Review and approve the goals and objectives relevant to the compensation of the Co-Chief Executive Officers, evaluate the Co-Chief Executive Officers performance in light of those goals and objectives, and recommend to the board of directors the Co-Chief Executive Officers compensation levels based on this evaluation.

Administer the stock-based compensation plans that we have adopted (or may adopt).

Review and approve employment, severance and change-in-control agreements with our executive officers.

Review the overall compensation structure for all employees and make recommendations to the board of directors with respect to non-Chief Executive Officer compensation, incentive compensation plans and equity-based plans.

Retain at its discretion and on its behalf one or more firms that specialize in officer compensation to (i) compare compensation we pay to our officers to comparable compensation paid by competitors, (ii) compute the value of stock options and (iii) issue a fairness letter upon completion of the firm s study.

Produce an annual report on executive compensation for inclusion in the proxy statement as the Compensation Committee Report.

Annually review and reassess the adequacy of its charter and recommend any proposed changes to the board of directors for approval.

Annually perform an evaluation of its performance to determine whether the Compensation Committee is functioning effectively and report its conclusions to the board of directors.

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The Compensation Committee usually engages a compensation consultant in odd-numbered years to gather, analyze and present data with respect to the compensation of executive officers serving with other title insurance companies and other financial services companies deemed comparable by the Compensation Committee. These comparable companies are The First American Corporation, Fidelity National Financial, Inc. and Old Republic International Corporation. This information is supplemented annually by similar data developed internally. For 2009 the Compensation Committee has elected to forego the expense of the outside consultant in light of the Compensation Committee s confidence that it has a serviceable grasp of peer-group executive compensation in the current environment. The Compensation Committee considers many factors in its evaluation of the fairness of our compensation program, including the information on comparable compensation at other companies, as discussed below. The compensation of our Co-Chief Executive Officers has historically been set at levels below those of executives at comparable companies. During the fourth quarter of 2008, the Co-Chief Executive Officers, at their election, reduced their 2009 base salary by 10% (from $225,000 to $202,500) to recognize the harsh conditions in the title insurance business, and to recognize the hardship this severe economic contraction has placed on the Company s employees and their families.

Consistent with that recent development, the Compensation Committee regularly consults with the Co-Chief Executive Officers for the purpose of assuring that executive compensation programs do not distort our overall compensation structure, resulting in discontent among our key employees and other associates. The Compensation Committee also works with the Co-Chief Executive Officers to structure their compensation programs and those of our other executive officers to make the compensation programs tax efficient and accommodate their personal estate planning. To that end, in late 2008 the Compensation Committee confirmed that any vesting of equity grants could be exercised or issued net of taxes, should an executive so choose.

Objectives of the Compensation Programs

We were founded in 1893 by the sons of Judge William H. Stewart and have been managed by his lineal descendents since that time. At the time of our initial public offering in 1972, our capital stock was divided into two classes, with the Stewart family owning all of the outstanding shares of Class B Common Stock, which entitles them to elect a certain number of directors depending on the number of shares of this class that they hold. Currently, Malcolm S. Morris and Stewart Morris, Jr. own a sufficient number of shares of Class B Common Stock to enable them to elect four of our nine directors. Because the vote of six directors is required to take action, at least one of the four directors elected by the Morrises must vote with the directors elected by our Common Stockholders for our board of directors to take action.

The Compensation Committee believes that our century-long management by members of the Stewart/Morris family has created a climate of long-term stability that is attractive to the kind of associates that we wish to hire and retain, as well as to our customers. We are managed with a view to maximizing intermediate and long-term shareholder values.

In light of the Company s history as a family-controlled company, the Compensation Committee has adopted a compensation philosophy of fairness, rather than focusing on retaining its Co-Chief Executive Officers. The Compensation Committee s compensation philosophy also includes maintaining associate satisfaction and morale by assuring that the compensation of executive officers, particularly the Co-Chief Executive Officers, is not out of line with that of key employees and other associates. The Compensation Committee believes that our compensation programs have achieved these goals. The Compensation Committee notes that it is not uncommon for the compensation of one or more key employees to exceed that of the Co-Chief Executive Officers in some years.

The Compensation Committee also follows a policy, begun in 1985, of equalizing the compensation packages of the Co-Chief Executive Officers. The Compensation Committee believes that this policy has served us well by eliminating a possible source of friction. This philosophy of parity and fairness applies only to the Co-Chief Executive Officers; the balance of the Section 16 officers are compensated more in line with a market-based approach.

Finally, the Compensation Committee s compensation philosophy considers the cyclical nature of our business, which is strongly influenced by prevailing mortgage interest rates and the U.S. real estate market. Because these factors are beyond the control of the Co-Chief Executive Officers, we do not attempt to closely link

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year-to-year operating results with their compensation. The Compensation Committee nevertheless tends to focus on tangible book value along with earnings per share and accretion of stockholder value over time, among other measures, in evaluating our executive officers performance.

Elements of In-Service Compensation

The principal elements of in-service compensation for our executive officers are salary, an annual bonus based on the financial performance of Stewart Title Guaranty Company (Guaranty), our principal underwriter, and equity awards, which have historically taken the form of fully vested 10-year stock options at exercise prices equal to the closing market price of our Common Stock on the grant date. In 2007, our 2005 Long-Term Incentive Plan was amended to permit us to make restricted and unrestricted stock grants.

The salaries of our executive officers are kept relatively stable, with the base salaries of our Co-Chief Executive Officers having increased by an average of 9% annually for the five years ended December 31, 2008. We have historically paid cash bonuses to our executive officers under formulas based on the consolidated pretax income (after deducting minority interests) of Guaranty. The Compensation Committee attempts to set performance targets that will result in an aggregate compensation package that meets its standard of fairness. Guaranty had a loss in 2008, thus no formula-based cash bonuses were earned by our executive officers in 2008. Our executive officers may receive discretionary cash bonuses from time to time upon approval by our board of directors. For example, in 2008, the Company s Senior Executive Vice President was awarded a one-time merit bonus of $100,000 in recognition of his efforts in managing the internal reorganization and expense reduction strategies of the Company. In addition, the Compensation Committee determined to award the Company s Executive Vice President and Chief Financial Officer a bonus of $37,500 for 2008.

In March 2008, the Company granted an aggregate of 42,000 shares to the named executive officers under the 2005 Long-Term Incentive Plan. In January 2009, the Company granted an aggregate of 42,000 shares to certain of the named executive officers under the 2005 Long-Term Incentive Plan.

As disclosed in our Summary Compensation Table under All Other Compensation, and the accompanying footnotes, we provide certain perquisites to our executive officers, including home security, tax and financial planning, country club dues, and company cars or car allowances. These perquisites have been provided for many years, and we believe them to be reasonable as to type and amounts.

Recent Changes in Compensation Strategy for Co-Chief Executive Officers

In 2008, the Compensation Committee partially revised its compensation strategy for our Co-Chief Executive Officers by deciding to use restricted stock grants, rather than stock options, as a part of their compensation packages and by approving the 2008 Strategic Incentive Pool Plan, described below.

Restricted Stock Grants. These are equity awards that replaced the option grants used in previous years to supplement the cash components of compensation of our Co-Chief Executive Officers. While the grants are taxable to the receiving executive, they advance our concept of management equity ownership generally and alignment of the interests between our Co-Chief Executive Officers and holders of our Common Stock. While the taxability of stock grants may result in modest sales of stock by our Co-Chief Executive Officers in order to fund their personal tax liabilities, the concept of direct ownership and clear and transparent reporting for financial statement purposes seem to the Compensation Committee to be preferable to the volatility of stock option valuations, particularly in light of the current economic environment and its impact on our Common Stock.

Strategic Incentive Pool Plan. The Compensation Committee and the board of directors have approved a 34-month cash incentive plan tied to quantifiable measures in each of the several areas chosen by the board of directors and management as long-term and strategic in nature. This Strategic Incentive Pool Plan is intended to provide long-term incentives during these challenging times in the real estate and title insurance business cycles. The ongoing contraction in the housing market has created an operational imperative to right-size employee counts and centralize operating expenses. While that type of nimble, reactive management is necessary at times, the Compensation Committee seeks to counterbalance that daily reality with long-term objectives consistent with the board of directors and management s vision for the Company.

The total amount of the Strategic Incentive Pool available for distribution will be the cash equivalent of the fair market value, as of December 31, 2010, of 50,000 shares of the Company s Common Stock. Subject to certain conditions and to the extent each of the three are equally weighted and independent targets set out under the cash incentive plan are achieved, the cash award would be made in equal amounts to each of the Co-Chief Executive Officers. At least half of the after-tax cash received by each Co-Chief Executive Officer must be invested in the Company s Common Stock within 90 days of the award. The targets under the cash incentive plan relate to increasing our market share of U.S. commercial business, increasing our revenues from international business and attaining technology milestones. Each measure is independent and eligible for one-third of the cash award. To the extent a strategic measure s threshold is achieved at less than 100% but at the minimum of 80%, there will be a proportionate reduction in the cash award from the 100% level. Targets met at less than 80% are not eligible for their respective one-third of the cash award. The Compensation Committee believes that the achievement of the strategic measures under the cash incentive plan will significantly enhance the value of the Company.

Elements of Post-Termination Compensation and Benefits

In 1986, we entered into an agreement with each of Malcolm S. Morris, Stewart Morris, Jr. and Max Crisp pursuant to which the executive officer or his designee is entitled to receive, commencing upon his death or attainment of the age of 65 years, 15 annual payments in amounts that will, after payment of federal income taxes thereon, result in a net annual payment of $66,667 to Max Crisp and $133,333 to each of Malcolm S. Morris and Stewart Morris, Jr. For purposes of such agreements, each beneficiary is deemed to be subject to federal income taxes at the highest marginal rate applicable to individuals. Such benefits are fully vested and are forfeited only if a beneficiary s employment with us is terminated by reason of fraud, dishonesty, embezzlement or theft. Any death or income benefits provided to a beneficiary under certain insurance policies we currently maintain will reduce payments due to such beneficiary or his designee under his deferred compensation agreement. The Compensation Committee has no plans to propose any additional defined benefit plans for its executive officers.

Our executive officers also participate in our defined contribution (401(k)) plan on the same terms as our other associates.

We have no change-in-control agreements that would provide additional post-termination compensation to any of our executive officers upon a change in control of the Company.

Limitations on the deductibility of executive compensation imposed by Section 162(m) of the Internal Revenue Code have had no effect on our compensation programs for executive officers because we have never exceeded those limits.

Conclusion

In summary, the Compensation Committee strives to focus on the principles of fairness, stability and correlation between the duties and compensation of our senior corporate officers and our operational managers. Compensation of executive officers who are not members of the Morris family is intended to balance the market opportunities of those individuals and the deliberate modesty of the compensation packages provided to members of the Morris family.

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EXECUTIVE COMPENSATION

Summary of Compensation

The following table summarizes compensation information for each of our named executive officers for the three years ended December 31, 2008.

Summary Compensation Table
(Three years ended December 31, 2008)

and Principal Position (a)	Year (b)	Salary ($)(1) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($)(2) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($)(3) (i)	Tota (
lm S. Morris	2008	225,000		281,880			99,000	39,062	644
man of the Board and	2007	225,000	140,000				93,000	26,187	484
ief Executive Officer	2006	175,000				486,299	87,000	24,754	773
rt Morris, Jr.	2008	225,000		281,880			87,000	27,476	621
ent and	2007	225,000	140,000				81,000	47,504	493
ief Executive Officer	2006	175,000				486,299	76,000	19,001	756
n Berryman(4)	2008	87,333	37,500					2,972	127
tive Vice President and									
Financial Officer,									
ary and Treasurer									
Crisp(4)	2008	207,000	140,000(5)	187,920				60,325	595
r Executive Vice	2007	207,000	140,000					56,173	403
ent									
hief Financial Officer,	2006	200,000				295,974		70,527	566
ary and Treasurer									
ew W. Morris	2008	200,000	100,000	187,920				15,000	502
Executive Vice President	2007	200,000	140,000		15,172			12,700	367
	2006	150,000	25,000			105,565		11,950	292
ley Smith	2008	300,000		58,260				11,100	369

tive Vice President and	2007	347,692		9,482	10,900	368
Legal Officer	2006	316,667	62,500		11,250	390

(1) Includes salary earned and deferred at the officer s election.

(2) Consists of the variable portion of executive bonuses. See Compensation Discussion and Analysis Elements of In-Service Compensation.

(3) See the following table captioned All Other Compensation.

(4) Mr. Berryman, age 51, has served as Executive Vice President, Chief Financial Officer, Secretary and Treasurer of the Company since September 2008, when Mr. Crisp retired from those positions. From January 2006 until September 2008, Mr. Berryman served as Vice President Finance of Contract Research Solutions, Inc. d/b/a Cetero Research, one of the world s largest providers of early clinical trial and bioanalytical laboratory services to pharmaceutical, biotechnology and genetic drug companies. From 2002 through 2005, Mr. Berryman was Chief Financial Officer of Retriever Payment Systems, a nationwide provider of credit, debit and other card processing services to merchants.

(5) Payment to Mr. Crisp for his assistance in the Company s transition to a new Chief Financial Officer.

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The following table shows the components of the compensation included in column (i) of our Summary Compensation table for the year ended December 31, 2008.

All Other Compensation

Item	Malcolm S. Morris	Stewart Morris, Jr.	J. Allen Berryman	Max Crisp	Matthew W. Morris	E. Ashley Smith
Other Compensation						
Directors fees	$ 6,300	$ 6,300		$ 6,300	$ 4,500	
Tax gross-up				$ 35,897		
401(k) match	$ 2,500	$ 2,500		$ 2,500	$ 2,500	$ 2,500
Restricted stock dividends	$ 1,200	$ 1,200		$ 800	$ 800	$ 200
Perquisites						
Personal use of company-owned auto or car allowance	$ 9,025	$ 5,102	$ 2,972	$ 9,418	$ 7,200	$ 8,400
Home security	$ 4,200	$ 3,883		$ 363		
Country club dues	$ 10,809	$ 5,552		$ 3,046		
Investment and tax planning and tax preparation	$ 5,028	$ 2,939		$ 2,001		
	$ 39,062	$ 27,476	$ 2,972	$ 60,325	$ 15,000	$ 11,100

Plan-Based Awards

The following table sets forth information concerning individual grants of plan-based equity and non-equity awards.

Grants of Plan-Based Awards
(Year ended December 31, 2008)

Name (a)	Grant Date (b)	All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Option Awards ($) (l)
Malcolm S. Morris	3/3/2008	12,000	349,560
Stewart Morris, Jr.	3/3/2008	12,000	349,560
J. Allen Berryman			

Max Crisp	3/3/2008	8,000	233,040
Matthew W. Morris	3/3/2008	8,000	233,040
E. Ashley Smith	3/3/2008	2,000	58,260

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The following table sets forth information concerning the outstanding equity awards held by each of our named executive officers at December 31, 2008. No named executive officer held unexercisable options at that date.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards		
Name (a)	**Number of Securities Underlying Unexercised Options (#) Exercisable (b)**	**Option Exercise Price ($) (e)**	**Option Expiration Date (f)**
Malcolm S. Morris	25,000	42.11	02/02/15
	25,000	47.10	02/02/14
	25,000	21.87	01/23/13
	25,000	19.10	02/01/12
Stewart Morris, Jr.	25,000	42.11	02/02/15
	25,000	47.10	02/02/14
	25,000	21.87	01/23/13
	25,000	19.10	02/01/12
	25,000	20.01	01/31/11
	25,000	13.00	02/04/10
	20,000	19.375	05/24/09
J. Allen Berryman			
Max Crisp	16,500	42.11	02/02/15
	16,500	47.10	02/02/14
	5,000	21.87	01/23/13
Matthew W. Morris	1,600	26.83	11/30/17
E. Ashley Smith	1,000	26.83	11/30/17

The following table sets forth certain information regarding the exercise of options and the vesting of stock awards by our named executive officers in 2008.

Option Exercises and Stock Vested as of December 31, 2008

	Option Awards		Stock Awards	
Name (a)	**Number of Shares Acquired on Exercise (#) (b)**	**Value Realized on Exercise ($) (c)**	**Number of Shares Acquired on Vesting (#) (d)**	**Value Realized on Vesting ($) (e)**

Malcolm S. Morris			7,626	281,880
Stewart Morris, Jr.	24,000	234,000	7,626	281,880
J. Allen Berryman				
Max Crisp			5,084	187,920
Matthew W. Morris			5,084	187,920
E. Ashley Smith				