

Dolan Media CO
Form PRE 14A
March 23, 2010

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

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

DOLAN MEDIA COMPANY

(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)(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 of 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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April __, 2010

Dear Fellow Stockholder:

I am pleased to invite you to attend Dolan Media Company's Annual Meeting of Stockholders, which we will hold on May 26, 2010, at the Minneapolis Club, 729 Second Avenue South, Minneapolis, MN 55402. The meeting will begin promptly at 9:00 a.m., central daylight time.

Please read the accompanying Notice of Annual Meeting and Proxy Statement for more details about the annual meeting and matters that will be presented to stockholders for a vote.

I, and other members of our management team, as well as members of our board of directors, will be available to respond to your questions and comments. We look forward to this opportunity to communicate directly with our stockholders and share information about our operations and activities and hope that you are able to join us.

Your vote is very important to us. Whether you own a few shares or many, it is important that your shares are represented at our annual meeting. If you cannot attend the annual meeting in person, please vote as soon as possible. We offer three convenient ways for you to vote on the Internet (which we recommend), by telephone, or, if you requested a paper copy of these materials, by completing and mailing the proxy card in the postage-paid envelope provided. Instructions regarding these voting options are described in the Notice of Internet Availability of Proxy Materials we mailed to you and on the proxy card, if you requested one be sent to you.

We appreciate your continued support of Dolan Media Company and look forward to meeting you at our annual meeting.

Very truly yours,

/s/ James P. Dolan
James P. Dolan
Chairman, Chief Executive Officer and President

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dolan Media Company will hold its Annual Meeting of Stockholders as follows:

Date and Time	May 26, 2010, 9:00 a.m. (central daylight time)
Place	Minneapolis Club 729 Second Avenue South Minneapolis, MN 55402
Items of Business	<ol style="list-style-type: none">1. To elect the three Class III directors nominated by our board to serve for a period of three years;2. To approve the Dolan Media Company 2007 Incentive Compensation Plan, as amended and restated, which includes authorizing an additional 2,100,000 shares of our common stock for potential future issuance under the plan, and reapproving the performance goals under which compensation may be paid under the plan for purposes of Section 162(m) of the Internal Revenue Code;3. To ratify the Dolan Media Company Rights Agreement, as amended, which is our stockholders rights plan;4. To approve an amendment to our Amended and Restated Certificate of Incorporation to change our name from Dolan Media Company to The Dolan Company;5. To ratify the Audit Committee's appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for 2010; and6. To act upon any other business as may properly come before the stockholders at the annual meeting or any adjournment or postponement of the meeting.
Record Date	If you were a stockholder of record at the close of business on March 29, 2010, you are entitled to vote at our annual meeting on the items of business identified above.
Proxy Voting	Your vote is important to us. If you are unable to attend our annual meeting, you may vote your shares by proxy over the Internet (which our board recommends), by telephone or, if you requested a paper copy of these materials, by completing, signing and returning a proxy card in the envelope provided. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials that we mailed to you or your proxy card, if you requested one. If you are voting by proxy, we must receive your vote no

later than (1) 11:59 p.m., eastern daylight time, on May 25, 2010, if you are voting on the Internet or by telephone, or (2) 6:00 p.m., central daylight time, on May 25, 2010, if you are voting by mail. We encourage you to vote by proxy even if you plan to attend the meeting in person. If you attend the meeting in person, you can revoke your proxy and vote in person if you so desire.

Adjournments and Postponements

Our stockholders may consider any item of business described above at the annual meeting at the time and the date specified in this Notice of Annual Meeting or at any other time or date to which the annual meeting has been properly adjourned or postponed.

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Notice of Internet Availability of Proxy Materials We mailed our Notice of Internet Availability of Proxy Materials on or about April __, 2010. Our proxy statement and annual report to stockholders for the year ended December 31, 2009, are available at www.proxyvote.com. Our annual report contains financial and other information about us, including our Form 10-K. You will need your 12-digit control identification number to access these materials. The control identification number is included on the Notice of Internet Availability of Proxy Materials that you received from us in the mail.

By Order of the Board of Directors,

/s/ Vicki J. Duncomb

Vicki J. Duncomb, Corporate Secretary

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PROXY STATEMENT

**Annual Meeting of Stockholders
May 26, 2010**

Our board of directors is soliciting proxies for the 2010 Annual Meeting of Stockholders and we are providing these proxy materials in connection with that solicitation. You are receiving these proxy materials because you owned shares of our common stock on March 29, 2010, and are entitled to vote at the annual meeting. If you are unable to attend the annual meeting in person, you may vote your shares by proxy. This proxy statement describes the proposals that we would like you to consider and vote on and provides additional information to you relating to these proposals so that you can make an informed decision.

Proposals You Are Asked to Vote on and the Board's Voting Recommendation

You will be asked to vote on five proposals at the annual meeting. Our Board recommends that you vote your shares on these proposals as indicated below:

Proposal	Board's Voting Recommendation
1. The election of James P. Dolan, John Bergstrom and George Rossi as Class III Directors	FOR
2. To approve the Dolan Media Company 2007 Incentive Compensation Plan, as amended and restated, which includes authorizing an additional 2,100,000 shares of our common stock for potential future issuance under the plan, and reapproving the performance goals under which compensation may be paid under the plan for purposes of Section 162(m) of the Internal Revenue Code	FOR
3. The ratification of the Dolan Media Company Rights Agreement, as amended, which is our stockholders rights plan	FOR
4. To approve an amendment to our Amended and Restated Certificate of Incorporation to change our name from Dolan Media Company to The Dolan Company	FOR
5. The ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for 2010	FOR

The Board is not aware of any other matters to be presented to you for a vote at the annual meeting. If you grant a proxy by the Internet, telephone or by signing and returning a proxy card by mail, James P. Dolan, our chairman, chief executive officer and president, and Vicki J. Duncomb, our vice president and chief financial officer, or either of them, may, as your proxies, vote your shares in their discretion for any additional matters that properly come before the stockholders at the annual meeting. Further, if any director candidate is unavailable to serve as director prior to the

election at the annual meeting, Mr. Dolan and Ms. Duncomb, or either of them, will vote your proxy for another candidate nominated by our board unless our board allows the vacancy to remain open or reduces the size of our board.

Stockholders Entitled to Vote at Annual Meeting

If you owned shares of our common stock at the close of business on March 29, 2010, the record date, you may vote at the annual meeting. On that date, there were _____ shares of common stock outstanding. You have one vote for each share of common stock you held on that date. This includes shares for which you are the stockholder of record and those for which you are the beneficial owner.

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You are the STOCKHOLDER OF RECORD if your shares are registered directly in your name with our transfer agent, BNY Mellon Shareholder Services. If you are the stockholder of record, we have made these proxy materials available to you directly and you may grant your voting proxy directly to us or vote in person at the annual meeting.

You are a BENEFICIAL OWNER if your shares are held in a stock brokerage account or by another person, as nominee, on your behalf (sometimes referred to as being held in street name). If you are a beneficial owner, your broker or nominee is making these proxy materials available to you and will provide you a voting instruction card to use. You must use this voting card or follow its instructions regarding voting on the Internet or by telephone to instruct your broker or nominee as to how you would like to vote your shares. You are invited to attend the annual meeting, but may not vote your shares in person at the meeting, unless you receive a proxy from your broker or nominee and are present at the meeting.

Voting Requirements

We need a majority of the votes that could be cast by stockholders entitled to vote, present in person at the annual meeting or represented by proxy, to constitute a quorum for the transaction of business at this meeting. We count abstentions and broker non-votes, if applicable, as present and entitled to vote for purposes of determining a quorum.

The nominees for director will be elected by a plurality of the votes of the shares present and entitled to vote on the proposal, whether in person or by proxy. A plurality means the nominees receiving the largest number of votes cast at the meeting will be elected for the available director positions. It is possible that a plurality might not be a majority of the votes cast at the meeting in person or by proxies. An affirmative FOR vote by a majority of the votes of the shares present and entitled to vote on the proposal, whether in person or by proxy, is required on the following matters: (1) approving the 2007 Incentive Compensation Plan, as amended and restated, which includes authorizing an additional 2,100,000 shares of our common stock for potential future issuance under the plan, and reapproving the performance goals under which compensation may be paid under the plan for purposes of Section 162(m) of the Internal Revenue Code; (2) ratifying the Rights Agreement, as amended; (3) ratifying the appointment of McGladrey & Pullen, LLP; and (4) approving all other matters that are properly presented to the stockholders at the annual meeting or any adjournment or postponement of it. The affirmative FOR vote by a majority of the shares outstanding and entitled to vote on the proposal, whether in person or by proxy, is required to approve the amendment to the Amended and Restated Certificate of Incorporation.

A broker non-vote occurs when a beneficial owner fails to provide voting instructions to his/her broker or nominee with respect to a matter which the broker or nominee indicates when voting by proxy that it does not have the discretionary authority to vote on such matter. We believe that brokers or nominees have discretionary authority to vote shares held by beneficial owners with respect to only two of the five proposals: Proposal 4 Approval of an Amendment to the Amended and Restated Certificate of Incorporation and Proposal 5 Ratification of the appointment of McGladrey & Pullen, LLP. Therefore, if you are a beneficial owner, to ensure that your shares are voted in the manner you wish, please provide voting instructions to your broker or nominee.

Counting Votes

You may either vote FOR or WITHHOLD authority to vote for the nominees for the board of directors. Withholding your authority to vote for a nominee and broker non-votes will not affect the outcome of the elections for directors. You may either vote FOR, AGAINST, or ABSTAIN on the four other proposals set forth on the agenda. If you ABSTAIN from voting on any of those proposals, your vote will be counted as a vote AGAINST this proposal. Broker non-votes, if applicable, may affect the outcome of some of our proposals. If you are a beneficial owner and do not send voting instructions to your broker, if applicable, your broker may vote your shares at its discretion on Proposals 4 and 5, because the New York Stock Exchange considers these two proposals routine matters. If you are a

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stockholder of record and sign and mail a proxy card, but do not include voting instructions, the proxies will vote your shares FOR all of the proposals and, in their discretion, as to any other matter that may properly come before the stockholders at the annual meeting.

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A representative of Broadridge Financial Solutions, Inc. will tabulate the votes represented in person or by proxy at our annual meeting and act as the inspectors of the election.

How To Vote

Please refer to *Stockholders Entitled to Vote at Annual Meeting* to determine if you are the stockholder of record of your shares or if you are a beneficial owner of your shares.

Stockholders of record may vote their shares in person at the annual meeting or by granting a proxy. If you are a stockholder of record, you may vote by proxy on the Internet (which our board recommends) or by telephone by following the voting instructions set forth on the Notice of Internet Availability of Proxy Materials you received. If you requested a paper copy of our proxy materials, you may also vote by marking, signing and dating the proxy card and mailing it to us in the envelope provided. Please sign your name exactly as it appears on your proxy card.

Internet and telephone voting ends at 11:59 p.m., eastern daylight time, on May 25, 2010.

If you mail your proxy card, we must receive it no later than 6:00 p.m. central daylight time, on May 25, 2010, for your vote to be counted at the annual meeting.

We encourage you to vote by proxy even if you plan to attend the annual meeting in person.

Please refer to *Changing Your Vote* for more information about the effect of your proxy if you vote in person at the annual meeting.

Beneficial owners may vote their shares by providing voting instructions to their broker or nominee before our annual meeting. If you are a beneficial owner, you may not vote your shares in person at our annual meeting unless you obtain and present at the annual meeting a proxy from your broker or nominee; however, you may attend the annual meeting.

If you received more than one Notice of Internet Availability of Proxy Materials, you hold shares registered in more than one name. This sometimes occurs when a stockholder holds shares in his/her own name and then also in a representative capacity, such as a trustee on behalf of a trust. Please vote all shares for which you received a Notice of Internet Availability of Proxy Materials so that you can ensure all of your shares are represented at the meeting.

Attending the Annual Meeting

The annual meeting begins promptly at 9:00 a.m., central daylight time. Please arrive no later than 8:30 a.m. to allow us to register your attendance and to ensure that we start the meeting on time. You must bring a valid driver's license or other proof of identification.

Changing Your Vote

You may change your vote and revoke your proxy at any time prior to the vote at the annual meeting. If you are a stockholder of record, you may change your vote by:

Sending a written statement, revoking your proxy, to our corporate secretary addressed as follows:

By electronic mail secretary@dolanmedia.com

By Mail

Dolan Media Company

Attention: Corporate Secretary

222 South Ninth Street

Suite 2300

Minneapolis, MN 55402

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We must receive your written statement, revoking your proxy, by 6:00 p.m., central daylight time, May 25, 2010, for it to be effective.

Voting on the Internet or by telephone at a later time;

Mailing a properly signed proxy card to us, having a later date; or

Voting in person at the annual meeting.

If you are a beneficial owner, you may change your vote by submitting new voting instructions to your broker or nominee by the deadline your broker or nominee has set for changing voting instructions.

Delivery of Proxy Materials

Pursuant to SEC rules, we are making our proxy materials, which include our notice of the 2010 annual meeting of stockholders, proxy statement and annual report to stockholders, available to you over the Internet at www.proxyvote.com instead of mailing you a printed set of the proxy materials. You will need your 12-digit Control Identification Number, provided with the Notice of Internet Availability of Proxy Materials, to access the notice of the 2010 annual meeting of stockholders, proxy statement and annual report to stockholders. We believe that this e-proxy process will expedite your receipt of proxy materials, lower our costs and reduce the environmental impact of our annual meeting. In accordance with the e-proxy process, we mailed to each of our stockholders of record as of March 29, 2010, a Notice of Internet Availability of Proxy Materials, which mailing commenced on or about April __, 2010. The Notice contains instructions on how you may access our proxy materials and vote your shares over the Internet or by telephone. If you would like to receive a printed copy of our proxy materials from us instead of downloading them from the Internet, please follow the instructions included with the Notice of Internet Availability of Proxy Materials.

Stockholders List

We will make available, upon request, a list of the names of all stockholders of record who are eligible to vote at our annual meeting. This list will be available ten days prior to the annual meeting during the hours of 8:30 a.m. to 4:30 p.m. (central daylight time) at our principal executive offices, located at 222 South Ninth Street, Suite 2300, Minneapolis, Minnesota 55402. You may review the list for any purpose relevant to the annual meeting by contacting our corporate secretary in writing, either by mail address to our principal executive offices, attention Corporate Secretary, or by email to secretary@dolanmedia.com. We will also make this list available at the annual meeting.

Proxy Solicitation Costs

We will pay the costs of preparing, assembling, printing, mailing and distributing the Notice of Internet Availability of Proxy Materials and any proxy materials that our stockholders have requested be mailed to them. This includes reimbursing stockholders of record for the expenses they incur in forwarding our proxy materials to beneficial owners. Our directors, officers and employees may solicit proxies personally, by mail, telephone, fax or over the Internet. We do not pay our directors, officers or employees any extra compensation for soliciting proxies. We have also engaged Morrow & Co., LLC to solicit proxies on our behalf, either by mail, telephone, fax, or over the Internet. Morrow & Co., LLC's address is 470 West Ave., Stamford, CT 06902. We expect to pay Morrow & Co. approximately \$30,000 for its proxy solicitation services, consisting of a flat fee of \$7,000, along with a fee of \$5.50 for each stockholder of record and beneficial owner it contacts to solicit a proxy on our behalf. We will also reimburse Morrow & Co. for reasonable expenses it incurs on our behalf in connection with soliciting proxies.

Transfer Agent

Our transfer agent is BNY Mellon Shareholder Services. If you are a stockholder of record and need to change your name or address, need information regarding the transfer of your shares, or have other questions regarding your shares, please contact BNY Mellon Shareholder Services directly, at 1-800-953-2495, on the Internet at www.bnymellon.com/shareowner/isd or in writing at BNY Mellon Shareholder Services, P.O. Box 358015, Pittsburgh, PA 15252-8015.

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COMPANY GOVERNANCE

Corporate Governance Guidelines

Our board has adopted corporate governance guidelines. These, along with our committee charters, provide a framework for the governance of our company. These guidelines provide, among other things, that:

Our board of directors consists of a majority of independent directors and that each of the board's three standing committees consists of members who are independent. Currently, Mr. Dolan, our chairman, chief executive officer and president, is the only director who is not independent. Mr. Dolan does not serve on any of the board's committees.

Our directors possess the highest personal and professional ethics and are committed to the long-term interests of our company's stockholders.

No director serves on the boards of more than three public companies, unless the board determines that this does not impair the director's ability to serve effectively on our board.

The nominating and corporate governance committee oversees and manages an annual evaluation of the board.

The nominating and corporate governance committee is responsible for overseeing these guidelines and ensuring that we adhere to them. The committee periodically reviews and reassesses the adequacy of these guidelines and recommends proposed changes to the board of directors for consideration.

Copies of our corporate governance guidelines and committee charters are available under Corporate Governance in the Investor Relations section of our web site at www.dolanmedia.com, or by written request to our corporate secretary. Please refer to Communications with the Company and the Board in this proxy statement for information about how to contact our corporate secretary.

Our Codes of Ethics and Business Conduct Policies

We have adopted two codes of ethics: a Code of Business Conduct and Ethics, which we refer to as our Code of Conduct, and a Code of Ethics for our Senior Financial Officers, Chief Operating Officer and Principal Executive Officer, which we refer to as our Code of Ethics. We adopted these policies to ensure that all of our directors, officers and employees observe the highest standards of ethics in conducting our business.

Under our Code of Conduct, our core values include respect for individuals, honesty, integrity and leadership by example. Among other things, our Code of Conduct:

requires all directors, officers and employees to conduct our business affairs fairly, free of conflicts of interests and in an ethical manner;

prohibits conduct that may raise questions to our honesty, integrity or reputation; and

includes a process for reporting complaints and concerns about violations of this code of conduct or other similar policies to a compliance committee, consisting of our chief operating officer, our chief financial officer and our controller.

Our Code of Ethics requires our senior financial officers (including our principal financial officer), chief operating officer and principal executive officer to:

act with honesty and integrity and in an ethical manner, avoiding actual or apparent conflicts of interests in personal and professional relationships;

promptly disclose to the audit committee any material relationship or transaction that could give rise to a conflict of interest;

comply with generally accepted accounting principles and ensure that accounting entries are promptly and accurately recorded and documented; and

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report to the audit committee or nominating and corporate governance committee any violations to the Code of Ethics or other company policies, compliance programs or laws, including material weaknesses in the design or operation of internal controls, fraud or material information that calls into question disclosures we have made in our periodic reports on file with the Securities and Exchange Commission.

Mr. Dolan, Mr. Pollei, Ms. Duncomb, who also acts as our principal accounting officer, our controller, and our senior financial officers at National Default Exchange, DiscoverReady and Counsel Press are subject to this policy.

The nominating and corporate governance committee is responsible for overseeing and periodically evaluating these policies. The committee recommends proposed changes to these policies to the Board for consideration. Both our Code of Conduct and our Code of Ethics are available in the Corporate Governance section of our web site under the Investor Relations at www.dolanmedia.com, or by written request from our corporate secretary. Please refer to Communications with the Company and our Board.

Related Party Transactions and Policies

Our board of directors recognizes that transactions or other arrangements between us and any of our directors or executive officers may present potential or actual conflicts of interest. Accordingly, as a general matter, it is our board's preference to avoid such transactions and other arrangements. Nevertheless, our board recognizes that there are circumstances where such transactions or other arrangements may be in, or not inconsistent with, our best interests. We have adopted a formal written policy that requires any transaction, arrangement or relationship in which we will be a participant and in which the amount involved exceeds \$120,000, and in which any related person (directors, executive officers, stockholders owning at least 5% of any class of our voting securities, their immediate family members and any entity in which any of the foregoing persons is employed or is a general partner or principal) had or will have a direct or indirect material interest, to be submitted to our audit committee for review, consideration and approval.

In the event that a proposed transaction with a related person involves an amount that is less than \$120,000, the transaction will be subject to the review and approval of our chief financial officer (or our chief executive officer, if the chief financial officer, an immediate family member of the chief financial officer, or an entity in which any of the foregoing persons is employed or is a general partner or principal is a party to such transaction). If the transaction is approved by the chief financial officer or chief executive officer, if applicable, such officer will report the material terms of the transaction to our audit committee at its next meeting. The policy provides for periodic monitoring of pending and ongoing transactions. In approving or rejecting the proposed transaction, our audit committee (or chief financial officer or chief executive officer, if applicable) will consider the relevant facts and circumstances available to the audit committee (or chief financial officer or chief executive officer, if applicable), including (1) the impact on a director's independence if the related person is a director or his or her family member or related entity, (2) the material terms of the proposed transaction, including the proposed aggregate value of the transaction, (3) the benefits to us, (4) the availability of other sources for comparable services or products (if applicable), and (5) an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to our employees generally. Our audit committee (or chief financial officer or chief executive officer, if applicable) will approve only those transactions that, in light of known circumstances, are in, or are not inconsistent with, our best interests and the best interest of our stockholders.

The following is a summary of transactions since January 1, 2009, (1) to which we have been a party in which the amount involved exceeded \$120,000 and in which any related person had or will have a direct or indirect material interest, other than compensation arrangements that are described in Compensation Discussion and Analysis, Executive Compensation and Director Compensation in this proxy statement, or (2) that we otherwise believe should

be disclosed. Except as noted below, all of the transactions described below are continuing related party transactions that we initially entered into prior to our board's adoption of a written policy regarding related party relationships in July 2007. The audit committee reviewed and ratified such continuing transactions at its February 2009 and 2010 committee meetings in accordance with our related party transactions policy.

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David A. Trott

David A. Trott is the chairman and chief executive officer of our majority-owned subsidiary, American Processing Company, LLC d/b/a National Default Exchange, which we refer to as NDeX. Mr. Trott owns a 68% interest in and is the managing attorney of Trott & Trott, P.C., one of eight law firm customers with whom NDeX has entered an exclusive long-term services agreement to provide mortgage default processing services. See Services Agreement below.

Until January 4, 2010, Mr. Trott owned a 5.1% interest in NDeX. From January 1, 2009, through November 30, 2009, he held this interest indirectly through his ownership in APC Investments, LLC, whose members comprised the members of Mr. Trott's law firm, Trott & Trott. APC Investments held a 7.6% interest in NDeX. On December 1, 2009, APC Investments distributed its interest in NDeX to each of its members, including Mr. Trott, who had a 68% ownership interest in APC Investments. On December 31, 2009, the members of APC Investments sold an aggregate 5.1% interest in NDeX (including Mr. Trott, who sold a 3.5% interest) to our wholly-owned subsidiary, Dolan APC, LLC. On January 4, 2010, the members of APC Investments, including Mr. Trott, sold their remaining interest in NDeX (including 1.7% held by Mr. Trott) to Dolan APC. See Notes Payable to and Stock Issued to Mr. Trott below for more information regarding the sale of Mr. Trott's interest in NDeX.

During 2009, NDeX made distributions to APC Investments (or its members) in the aggregate amount of \$1.6 million, of which Mr. Trott received approximately \$1.1 million. Under the terms of NDeX's amended and restated operating agreement, APC Investments had the right until February 7, 2010, to require NDeX to repurchase all or any portion of its membership interests at a purchase price based on 6.25 times NDeX's trailing twelve month earnings before interest, depreciation and amortization, less the aggregate amount of any interest bearing indebtedness outstanding for NDeX as of the date the repurchase occurs. This put right expired when the members of APC Investments, including Mr. Trott, sold their interest in NDeX in January 2010.

Services Agreement. During the year ended December 31, 2009, Trott & Trott was one of NDeX's eight law firm customers. In 2009, Trott & Trott was NDeX's second largest law firm customer, accounting for 28.7% of our mortgage default processing services revenues. NDeX's relationship with Trott & Trott is governed by a services agreement dated March 14, 2006. The services agreement provides for the exclusive referral of files from Trott & Trott to NDeX for servicing, unless Trott & Trott is otherwise directed by its clients. The services agreement is for an initial term of fifteen years, with the term to be automatically extended for up to two successive ten-year periods unless either party provides the other party with written notice of its intention not to extend the initial or extended term then in effect. During 2009, NDeX was paid a fixed fee for each file its customers directed NDeX to process, with the amount of such fixed fee being based upon the type of file (e.g., foreclosure, bankruptcy, eviction or litigation). For the year ended December 31, 2009, NDeX received revenues of \$43.5 million from fees for mortgage default processing services by Trott & Trott, which takes into account an increase in the fees Trott & Trott pays to us that took effect in January 2009. The success of our mortgage default processing services business is tied to the number of files that Trott & Trott and NDeX's other customers receive from their mortgage lender and loan servicer clients or that NDeX receives directly from its customers related to residential real estate in California. We therefore rely upon Mr. Trott, who through Trott & Trott has developed and maintains relationships with a substantial number of Trott & Trott's clients, to attract additional business from its current and/or new clients.

Detroit Legal News Publishing. We own 35.0% of the membership interests in The Detroit Legal News Publishing Company, or DLNP, the publisher of Detroit Legal News. Mr. Trott and his family members indirectly own 80.0% of Legal Press, LLC, which is the holder of 10.0% of the membership interests in DLNP.

In November 2005, DLNP entered into an agreement with Trott & Trott pursuant to which Trott & Trott agreed to forward to DLNP for publication all legal notices that Trott & Trott is required to publish on behalf of its mortgage

default clients in Michigan. As a result, Detroit Legal News publishes, or through its statewide network causes to be published, all public notices required to be filed in connection with files serviced by NDeX for Trott & Trott that involve foreclosures in Michigan. DLNP also agreed that it would provide certain other services for Trott & Trott, including attending foreclosure sales, bidding on real property and recording

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of sheriff's deeds in connection with foreclosure sales. In exchange for the services provided by DLNP under the agreement, Trott & Trott pays DLNP according to fees agreed to by the parties from time to time. These fees, however, are not permitted to exceed the customary fee that DLNP charges its other customers. In 2009, Trott & Trott paid DLNP \$21.3 million to post foreclosure notices in Detroit Legal News and for other related services. The agreement terminates on December 31, 2015 (unless at such date, Legal Press, LLC remains a member of DLNP, in which case the agreement would terminate at such date when Legal Press, LLC, or its successor, is no longer a member of DLNP), but Trott & Trott may terminate the agreement at any time upon the failure by DLNP to cure a material breach of its obligations under the agreement. DLNP maintains a small number of its clerical employees at the offices of Trott & Trott to facilitate the provision of services for Trott & Trott.

In November 2005, DLNP entered into a consulting agreement with Mr. Trott whereby Mr. Trott agreed to provide consulting services related to the business of DLNP for a term lasting until December 31, 2015. The agreement may be terminated by either party prior to December 31, 2015, in the event of a material breach by either party or in the event the number of foreclosure notices submitted to DLNP by Trott & Trott is less than 1,000 in any calendar year during the term of the agreement. Under the consulting agreement, DLNP agreed to obtain, for its benefit, an insurance policy on the life of Mr. Trott in the amount of \$15.0 million for a term of 15 years. In exchange for the consulting services provided to DLNP, Mr. Trott is entitled to receive a consulting fee equal to the lesser of (1) \$500,000 or (2) the amount equal to 7% of DLNP's net income less the amount paid by DLNP for the life insurance policy. In 2009, Mr. Trott was paid \$483,974 in fees by DLNP for his consulting services. In addition to the fees Mr. Trott receives under the consulting agreement, DLNP also pays Mr. Trott an annual salary of \$20,000.

Notes Payable and Stock Issued to David A. Trott. In connection with the sale to us of his aggregate 5.1% ownership interest in two transactions on December 31, 2009, and January 4, 2010, we issued 168,644 shares of our common stock, having an aggregate value of \$1.7 million based on the closing share price on December 31, 2009, and agreed to pay him \$8.8 million (exclusive of interest on \$2.3 million of the balance payable beginning August 1, 2010). Through the date of this proxy statement, we have paid him \$4.1 million. We will pay an additional \$0.7 million on the first business day of April, May, June and July 2010. Beginning on August 1, 2010, we will pay the remaining \$2.3 million balance (including interest accruing at a rate of 4.25%) in 29 equal monthly installments. This transaction was not made in accordance with the terms of our related party transaction policy because it was approved by our board of directors, instead of our audit committee.

Net Director. Mr. Trott owns approximately 11.1% of the membership interests in Net Director, LLC, which provides an information clearing house service used by NDeX. NDeX paid Net Director approximately \$0.1 million for these services in 2009. The Barrett law firm, NDeX's largest customer, also owns a 5.0% interest in Net Director.

American Servicing Corporation. Mr. Trott owns 50% of American Servicing Corporation, or ASC, a provider of property tax searches and courier services to NDeX. NDeX paid ASC approximately \$0.3 million for these services in 2009.

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Loan Agreements. While Mr. Trott directly or indirectly owned an interest in NDeX, Dolan Finance Company, our wholly-owned subsidiary, entered into loan agreements with NDeX, in the following amounts with the following borrowing and maturity dates:

Acquisition	Principal Amount	Borrowing Date	Maturity Date	Aggregate Principal and Interest Payments made in 2009
Robert Tremain & Associates(1)	\$ 3,300,000	November 11, 2006	November 11, 2010	\$ 948,272
Feiwell & Hannoy(2)	13,000,000	January 9, 2007	January 9, 2011	3,791,137
	1,750,000	January 9, 2008	January 9, 2012	544,144
	1,750,000	January 9, 2009	January 9, 2013	478,535
Barrett-NDeX(3)	166,000,000	September 2, 2008	September 2, 2017	29,039,514
	13,000,000	December 4, 2009	November 30, 2013	321,319
Albertelli(4)	7,000,000	October 1, 2009	September 30, 2013	527,192

- (1) This loan was made to fund a portion of the purchase price for NDeX's acquisition of the mortgage default processing services business of Robert A. Tremain & Associates. At such time, Trott & Trott also acquired the law-related assets of Robert A. Tremain & Associates.
- (2) In connection with NDeX's acquisition of the mortgage default processing services business of Feiwell & Hannoy Professional Corporation, Dolan Finance made three term loans to NDeX in the amounts and on the dates in 2007, 2008 and 2009, set forth in the table. The lo