DIGITAL INSIGHT CORP
Form DEF 14A
April 12, 2006
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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 x 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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Digital Insight Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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):

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¨ Fee paid previously with preliminary materials.

¨ 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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DIGITAL INSIGHT CORPORATION

26025 Mureau Road

Calabasas, CA 91302

Dear Stockholders:

You are cordially invited to attend Digital Insight Corporation s annual meeting of stockholders to be held on Tuesday, May 23, 2006, at 10:00 a.m. at our Westlake Village facilities located at 5601 North Lindero Canyon Road, Westlake Village, California 91362.

In connection with the meeting, we are providing you with a Proxy Statement, a proxy card, and our Annual Report to Stockholders containing our audited consolidated financial statements for the year ended December 31, 2005 and other information about our company.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I encourage you to specify your voting preferences by marking, dating, and signing the enclosed proxy card, then promptly returning it in the accompanying reply envelope, whether or not you plan to attend the meeting. If you are a stockholder of record and do attend and wish to vote in person, you may revoke your proxy at the meeting. If you do plan to attend the meeting, we ask that you check the proxy card in the space provided in order to assist us with meeting preparations.

On behalf of the entire Board of Directors and management of Digital Insight Corporation, I would like to express appreciation for your continued interest in the affairs of our company.

Sincerely,

Jeffrey E. Stiefler

Chairman, President and Chief Executive Officer

Calabasas, California

March 31, 2006

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DIGITAL INSIGHT CORPORATION

26025 Mureau Road

Calabasas, CA 91302

(818) 871-0000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME	10:00 a.m. on Tuesday, May 23, 2006
PLACE	Our offices at 5601 North Lindero Canyon Road, Westlake Village, California, 91362
ITEMS OF BUSINESS	1. Elect two (2) Class I Directors;
	2. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2006; and
	3. Transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.
RECORD DATE	You are entitled to vote if you were a stockholder at the close of business on Friday, March 31, 2006.
VOTING BY PROXY	Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. For specific instructions, please refer to the ***Questions and Answers*** section beginning on page 1 of this Proxy Statement and the instructions on the proxy card.

We intend to mail this Proxy Statement and the accompanying proxy card on or about April 15, 2006 to all stockholders entitled to vote at the annual meeting.

By Order of the Board of Directors,

Tae J. Rhee
Secretary

Calabasas, California

March 31, 2006

To assure that your shares are represented at the meeting, please complete, date and sign the enclosed proxy and mail it promptly in the postage-paid envelope provided, whether or not you plan to attend the meeting. You can revoke your proxy at any time before it is voted.

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DIGITAL INSIGHT CORPORATION

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 23, 2006

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: WHY AM I RECEIVING THESE MATERIALS?

A: The Board of Directors of Digital Insight Corporation, a Delaware corporation, is providing these proxy materials to you in connection with our annual meeting of stockholders, which will take place on Tuesday, May 23, 2006. As a stockholder, you are invited to attend the meeting and are entitled to and requested to vote on the proposals described in this Proxy Statement.

Q: WHAT INFORMATION IS CONTAINED IN THESE MATERIALS?

A: The information included in this Proxy Statement relates to the proposals to be voted on at the meeting, the voting process, the compensation of directors and our most highly paid executive officers, and certain other required information. Our 2005 Annual Report and our 2005 Form 10-K, including our full 2005 consolidated financial statements, are also enclosed. **If any person who was a *Beneficial Owner*, as described below, of our common stock on March 31, 2006, or the *Record Date*, desires additional copies of our Annual Report or Form 10-K, such copies will be furnished without charge upon receipt of a written request**. The request should identify the person making the request as a stockholder and should be directed to:

Digital Insight Corporation

26025 Mureau Road

Calabasas, California 91302

Attn: Investor Relations

We also make our 2005 Annual Report and Form 10-K available through our website at *http://www.digitalinsight.com*, free of charge, as soon as reasonably practicable after we file the Form 10-K with the Securities and Exchange Commission, also referred to as the SEC.

Q: WHAT PROPOSALS WILL BE VOTED ON AT THE MEETING?

A: There are two proposals scheduled to be voted upon at the meeting: (1) the re-election of two Class I Directors; and (2) the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2006.

Q: WHAT IS THE VOTING RECOMMENDATION?

A: Our Board of Directors recommends that you vote your shares FOR the nominees to the Board and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2006.

Q: WHAT SHARES CAN I VOTE?

A: All shares owned by you as of the close of business on March 31, 2006, the *Record Date*, may be voted by you. These shares include (1) shares held directly in your name as the *Stockholder of Record*, including shares purchased through our Employee Stock Purchase Plan and our employee stock option plans, and (2) shares held for you as the *Beneficial Owner* through a stock broker, bank, or other nominee.

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Q: WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A *STOCKHOLDER OF RECORD* AND AS A *BENEFICIAL OWNER*?

A: Most of our stockholders hold their shares through a bank, brokerage firm or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the *Stockholder of Record*, and these proxy materials are being sent directly to you by us. As the *Stockholder of Record*, you have the right to grant your voting proxy directly to us or to vote in person at the meeting. We have enclosed or sent a proxy card for you to use.

Beneficial Owner. If your shares are held by a bank, brokerage firm or other nominee, you are considered the *Beneficial Owner* of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee which is considered, with respect to those shares, the *Stockholder of Record*. As the *Beneficial Owner*, you have the right to direct your broker how to vote and are also invited to attend the meeting. However, since you are not the *Stockholder of Record*, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. Your broker or nominee has enclosed or provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

Q: HOW CAN I VOTE MY SHARES IN PERSON AT THE MEETING?

A: Shares held directly in your name as the *Stockholder of Record* may be voted in person at the annual meeting. If you choose to do so, please bring the enclosed proxy card or proof of identification. If you are the *Beneficial Owner* of the shares, you must have a signed proxy from the *Stockholder of Record*.

Even if you currently plan to attend the annual meeting, we recommend that you also submit your proxy as described below so that your vote will be counted if you later decide not to attend the meeting.

Q: HOW CAN I VOTE MY SHARES WITHOUT ATTENDING THE MEETING?

A: Whether you hold shares directly as the *Stockholder of Record* or in street name as a *Beneficial Owner*, you may direct your vote without attending the meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. In most instances, you will be able to do this by mail. Please refer to the summary instructions below and those included on your proxy card or, for shares held in street name, the voting instruction card included by your broker or nominee.

Q: CAN I CHANGE MY VOTE?

A: You may change your proxy instructions at any time prior to the vote at the annual meeting. For shares held directly in your name, you may accomplish this by sending our Secretary written notice of your revocation, granting a new proxy bearing a later date (which automatically revokes the earlier proxy) or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares held beneficially by you, you may accomplish this by submitting new voting instructions to your broker or nominee.

Q: HOW ARE VOTES COUNTED?

A:

In the election of directors, you may vote FOR a nominee or your vote may be WITHHELD with respect to any nominee. For the proposal ratifying the appointment of Deloitte & Touche LLP, and for all other proposals that may properly come before the meeting, you may vote FOR, AGAINST or ABSTAIN. If you ABSTAIN, it has the same effect as a vote AGAINST. If you hold shares directly as a *Stockhol of Record* and you sign your proxy card with no further instructions, your shares will be

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voted in accordance with the recommendations of the Board (FOR the nominees to the Board and in the discretion of the proxy holders on any other matters that properly come before the meeting, and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2006).

Q: WHAT IS THE VOTING REQUIREMENT TO APPROVE A PROPOSAL?

A: In the election of directors, the persons receiving the highest number of FOR votes will be elected. All other proposals require the affirmative FOR vote of a majority of those shares present and entitled to vote. If you are a *Beneficial Owner* and do not provide the *Stockholder of Record* with voting instructions, your shares may constitute *Broker Non-Votes*, as described in WHAT IS THE QUORUM REQUIREMENT FOR THE MEETING? below. In tabulating the voting result for any particular proposal, shares that constitute *Broker Non-Votes* are not considered entitled to vote on that proposal.

Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY OR VOTING INSTRUCTION CARD?

A: It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Q: WHERE CAN I FIND THE VOTING RESULTS OF THE MEETING?

A: We will announce preliminary voting results at the meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of 2006.

Q: WHAT HAPPENS IF ADDITIONAL PROPOSALS ARE PRESENTED AT THE MEETING?

A: Other than the two proposals described in this Proxy Statement, we do not expect any matters to be presented for a vote at the annual meeting. If you grant a proxy, the persons named as proxy holders, Jeffrey E. Stiefler, our Chairman, President and Chief Executive Officer, and Paul J. Pucino, our Executive Vice President and Chief Financial Officer, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees are not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate(s) as may be nominated by the Board of Directors.

Q: WHAT CLASSES OF SHARES ARE ENTITLED TO BE VOTED?

A: Our common stock is the only outstanding class of voting securities. Each share of our common stock outstanding as of the close of business on the *Record Date* is entitled to vote on all items being voted upon at the annual meeting. On the *Record Date*, we had 34,365,617 shares of common stock outstanding.

Q: WHAT IS THE QUORUM REQUIREMENT FOR THE MEETING?

A: The quorum requirement for holding the meeting and transacting business is a majority of the outstanding shares present in person or represented by proxy and entitled to be voted. Both abstentions and *Broker Non-votes* are counted as present for the purpose of determining the presence of a quorum. Abstentions are also counted as shares present and entitled to be voted. *Broker Non-votes*, however, are not counted as shares present and entitled to be voted with respect to the matter on which the broker has expressly not voted. Thus, *Broker Non-votes* will not affect the outcome of any of the matters being voted upon at the meeting. Generally, *Broker Non-votes* occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (1) the broker has not received voting instructions from the *Beneficial Owner*, and (2) the broker lacks discretionary voting power to vote such shares.

Q: WHO WILL BEAR THE COST OF SOLICITING VOTES FOR THE MEETING?

A: Digital Insight is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. In addition to the mailing of these proxy materials, the

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solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

Q: MAY I PROPOSE ACTIONS FOR CONSIDERATION AT NEXT YEAR S ANNUAL MEETING OF STOCKHOLDERS OR NOMINATE INDIVIDUALS TO SERVE AS DIRECTORS?

A: Subject to the limitations set forth below, any stockholder entitled to vote at the next annual meeting of stockholders may submit proposals for consideration at such meeting. We expect to hold our 2007 annual meeting of stockholders in May 2007. In order for any proposal by a stockholder of Digital Insight to be considered for inclusion in our proxy materials for the 2007 annual meeting of stockholders, we must receive the written proposal at our offices no later than December 16, 2006. We will determine whether or not to include any such proposals in the proxy materials in accordance with our bylaws and applicable law, including the SEC regulations.

In order for a stockholder proposal, including director nominations, to be raised from the floor during the 2007 annual meeting of stockholders, certain conditions set forth in Section 2.14 of our bylaws must be complied with, including delivery of notice to us not less than 60 days, nor more than 90 days, prior to the meeting as originally scheduled. However, in the event that less than 65 days notice or public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received at our offices not later than the close of business on the 7th day following the date on which the notice of the date of meeting was mailed. In no event will the public announcement of an adjournment of a stockholders meeting commence a new time period for the giving of a stockholder s notice as described above.

You may contact the Secretary at our corporate headquarters for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

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PROPOSAL ONE

ELECTION OF DIRECTORS

At the annual meeting, two incumbent directors are to be elected for three-year terms. Our Board is divided into three classes, and each director serves for a staggered three-year term. The Board is currently comprised of two Class I Directors (Henry T. DeNero and Jeffrey E. Stiefler), two Class II Directors (Michael R. Hallman and Greg J. Santora) and three Class III Directors (John C. Dorman, James H. McGuire and Robert L. North). At each annual meeting, the successors to the directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. The terms of the Class I, Class II and Class III Directors will expire upon the election and qualification of successor directors at the 2009, 2007 and 2008 annual meeting of stockholders, respectively.

The Board has nominated Messrs. DeNero and Stiefler to stand for re-election to continue to serve as Class I Directors for a term of three years. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of Messrs. DeNero and Stiefler. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee(s) as the Board of Directors may select. The nominees for election have agreed to serve if elected, and management has no reason to believe that either nominee will be unable to serve.

The Board of Directors recommends a vote FOR the named nominees.

PROPOSAL TWO

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In December 2005, the Audit Committee appointed the accounting firm Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2006. The Board, upon recommendation of the Audit Committee, concurred with the appointment of this firm. A proposal to ratify that appointment for the year ending December 31, 2006 will be presented at the annual meeting. Representatives of Deloitte & Touche LLP are expected to be present at the meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders. Additional information regarding Deloitte & Touche LLP is set forth in the Audit Committee report on page 21 of this Proxy Statement.

Neither our certificate of incorporation nor our bylaws require that the stockholders ratify the selection of our independent registered public accounting firm. We are doing so, as we have in years past, because we believe it is a matter of good corporate practice. If our stockholders do not ratify the selection, the Board and the Audit Committee will reconsider whether or not to retain Deloitte & Touche LLP, but may, nonetheless, retain such independent registered public accounting firm. Even if the selection is ratified, the Board and the Audit Committee may, in their discretion, change the appointment at any time if they determine that such change would be in the best interests of Digital Insight and our stockholders.

The Board of Directors recommends a vote FOR the ratification of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2006.

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INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS

The following sets forth certain information regarding our director nominees, our four incumbent directors whose terms will continue following the annual meeting, and our executive officers and other key employees.

Statement Regarding Corporate Governance and Director Independence

Digital Insight has had formal corporate governance standards in place since our initial public offering in 1999. Management has reviewed internally and with the Board the applicable provisions of the Sarbanes-Oxley Act of 2002, the rules of the SEC, and the Nasdaq Stock Market s corporate governance listing standards, and believes we are in compliance with the rules and listing standards. In recent years we have taken several measures to further formalize our corporate governance standards, and we continue to evaluate our corporate governance policies and procedures. We have adopted charters for our Audit, Compensation, and Nominating and Corporate Governance Committees consistent with the applicable rules and standards. We have also established the Board position of Lead Independent Director, currently occupied by Mr. Hallman, who is authorized by the Board to perform certain duties, including: calling and chairing regularly scheduled and special executive sessions of the Board; informing the Chairman of items the Lead Independent Director believes should be included in a Board meeting agenda; and representing the independent directors of the Board on matters for which the view of such independent directors, rather than the Board as a whole, are sought. Other than Mr. Stiefler, our Chairman, President and Chief Executive Officer, and Mr. Dorman, our former Chairman, President and Chief Executive Officer, all of our directors, who constitute a majority of the Board, meet the criteria for independence established by the listing standards of the Nasdaq Stock Market. As discussed more fully below, all members of the Board s Audit, Compensation, and Nominating and Corporate Governance Committees meet applicable independence standards. Our Nominating and Corporate Governance Committee and the Board have adopted a code of ethics and business conduct that applies to our employees, including our principal executive officers, chief financial officer, general counsel and controller, and our directors. Among other matters, the code establishes standards designed to deter wrongdoing and promote honest and ethical conduct. In September 2003 we amended our Audit Committee and Compensation Committee Charters and formally adopted a charter for our Nominating and Corporate Governance Committee, which we amended in December 2004, in each case taking into account new rules and standards which then came into effect. You can access our committee charters and our code of ethics and business conduct on our website at http://investor.digitalinsight.com or by writing to us at:

Digital Insight Corporation

26025 Mureau Road

Calabasas, California 91302

Attn: Investor Relations

Nominees for Class I Director

Henry T. DeNero. Mr. DeNero has been a director of Digital Insight since October 2002. Mr. DeNero, 60, has served as an independent management consultant since 2001. From March 1999 to January 2001, Mr. DeNero served as Chairman and Chief Executive Officer of HomeSpace, Inc., an Internet mortgage and real estate services provider which was acquired by LendingTree, Inc. Prior to that, he served as Executive Vice President of First Data Corporation from July 1995 to December 1998. Mr. DeNero also serves as a director of Banta Corporation, PortalPlayer Inc., THQ Inc., Vignette Corporation and Western Digital Corporation. Mr. DeNero received his BA from Amherst College and an MBA from Stanford University.

Jeffrey E. Stiefler. Mr. Stiefler has been our Chairman, President, and Chief Executive Officer since August 2003. Prior to joining Digital Insight, Mr. Stiefler, 59, served as an adviser for North Castle Partners, a private equity firm, from November 2001 to July 2003, as Vice Chairman of Walker Digital Corporation from August 2000 to September 2001, as President of Telephony@Work, a private technology company, from September 2001 to March 2002, and as an operating partner for McCown DeLeeuw & Company from November 1995 to July 2000, where he also served as Chairman or Chief Executive Officer for several service-outsourcing

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companies. Mr. Stiefler served as President of American Express from August 1993 to September 1995, and previously held the titles of Chief Executive Officer, President, and Executive Vice President for Sales and Marketing, at American Express Financial Corporation. Mr. Stiefler also serves as a director of Education Lending Group, Inc., a provider of financial aid products. Mr. Stiefler received his BA from Williams College and an MBA from Harvard University.

Incumbent Class II Directors (Terms Expire 2007)

Michael R. Hallman. Mr. Hallman has been a director of Digital Insight since April 2001, and currently serves as our Lead Independent Director. Mr. Hallman, 60, founded The Hallman Group, a management consulting firm, in 1992. From February 1990 to March 1992, he was President and Chief Operating Officer of Microsoft Corporation, and from 1987 to 1990, served as Vice President of the Boeing Company and President of Boeing Computer Services. Mr. Hallman also serves as a director of Intuit, Inc., InFocus Corporation, and WatchGuard Technologies. He received his BA and an MBA from the University of Michigan.

Greg J. Santora. Mr. Santora has been a director of Digital Insight since October 2002. Mr. Santora, 54, has served as an independent management consultant since September 2005. Mr. Santora served as Chief Financial Officer of Shopping.com, a private technology company, from December 2003 to September 2005. Mr. Santora was previously Senior Vice President and Chief Financial Officer of Intuit, Inc., a public software company, from July 1997 until January 2003, and he held other senior finance positions at Intuit from January 1996 to July 1997. Prior to joining Intuit, Mr. Santora held various senior financial roles at Apple Computer. Mr. Santora also serves as a director of Align Technology, Inc. Mr. Santora received his BA in accounting from the University of Illinois and an MBA from San Jose State University.

Incumbent Class III Directors (Terms Expire 2008)

John C. Dorman. Mr. Dorman has been a director of Digital Insight since October 1998 and served as Chairman of the Board from June 1999 to August 2003. Mr. Dorman, 55, was Digital Insight s Chief Executive Officer from October 1998 to August 2003, and President from October 1998 to February 2001 and from November 2002 to August 2003. Mr. Dorman formally retired from Digital Insight in December 2004. Previously, Mr. Dorman was Senior Vice President for Oracle Worldwide Financial Services from August 1997 to October 1998, and Chairman, President, and Chief Executive Officer of Treasury Services Corporation from 1983 to 1997. Mr. Dorman received his BA from Occidental College and an MBA in finance from the University of Southern California.

James H. McGuire. Mr. McGuire has been a director of Digital Insight since March 1997 and served as Chairman of the Board from our inception until June 1999. Mr. McGuire, 62, has served as President of NJK Holding Corporation, a privately held investment company, since 1992. Mr. McGuire also serves as a director of Laureate Education Inc., formerly Sylvan Learning Systems, Inc., and MedAvant Healthcare Solutions, formerly ProxyMed, Inc. Mr. McGuire received his BA in finance from the University of Notre Dame.

Robert L. North. Mr. North has been a director of Digital Insight since June 1997. Mr. North, 70, was Chairman of the Board of HNC Software, Inc., a public software company, from January to June 2000 and served as the Chief Executive Officer of HNC Software from April 1987 to January 2000. Mr. North holds BS and MS degrees in electrical engineering from Stanford University.

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Executive Officers and Other Key Employees

*Joseph M. McDoniel**. Mr. McDoniel has served as our Executive Vice President, Product, Engineering and Operations since February 2004. Mr. McDoniel, 64, also served as our Executive Vice President, Technology and Operations from May 2003 to February 2004; as Senior Vice President, Internet Banking Operations from November 2002 to May 2003; as Senior Vice President, Internet Banking Operations and Services from July 2002 to November 2002; as Senior Vice President, Strategic Opportunities from October 2001 to July 2002; and as Senior Vice President, Operations from September 2000 to October 2001. Mr. McDoniel was previously President of First Source Group, Inc., a provider of strategic planning and consulting services to the financial services industry, from August 1993 to September 2000. Prior to joining Digital Insight, Mr. McDoniel, through First Source Group, provided consulting services to Digital Insight from October 1998 to September 2000.

*Robert J. Meagher**. Mr. Meagher has served as our Executive Vice President, Sales and Marketing since October 2004. Mr. Meagher, 48, previously served as Vice President, Director of the Financial Services Sector for the Americas for Electronic Data Systems Corporation from November 2002 to October 2004. Mr. Meagher also spent over ten years with Capgemini (formerly Ernst & Young) where he served in a variety of capacities, the most recent being Vice President, Director of the U.S. Banking Sector from April 2001 to November 2002. Mr. Meagher is a certified management accountant and received his BS and an MBA from Canisius College.

*Paul J. Pucino**. Mr. Pucino has served as our Executive Vice President and Chief Financial Officer since February 2005. Mr. Pucino, 45, previously served as Senior Vice President and Chief Financial Officer of Tekelec, a public network applications company, from May 2000 to December 2004. From January 2000 to May 2000, Mr. Pucino was the Chief Financial Officer of Scour.com. Prior to joining Scour.com, Mr. Pucino served as Vice President, Strategy and New Ventures, for Galileo International. Mr. Pucino is a certified public accountant, and received his BS from the University of Tampa and an MBA from the University of Chicago.

Katherine M. Jansen. Ms. Jansen has served as our Senior Vice President, Strategy and Business Development since February 2004. Ms. Jansen, 48, served as our Director of Strategic Analysis and Research from May 2000 to February 2004. Prior to joining Digital Insight, she served as Global Director of Sales for Meridien Research from October 1999 to May 2000, and prior to that, as Industry Director, Financial Services Strategy for Oracle Corporation.

William A. Kontgis. Mr. Kontgis has served as our Senior Vice President, Chief Information Officer since March 2003. Mr. Kontgis, 57, served as our Senior Vice President, Internet Banking Operations from October 2001 to July 2002, and prior to that, as our Vice President, Internet Banking Operations from April 2001 to October 2001. Mr. Kontgis was Vice President, Application Development at Health Net, Inc., a managed health care company, from July 2002 to March 2003, and previously Director of Data Center Services at Oxford Health Plans from September 1998 to January 2001. Prior to that, he held senior executive positions at First Nationwide Bank and at California Federal Bank. Mr. Kontgis received his BS degree in mathematics from the University of Utah.

CeCelia G. Morken. Ms. Morken has served as our Senior Vice President, Sales since August 2004. Ms. Morken, 48, also served as our Vice President, National Sales from February 2002 to August 2004. Ms. Morken previously served as Vice President, Sales of WebTone Technologies (now Fidelity National Information Services), a private company serving financial services organizations, from July 2000 to February 2002 and as Senior Vice President, Retail Banking for Assurant, Inc. from April 1999 to July 2000, and prior to that, was Senior Vice President, National Accounts at John H. Harland Company. Ms. Morken received her bachelor s degree from North Dakota State University.

Robert R. Surridge. Mr. Surridge has served as our Senior Vice President, Lending Division since November 2000. Prior to joining Digital Insight, Mr. Surridge, 42, served in various capacities at The Money Store Inc., including its Vice President, Strategic Implementation and Development from October 1999 to October 2000. Mr. Surridge received his BS from the University of Utah.

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* Denotes Executive Officers as defined under Section 16 of the Securities Exchange Act 1934, as amended.

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MEETINGS AND COMPENSATION OF DIRECTORS

During the year ended December 31, 2005, there were twelve meetings of our Board of Directors, and nineteen additional meetings of the Board s committees. During this period, all of the directors attended or participated in more than 75% of the aggregate number of meetings of the Board and of the Board committees on which each served. The Board does not maintain a formal policy requiring directors to attend the annual meeting of stockholders; however, directors, particularly those who are nominees for election, are encouraged to attend. We make every effort to schedule our annual meetings at a time and place that facilitates attendance by directors, taking into account the directors schedules, internal and external timing requirements, and other considerations. To encourage attendance, we generally attempt to schedule our annual meeting to occur immediately before a regular meeting of the Board of Directors. Of our seven directors, six attended the 2005 annual meeting, including the directors standing for election at that meeting.

Non-employee directors first appointed or elected after March 2001 are eligible to receive options under our 2001 Non-Employee Director Stock Option Plan, also known as the Director Plan. The Director Plan provides that each non-employee director that has served for at least six months will receive options to purchase 15,000 shares of our common stock on the day of each annual meeting of stockholders during their term. These options will vest over a 12-month period. Certain non-employee directors received options with identical terms under our 1999 Stock Plan instead of the Director Plan. Each newly elected or appointed non-employee director will receive options under the Director Plan to purchase 50,000 shares of our common stock upon joining the Board, which will vest over a three-year period. At the time of their initial appointment, non-employee directors may elect to take fewer initial and annual option grants in return for a larger commensurate cash retainer. None of our current directors have made this election. The Board has the discretion to grant additional options and rights to directors under our 1997 and 1999 Stock Plans.

In addition to the option for 15,000 shares described above, all non-employee directors also receive an annual cash retainer, payable in quarterly installments, which consists of a basic retainer for Board membership and additional retainers for their committee service and for service as chairperson on standing committees, as follows:

Service/Membership	Basic Retainer	Chairperson Retainer
Board	$ 30,000	$ 15,000*
Audit Committee	$ 10,000	$ 10,000
Compensation Committee	$ 10,000	$ 5,000
Nominating and Corporate Governance Committee	$ 5,000	$ 5,000

Non-employee directors are reimbursed for their reasonable expenses incurred in the course of Board and committee meeting attendance. Mr. Stiefler, our only current employee-director, was not compensated separately for serving on the Board and was not paid a retainer or additional compensation for attendance at Board or committee meetings during 2005. Mr. Dorman, who served as an employee of Digital Insight until December 2004, became eligible in 2005 to receive the annual option grant and the basic retainer for Board membership.

* Mr. Hallman receives an annual cash retainer of $15,000, payable in quarterly installments, for his role as Lead Independent Director. Mr. Stiefler, although the Chairman of the Board, does not receive a retainer.

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COMMITTEES OF THE BOARD OF DIRECTORS

There are three standing committees of our Board of Directors: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Committee membership is as follows:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Henry T. DeNero		X*	X
John C. Dorman			
Michael R. Hallman		X	X
James H. McGuire	X*	X	
Robert L. North	X	X	
Greg J. Santora	X		X*
Jeffrey E. Stiefler			

* Denotes a Committee Chair

Audit Committee

The Board of Directors has determined that all members of the Audit Committee meet the independence and experience requirements of the Nasdaq Stock Market, as well as the independence standards established by the SEC. Additionally, the Board has determined that Mr. Santora is an Audit Committee Financial Expert as defined by Item 401(h) of Regulation S-K of the Securities Exchange Act of 1934, as amended, and that each Audit Committee member has financial sophistication as defined by the rules set forth in the National Association of Securities Dealers Manual. The Audit Committee approves the selection of our independent registered public accounting firm, and has general oversight of the scope and process of annual audits and any other accounting-related services, legal and regulatory compliance, and systems of internal controls as set forth in the Audit Committee Charter adopted by the Board of Directors in September 2003. The Audit Committee held ten meetings during the year ended December 31, 2005. Additional information about the Audit Committee and the Audit Committee Report is set forth on page 21 of this Proxy Statement.

Compensation Committee

The Compensation Committee makes recommendations regarding our stock option plans and all matters concerning executive compensation. The Board has determined that each member of the Compensation Committee is an independent member as that term is defined in the listing standards of the Nasdaq Stock Market. The Compensation Committee held nine meetings during the year ended December 31, 2005. Additional information about the Compensation Committee and the Compensation Committee Report is set forth on page 17 of this Proxy Statement.

Nominating and Corporate Governance Committee

The Board has determined that each member of the Nominating and Corporate Governance Committee is an independent member as that term is defined in the listing standards of the Nasdaq Stock Market. The Committee held three meetings during the year ended December 31, 2005. The Committee s responsibilities include:

- Considering and making recommendations regarding director nominees, including stockholder nominees;

- Making recommendations to the Board concerning the composition and size of the Board; and

Exercising oversight responsibility with respect to principles of corporate governance and, from time to time, making recommendations to the Board concerning corporate governance matters.

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The Committee will consider director nominees recommended by stockholders for election to the Board provided that the names of such nominees, accompanied by relevant biographical information, are submitted in writing to our Secretary at our corporate headquarters. During 2005, the Committee did not receive any director nominee recommendations from a stockholder that beneficially owned more than 5% of our common stock, or from a group of stockholders that beneficially owned, in the aggregate, more than 5% of our common stock. The Committee has not adopted a formal policy with respect to minimum qualifications for Board membership, and presently weighs each nominee and potential nominee s qualifications in light of the then-current best interests of Digital Insight and Board composition. The Committee s process for identifying and evaluating nominees is as follows:

- For incumbent directors whose terms are due to expire, disinterested members of the Committee review their overall service to Digital Insight during the preceding term(s), including the number of meetings attended and quality of participation, and make a recommendation to the Board as to whether nomination is appropriate; and

- For new director candidates, the Committee utilizes its network of contacts to compile a list of potential candidates, and reviews such factors as business and financial experience and independence under the Nasdaq and SEC standards, then makes a recommendation to the Board as to whether nomination is appropriate. The Committee has in the past, and may in the future, engage a third party firm to assist, for a fee, with the identification and evaluation of potential nominees.

Stockholder Communications with the Board

Stockholders may send written communications to the Board or any director addressed to:

Board of Directors, or name of individual director

c/o Secretary

Digital Insight Corporation

26025 Mureau Road

Calabasas, California 91302

Communications will be compiled by our Secretary and submitted to the Board, or individual directors as appropriate, on a periodic basis. Please note, however, that stockholder proposals, including director nominations, must comply with the conditions and procedures set forth in our bylaws and applicable laws, as described in the Question and Answer section above.

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EXECUTIVE COMPENSATION

The following table discloses compensation information for our Chief Executive Officer, our three other most highly compensated executive officers serving at the end of 2005, and two individuals who would have been among the four most highly compensated executive officers if not for the fact that these individuals were not serving as our executive officers at the end of 2005.

Summary Compensation Table

		Annual Compensation		Long-Term Compensation Awards		
Name and Principal Position	Year	Salary ($)	Bonus [7] ($)	Restricted Stock Awards ($) [8]	Securities Underlying Options (#)	All Other Compensation ($)
Jeffrey E. Stiefler [1]	2005	418,333	428,400	1,214,550	156,500	34,133
Chairman, President and	2004	399,996			126,500	
Chief Executive Officer	2003	125,756	293,333		675,000	
Joseph M. McDoniel [2]	2005	284,675	203,847	404,850	60,000	25,794
Executive Vice President,	2004	270,400			60,000	1,367
Product, Engineering and Operations	2003	249,600	66,322		60,000	1,379
Robert J. Meagher [3]	2005	260,000	258,140	404,850	35,000	2,517
Executive Vice President,	2004	65,000	82,500	55,880	150,000	38,098
Sales and Marketing	2003					
Paul J. Pucino [4]	2005	275,000	339,200	404,850	260,000	23,434
Executive Vice President and	2004					
Chief Financial Officer	2003					
Robert R. Surridge [5]	2005	216,930	60,000	67,475	15,000	
Senior Vice President,	2004	210,000			12,500	
Lending Division	2003	206,667	53,568		15,000	
Elizabeth S.C.S. Murray [6]	2005	43,333				553,025
Former Executive Vice President and	2004	260,000			45,000	
Chief Financial Officer	2003	256,667	66,322		60,000	

(1) Mr. Stiefler joined us in August 2003; his salary for that year reflects an annualized salary of $400,000, and his bonus for that year includes a signing bonus of $200,000. Mr. Stiefler s Other compensation for 2005 includes $34,133 for initiation fees and associated dues for a club membership provided by Digital Insight.

(2) Mr. McDoniel s Other compensation includes (i) for 2005, $23,803 for initiation fees and associated dues for a club membership provided by Digital Insight and (ii) matching contributions under our 401(k) plan as follows: $1,991 for 2005, $1,367 for 2004, and $1,379 for 2003.

(3) Mr. Meagher joined us in October 2004; his salary for that year reflects an annualized salary of $260,000, and his bonus for that year includes a signing bonus of $50,000. Mr. Meagher s bonus for 2005 includes a $40,000 real estate adjustment. Mr. Meagher s Other compensation includes (i) for 2004, a $10,000 temporary housing allowance and $27,398 in moving and relocation expense reimbursement and (ii) matching contributions under our 401(k) plan as follows: $2,517 for 2005 and $700 for 2004.

(4) Mr. Pucino joined us in February 2005; his salary reflects an annualized salary of $300,000, and his bonus includes a signing bonus of $125,000. Mr. Pucino s Other compensation for 2005 includes $23,434 for initiation fees and associated dues for a club membership provided by Digital Insight.

(5) Mr. Surridge was an executive officer of our company until April 18, 2005. Mr. Surridge continues to serve as our Senior Vice President, Lending Division.

(6) Ms. Murray resigned as our Executive Vice President and Chief Financial Officer on January 7, 2005. Ms. Murray and Digital Insight are parties to a separation agreement dated September 7, 2004. Her annualized salary for 2005 was $260,000, and the Other compensation in 2005 consisted of $535,000 in severance, and $18,025 in stock option exercises.

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(7) Includes management incentive bonuses earned in the year reflected and paid in the following year.

(8) The amounts shown in this column represent the dollar value of the grant of restricted stock based on the value of our common stock on the grant date. All grants of restricted stock were made under our 1999 Stock Plan. On September 8, 2005, Mr. Stiefler received a grant of 45,000 shares of common stock, Mr. McDoniel received a grant of 15,000 shares of common stock, Mr. Meagher received a grant of 15,000 shares of common stock, Mr. Pucino received a grant of 15,000 shares of common stock and Mr. Surridge received a grant of 2,500 shares of common stock. The dollar values shown above are based on the closing price of our common stock ($26.99) on September 8, 2005. These restricted stock grants vest 25% each year, beginning on September 8, 2006.

On October 1, 2004, the date of his hiring, Mr. Meagher received a grant of 4,000 shares of common stock. The dollar value shown above is based on the closing price of our common stock ($13.98) on October 1, 2004. This restricted stock grant vests over two years where 50% vests on each anniversary of the date of grant. As of December 31, 2005, the aggregate number of shares of restricted stock held by the named executive officers, and the dollar value of such shares, was: Mr. Stiefler, 45,000 shares ($1,440,900); Mr. McDoniel, 15,000 shares ($480,300); Mr. Meagher, 19,000 shares ($608,380); Mr. Pucino, 15,000 shares ($480,300); and Mr. Surridge, 2,500 shares ($80,050). The dollar values are based on the closing price of our common stock ($32.02) on December 30, 2005. Each holder of our restricted stock is entitled to cash dividends with respect to the shares of restricted stock even though such shares are not vested, provided that such right shall terminate immediately as to any shares of restricted stock that are forfeited upon certain events as specified in our 1999 Stock Plan.

Compensation Plans

Management Incentive Plan. We maintain a management bonus plan for certain employees, including executive officers, which provides for the awarding of bonuses based upon the achievement of certain company, department, and individual objectives.

Executive Stock Ownership Plan. In 2006, we adopted our Executive Stock Ownership Plan to encourage and facilitate stock ownership among our senior officers. The Program consists of two components: the Stock Ownership Guidelines, which set targets for the ownership of our stock by our senior executives, and the Executive Stock Purchase Matching Program, which provides for the issuance of restricted stock to those executives.

Under the Stock Ownership Guidelines, each senior executive is expected to work toward achieving, and ultimately maintaining for the duration of his or her tenure with Digital Insight, a specified level of ownership within five years of the plan s adoption or of becoming subject to the Stock Ownership Guidelines. Our Chief Executive Officer is encouraged to own 65,000 shares of our common stock, each Executive Vice President is encouraged to own 18,000 shares and each Senior Vice President is encouraged to own 11,000 shares. Compliance with these Guidelines is not a condition of employment or a criterion in individual performance evaluations.

Under the Executive Stock Purchase Matching Program, shares of restricted stock will be issued to senior executives in an amount equal to one share of restricted company stock for every two shares of company stock acquired through either purchase on the open market or the exercise of an option granted under one of our equity incentive compensation plans. The restricted stock issued under this plan will be non-transferable and will generally vest after three years continuous company service following the stock s issuance. In addition, if during the course of the three-year vesting period the senior executive sells any of the shares of our common stock with respect to which a matching award was made, the sale will cause a forfeiture of one restricted share for every two such shares that are sold by the senior executive.

Stock Purchase Plan. In 1999, we adopted our Employee Stock Purchase Plan to provide employees with an opportunity to acquire an equity interest in our company by purchasing up to $25,000 of our common stock annually at a discount. Under the plan, 997,144 shares of our common stock have been purchased, 206,567 of which were purchased in 2005, and 1,102,856 remain available for purchase as of March 31, 2006. The Employee Stock Purchase Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code.

Stock Option Plans. We currently maintain two equity compensation plans for employees, officers, and directors as well as three equity compensation plans pursuant to our acquisitions of AnyTime Access, Inc., 1View Network Corporation and Virtual Financial Services, Inc., each of which are administered by the

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Compensation Committee of the Board of Directors. The tables below set forth certain information regarding stock options granted to and exercised by each of the executive officers named in the Summary Compensation Table in 2005.

Option Grants in 2005

The table below sets forth stock option rights granted to each of the executive officers named in the Summary Compensation Table during the year ended December 31, 2005. In 2005, a total of 58,000 options were granted under our 1997 Stock Plan, and 1,065,230 options were granted under our 1999 Stock Plan. No stock purchase or stock appreciation rights were granted in 2005. In 2005, we also made restricted stock grants of 165,171 shares of our common stock under our 1999 Stock Plan, including grants of 92,500 shares to our executive officers. Additional details on these grants are set forth in the Summary Compensation Table.

All options were granted at an exercise price equal to the fair market value of our common stock, as determined by our Board of Directors, on the date of grant. The 5% and 10% assumed annual rates of compounded stock price appreciation are mandated by rules of the SEC and do not reflect our projections or estimates of future stock price growth.

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term ($)	
Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in 2005 (%)	Exercise or Base Price Per Share ($)	Expiration Date	5%	10%
Jeffrey E. Stiefler	126,500	11.73	16.00	1/30/2015	1,272,883	3,225,735
	30,000	2.78	27.37	9/7/2015	516,385	1,308,622
Joseph M. McDoniel	50,000	4.64	16.00	1/30/2015	503,116	1,274,994
	10,000	0.93	27.37	9/7/2015	172,128	436,207
Robert J. Meagher	25,000	2.32	16.00	1/30/2015	251,558	637,497
	10,000	0.93	27.37	9/7/2015	172,128	436,207
Paul J. Pucino	250,000	23.19	16.62	1/31/2015	2,613,057	6,622,000
	10,000	0.93	27.37	9/7/2015	172,128	436,207
Robert R. Surridge	12,500	1.16	16.00	1/30/2015	107,855	273,327
	2,500	0.23	27.37	9/7/2015	43,032	109,052
Elizabeth S.C.S. Murray						

Aggregated Option Exercises in 2005 and Year-End Option Values

The following table sets forth, for each of the executive officers named in the Summary Compensation Table, certain information concerning the number and value of shares acquired upon exercise of stock options and stock purchase rights in 2005. Also reported are values for in-the-money options that represent the positive spread between the respective exercise prices of outstanding stock options and the closing price of our common stock on December 31, 2005.

			Number of Securities Underlying Unexercised Options at 2005 Year End (#)		Value of Unexercised In-the-Money Options at 2005 Year End ($)	
Name	Shares Acquired on Exercise (#)	Value Realized ($)	Exercisable	Unexercisable	Exercisable	Unexercisable
Jeffrey E. Stiefler			435,915	522,085	6,027,332	7,577,218
Joseph M. McDoniel			342,872	124,378	4,659,687	4,043,410
Robert J. Meagher			43,749	141,251	828,169	2,477,231
Paul J. Pucino				260,000		4,036,900
Robert R. Surridge			49,376	30,731	796,527	503,444
Elizabeth S.C.S. Murray	17,500	18,025				

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

Under current SEC rules, certain transactions between executive officers, directors, director nominees and related parties, commonly referred to as related party transactions, are required to be disclosed to stockholders. Under the Nasdaq Stock Market Rules, we are required to conduct an appropriate review of any such transaction and the Audit Committee or our independent directors must approve any such transaction. We have determined that there were no such related party transactions during 2005 other than those described below.

Contractual Agreements with Executive Officers

Change in Control Arrangements

In the event of a change in control and a termination of their employment without cause, Mr. Stiefler and Mr. Pucino are each entitled to 100% vesting acceleration of unvested stock options and restricted stock, and Mr. Meagher is entitled to 50% vesting acceleration of unvested stock options. Mr. McDoniel has option agreements with accelerated vesting provisions which provide that 50% of the then-unvested portion of the options will accelerate and immediately vest upon a change in control of Digital Insight.

Other Agreements

In 2003 we entered into an employment agreement with Mr. Stiefler that calls for his employment as our Chairman, President and Chief Executive Officer. Mr. Stiefler initially received a signing bonus of $200,000 and a base salary at the monthly rate of $33,333, to be reviewed annually by our board of directors. Mr. Stiefler is also eligible for an annual incentive bonus as determined by our board or the compensation committee. Mr. Stiefler initially received an option to purchase 675,000 shares of our common stock, with 25% vesting on the first anniversary of the grant, and the remaining shares vesting monthly thereafter. Mr. Stiefler was reimbursed for all of his relocation expenses.

In the event of a termination without cause by Digital Insight, Mr. Stiefler will continue to receive his base salary pay for 18 months, a lump sum payment equal to 150% of his then-current annual target bonus, and an immediate acceleration of all outstanding equity awards up to 18 months. In the event of a termination without cause by Digital Insight, or with cause by the executive, following a change in control, Mr. Stiefler will continue to receive his base salary pay for 24 months, a lump sum payment equal to 200% of the then-current annual target bonus, and an immediate acceleration of all outstanding equity awards.

We subsequently entered into an amendment with Mr. Stiefler to his employment agreement on December 2, 2004 which fixes Mr. Stiefler s minimum annual incentive bonus to be equal to 80% of his annual base salary, with a maximum bonus opportunity of 100% of his annual base salary, based upon the achievement of performance objectives established by our Board of Directors or its Compensation Committee.

Robert J. Meagher, our Executive Vice President, Sales and Marketing, and Digital Insight are parties to an employment agreement dated August 12, 2004. Mr. Meagher is to receive an annual base salary of $260,000 and a signing bonus of $50,000. Additionally, Mr. Meagher is eligible for an annual incentive bonus targeted at 50% of base salary. For calendar year 2004, this bonus will be 50% of pro-rata annual salary, and for calendar year 2005, this bonus will be a minimum of $40,000. Mr. Meagher is also entitled to a $50,000 stipend for relocation expenses, reimbursement of temporary housing costs for up to six months, and a $40,000 annual real estate adjustment amount payable in equal installments over each payroll cycle for two years. Mr. Meagher was granted an option to purchase 150,000 shares of our common stock, with 25% vesting on the first anniversary of the grant, and monthly vesting for the remaining three years, as well as a grant of 4,000 shares of our common stock subject to the following vesting restrictions: upon the one-year employment anniversary, 2,000 of the 4,000 shares will vest, with the remaining 2,000 shares vesting on the two-year employment anniversary. Following a change in control of Digital Insight, in the event of a termination other than for cause, an amount equal to one-year base salary at the time of termination will be paid to Mr. Meagher.

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Paul J. Pucino, our Executive Vice President and Chief Financial Officer, and Digital Insight are parties to an employment agreement dated December 8, 2004. Mr. Pucino is to receive an annual base salary of $300,000 and a signing bonus of $125,000. Additionally, Mr. Pucino is entitled to a minimum incentive bonus of $150,000 for each of the fiscal years ending December 31, 2005 and 2006. Mr. Pucino was granted an option to purchase 250,000 shares of company common stock, with 25% vesting on the first anniversary of the grant, and monthly vesting for the remaining three years. Following a change in control of Digital Insight, in the event of a termination other than for cause, an amount equal to 18 months base salary and equivalent bonus at the time of termination will be paid to Mr. Pucino. As well as full acceleration of all unvested stock options and restricted stock.

Elizabeth S.C.S. Murray, our former Executive Vice President and Chief Financial Officer, and Digital Insight are parties to a separation agreement dated September 7, 2004, which contains the following terms: from September 7, 2004 through January 7, 2005, we retained Ms. Murray to provide transition assistance at a continued base salary of $21,667 monthly. Pursuant to the agreement, we made a lump sum payment of $405,000 less applicable withholding taxes and authorized deductions on the last day of Ms. Murray s employment, and we paid an additional lump sum bonus of $130,000 upon the completion of certain tasks and projects undertaken during the transition period.

Indemnification Agreements

We have entered into an indemnification agreement with each of our executive officers and directors.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee reviews and reports to the Board on compensation matters, including cash and equity compensation structures and the management of our employee equity plans, and retirement and employee welfare plans. Under the terms of its charter, the Compensation Committee is comprised of three or more directors who, in the opinion of the Board, meet the requirements of the SEC and the Nasdaq Stock Market, including applicable independence requirements. In discharging its responsibilities, the committee consults with outside advisors from time to time, as appropriate. The Committee s four independent directors, Messrs. DeNero (Chair), Hallman, McGuire and North, have submitted the following report on executive compensation for the year ended December 31, 2005.

Compensation Philosophy

The company has developed a compensation philosophy that endeavors to develop compensation structures that are cost effective yet competitive relative to peer group companies of comparable size, complexity and business nature and are integrated with the company s annual and longer-term business strategy. Our compensation programs are designed to attract, motivate and retain a highly skilled, professional, and dedicated work force with short and long-term incentives. To accomplish this goal, the company uses a combination of programs including:

- Annual base salaries targeted at a median of competitive pay for similar positions with a peer group of companies;
- Bonuses to recognize and reward outstanding individual performance meeting or exceeding measurable company, department, and individual objectives; and
- Long term incentive compensation in the form of options to purchase common stock and restricted stock grants to retain key talent, align the interests of executives with those of our stockholders and reward superior performance relative to our peer group.

In 2005, the Committee retained the services of Frederic W. Cook & Co. to conduct a comprehensive review of the company s executive compensation practices. The review covered all areas of compensation, including base salaries, annual incentives, long-term incentives, and severance benefits for senior executives, as well as aggregate annual long-term incentive grant levels and total potential dilution under the company s stock incentive plans. Competitive comparisons were made to a group of 20 peer companies approved by the Compensation Committee and applicable industry-specific compensation survey data. The Compensation Committee used the review and its findings to guide the company in the implementation of its short-term and long-term incentive compensation policies for 2005.

Executive Compensation Program Components

There are three components to our executive compensation program: (1) base pay, (2) incentive bonuses, and (3) long-term, equity-based incentive compensation, primarily in the form of stock options and restricted stock grants, which may include matching grants under our recently adopted Executive Stock Ownership Program. In addition, executives are eligible to participate in several benefit plans. Reflecting the company s core values, the benefits received by executive officers are substantially the same as those of other employees. For example, executive officers, together with other employees, are eligible for medical and life insurance, a 401(k) plan in which the company makes matching contributions, and an employee stock purchase plan that allows participants to purchase up to $25,000 of our common stock annually at a discount.

The Compensation Committee Report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filings of Digital Insight pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Digital Insight specifically incorporates the Compensation Committee Report by reference therein. The report shall not be deemed soliciting material or otherwise deemed filed under either such Act.

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Base Pay

The company sets base pay at levels that reflect the external market value of a particular position in addition to the qualifications an individual brings to that position. Generally, base pay is targeted to the median of our peer group companies of comparable size, complexity and business nature. An individual s salary within this framework is determined on an annual basis and corresponds to the individual s performance, responsibilities, experience, leadership, and potential future contributions.

Incentive Bonuses

The Management Incentive Program for certain managerial employees, including all executives, provides for cash awards based upon the company s achievement of revenue and operating income targets, as well as various other measurable financial and non-financial targets, measured quarterly and aligned with eligible employees particular roles and responsibilities. Executive officers, other than our chief executive officer, were eligible to receive performance bonuses targeted at 70% of their annual base salary. Our chief executive officer was eligible to receive a performance bonus targeted at 80% of his annual base salary. Based upon the company s performance in 2005, bonuses exceeded targeted amounts and were awarded to our executive officers in accordance with this program as follows: Mr. Stiefler, $428,400, Mr. McDoniel, $203,847, Mr. Meagher, $185,640, and Mr. Pucino, $214,200. Additionally, from time to time, the company deems it appropriate to offer inducement cash bonuses to prospective executive officer candidates to encourage them to join the company.

Long-Term, Equity-Based Incentive Compensation

The long-term incentive component of our executive compensation plan consists of options to purchase shares of our common stock and grants of restricted stock, and is structured to align the interests of our employees and our stockholders. We incorporated a mix between stock options and restricted stock into our 2005 long-term incentive grants to balance incentive and retention considerations. As a general rule, we issue one share of restricted stock for each three shares subject to option which might otherwise have been granted.

To encourage sustained performance, the options and restricted stock generally vest over a four-year period. Stock options are awarded with an exercise price equal to the fair market value of the common stock on the date of grant. Accordingly, an executive is rewarded only if our stockholders receive the benefit of appreciation in the price of the common stock. Because long-term incentive grants vest over time, we periodically make new grants to provide continuing incentives for future performance. The eligibility for and size of periodic grants is determined based on an employee s scope of accountability, recent and long-term performance, and other factors, as determined by our management and the Compensation Committee. These factors include the assessment of anticipated individual contributions to the company s success and the adequacy of previously granted long-term incentives in providing incentives for performance and retention of the employee.

In January 2005, our executive officers received a grant of stock options which vest over a four-year term as part of the ongoing long-term incentive program. In September 2005, our executive officers were granted supplemental stock options and restricted stock grants in consideration for the company s exceptional performance over the past several years, during which time compensation levels for the senior executives had been below median market levels. The stock option grants to our named executive officers are set forth in the table above captioned Option Grants in 2005 ; the restricted stock grants are set forth in footnote 8 to the table above captioned Summary Compensation Table.

Executive Stock Ownership Program

In 2006, the Committee adopted the Digital Insight Corporation Executive Stock Ownership Program described on page 13 above under Compensation Plans. The Ownership Program applies to our officers at the Senior Vice President level and above and is intended to encourage and facilitate stock ownership among the company s senior executives. Under the Program, senior executives are encouraged to acquire and maintain a target level of ownership of our common stock.

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To encourage compliance with the Program, we will grant each senior executive a matching award of restricted shares of our common stock in an amount equal to one restricted share for every two shares of our common stock that the senior executive acquires pursuant to an eligible purchase or acquisition, subject to an annual limit on the number of restricted shares that may be granted to each senior executive. These restricted shares will vest upon the third anniversary of grant, subject to continued employment during the vesting period and continued holding of the shares of our common stock with respect to which a matching award was made.

The matching award of restricted shares is considered compensation, and the Compensation Committee will consider the value of this additional equity compensation in making compensation decisions.

Annual Reviews

The Compensation Committee reviews its executive compensation plan policies and programs, as well as data from both general industry and peer group companies annually and determines what changes, if any, are appropriate for the following year. In addition, the Compensation Committee reviews the performance of the Chief Executive Officer and, with his assistance, the individual performance of the other executive officers. The Compensation Committee then makes recommendations to the Board of Directors for consideration and final approval of all material compensation matters.

Compensation of the Chief Executive Officer

The Compensation Committee reviews the performance and compensation of the Chief Executive Officer annually based on the assessment of his past performance and its expectation of his future contributions to the company s performance. Mr. Stiefler has served as our Chief Executive Officer since August 2003. In determining Mr. Stiefler s compensation package in 2005, the Compensation Committee reviewed Mr. Stiefler s past performance for the company, considered his potential for future contributions, applied the compensation philosophy and incentive goals of the company, and considered the review and survey data obtained from Frederic W. Cook & Co.

Mr. Stiefler s compensation in 2005 included a base salary of $420,000. Mr. Stiefler received a raise in January 2006 and his current salary is $436,800.

Mr. Stiefler was awarded an annual bonus under the management incentive bonus plan for fiscal 2005 equal to $428,400, which was 102% of his base salary. This award exceeded his target bonus opportunity of 80% of base salary due to the company s exceeding certain specified targets established for 2005. The Compensation Committee, based in part upon the analyses performed by Frederic W. Cook & Co., believes that Mr. Stiefler s annual cash compensation for 2005 was in line with the annual cash compensation paid to chief executive officers by comparable companies. For 2006, Mr. Stiefler is eligible to receive a bonus based on the company s achievement of certain specified targets under the management incentive bonus plan for fiscal 2006 targeted at 100% of his base salary.

Mr. Stiefler s historical long-term incentive grants included an option to purchase 675,000 shares of our common stock in 2003 which vests over a four-year term, as identified in the Executive Compensation section above, plus supplemental grants in January 2005, September 2005 and March 2006 of options to purchase 126,500 of our shares of common stock, 30,000 of our shares of common stock and 100,000 of our shares of common stock, respectively, each of which also vests over a four-year term. Mr. Stiefler also received restricted grants of our common stock of 45,000 shares in September 2005 and 33,333 shares in March 2006, each of which vests over a four-year term. Mr. Stiefler may be eligible to receive a raise in base salary and additional equity compensation during 2007, depending upon the Compensation Committee s assessment of his performance and the company s achievement of specified objectives.

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Tax Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction for compensation in excess of $1 million paid to the executives named in our Summary Compensation Table. Certain compensation is exempt from the deduction limit to the extent it does not exceed $1 million during any reporting year or is performance based as defined by Section 162(m). Section 162(m) should not affect the deductibility of compensation paid to our executive officers for the foreseeable future. The majority of the options available for grant under the 1997 and 1999 Stock Plans will comply with Section 162(m), so that compensation resulting from these stock options will not be counted toward the $1 million limit on deductible compensation under Section 162(m). The Compensation Committee has not formulated any policy with respect to qualifying other types of compensation for deductibility under Section 162(m).

Submitted by the Compensation Committee

Henry T. DeNero, *Chair*

Michael R. Hallman

James H. McGuire

Robert L. North

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Messrs. DeNero (Chair), Hallman, McGuire and North, each of whom is a non-employee director of Digital Insight. None of our executive officers serves as a director or member of the Compensation Committee or any Board committee performing equivalent functions for another entity that has one or more executive officers serving on our Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act 1934, as amended, requires our directors and executive officers and persons who own beneficially more than 10% of our common stock to file reports of ownership and changes in ownership of such stock with the SEC. Based solely on our review of copies of Forms 3, 4 and 5 and the written representations from certain reporting persons that they were not required to file such forms during the year ended December 31, 2005, we believe that during the 2005 fiscal year, our officers, directors and holders of 10% or more of our common stock complied with all Section 16(a) filing requirements.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors operates under a written charter restated and adopted by the Board of Directors on September 11, 2003, and serves as the representative of the Board for general oversight of our financial accounting and reporting process, system of internal control, audit process, and process for monitoring compliance with laws and regulations. Our management has primary responsibility for preparing our financial statements and our financial reporting process. Our independent registered public accounting firm, Deloitte & Touche LLP, is responsible for expressing an opinion on the conformity of our audited financial statements for the year ended December 31, 2005 to accounting principles generally accepted in the United States. The Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed with management (i) the audited financial statements of Digital Insight; and (ii) management s report on internal controls over financial reporting and the related opinions of Deloitte & Touche LLP.

2. The Audit Committee has discussed with Deloitte & Touche LLP the matters required to be discussed by SAS 61, as amended (Codification of Statements on Auditing Standards, AU 380), Communication with Audit Committees.

3. The Audit Committee has received the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1 Independence Discussions with Audit Committees, has considered the compatibility of non-audit services with the firm s independence, and had a discussion with Deloitte & Touche LLP about the firm s independence.

4. Based on the review and discussions referred to in paragraphs (1) through (3) above, and relying thereon, the Audit Committee recommended to our Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2005, and be filed with the SEC.

Change in Independent Registered Public Accountants

On March 26, 2004, the Board and its Audit Committee engaged Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2004. PricewaterhouseCoopers LLP previously served as our independent registered public accounting firm until March 22, 2004. Prior to the engagement, we did not consult with Deloitte & Touche LLP regarding any of the following:

1. The application of accounting principles to a specified transaction, either completed or proposed;

2. The type of audit opinion that might be rendered on our financial statements, and one of the following was provided to us by Deloitte & Touche LLP: (a) a written report, or (b) oral advice that Deloitte & Touche LLP concluded was an important factor considered by Digital Insight in reaching a decision as to an accounting, auditing or financial reporting issue;

3. Any matter that was the subject of a disagreement, as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K; or

4. A reportable event, as that item is defined in Item 304(a)(1)(v) of Regulation S-K.

The reports of our former independent registered public accounting firm, PricewaterhouseCoopers LLP, on our financial statements for 2002 and 2003 contained no adverse opinion or disclaimer of opinion and were not

The Audit Committee Report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filings of Digital Insight pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Digital Insight specifically incorporates the Audit Committee Report by reference therein. The report shall not be deemed soliciting material or otherwise deemed filed under either such Act.

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qualified or modified as to uncertainty, audit scope or accounting principle. In connection with its audits for 2002 and 2003, and through March 22, 2004, there have been no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principle or practices, financial statement disclosure or auditing scope or procedure, which disagreements if not resolved to the satisfaction of PricewaterhouseCoopers LLP would have caused it to make reference to such disagreements in its reports on the financial statements for such years. Prior to the termination of our engagement of PricewaterhouseCoopers LLP, there have been no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K). We provided PricewaterhouseCoopers LLP with a copy of the foregoing disclosures. A copy of PricewaterhouseCoopers LLP s letter, dated March 26, 2004, stating its agreement with such statements, is incorporated by reference to Exhibit 16.1 attached to the Current Report on Form 8-K filed with the SEC on March 26, 2004.

We have requested that representatives of Deloitte & Touche LLP be present at the annual meeting to make a statement, if they so choose, and to respond to appropriate questions from stockholders.

Fees to Independent Registered Public Accountants

The following table sets forth the aggregate fees billed to date by our independent registered public accounting firm, Deloitte & Touche LLP, for audit services rendered in connection with the consolidated financial statements and reports for 2004 and 2005, and for other services rendered during such years on our behalf, as well as out-of-pocket costs incurred in connection with such services.

Type of Fees Billed	2004*	2005
Audit Fees		
Professional services rendered for the audit of annual consolidated financial statements, for the review of the financial statements included in our Form 10-Qs, and for services that are normally provided by the accountant in connection with statutory and regulatory filings and engagements.	$ 1,049,285	$ 731,372
Audit-related Fees		
Professional services rendered for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements. These services include employee benefit plan audits.	31,235	
Tax Fees		
Professional services rendered for tax compliance, tax consulting and tax planning.	3,270	46,480
All Other Fees		
Products and/or services provided other than the services reported above.		
Total Fees	$ 1,083,790	$ 777,852

* We previously disclosed in our 2005 Proxy Statement that a total of $555,806 had been billed by Deloitte & Touche LLP for audit services rendered in connection with the consolidated financial statements and reports for fiscal year 2004. Subsequent to the date of our filing of that Proxy Statement in April of 2005, as is customary, we were billed by Deloitte & Touche LLP for the balance of the audit services rendered in connection with the consolidated financial statements and reports for fiscal year 2004 in an additional amount totaling $527,984. Accordingly, we have shown in the table above the total fees billed by Deloitte & Touche LLP for such services in 2004, taking into account such additional fees billed.

We anticipate that, as is customary, we will incur additional billings from Deloitte & Touche LLP for audit services rendered in connection with the consolidated financial statements and reports for fiscal year 2005 subsequent to the date of our filing of this Proxy Statement. We currently estimate such additional billings to total approximately $119,995 representing audit fees which can be attributed to Sarbanes-Oxley Act compliance services and year-end audit fees.

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As set forth in our charter, it is the Audit Committee s policy and procedure to review and consider, and where appropriate, pre-approve, all audit and non-audit engagement services to be performed by our independent registered public accounting firm. The Audit Committee s audit and non-audit services pre-approval policy is set forth our Audit Committee charter, and in accordance with that policy, during 2005, the Audit Committee approved all audit fees, audit-related fees, tax fees, and all other fees in each case after obtaining an understanding of the services to be rendered and subject to a specific budget.

Submitted by the Audit Committee

James H. McGuire, *Chair*

Robert L. North

Greg J. Santora

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STOCK PERFORMANCE GRAPH

The following line-graph provides a comparison of the cumulative total stockholder return on our common stock for the period from December 31, 2000 through December 31, 2005, against the cumulative stockholder return during such period achieved by the Nasdaq Stock Market (U.S. Companies) and the Interactive Week Internet Index (IIX). All amounts have been calculated as if all dividends were reinvested.

	Cumulative Total Return ($)					
	12/00	**12/01**	**12/02**	**12/03**	**12/04**	**12/05**
Digital Insight Corp.	100	124	48	138	102	177
Nasdaq Stock Market (U.S.)	100	139	169	186	188	149
Interactive Week Internet Index	100	52	30	51	62	63

Assumes $100 invested in Digital Insight common stock, the Nasdaq Stock Market (U.S. Companies) Index, and the Interactive Week Internet Index (IIX), and assumes reinvestment of dividends. The total stockholder returns shown are not necessarily indicative of future returns. The Stock Performance Graph shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filings of Digital Insight pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Digital Insight specifically incorporates the Performance Graph by reference therein. The report shall not be deemed soliciting material or otherwise deemed filed under either such Act.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The common stock is our only outstanding class of voting securities. The following table sets forth the amount and percent of shares of common stock which, as of March 31, 2006, are deemed under the rules of the SEC to be beneficially owned by each member of our Board of Directors, by each nominee to become a member of the Board of Directors, by each of our executive officers named in the Summary Compensation Table, by all directors, nominees and executive officers as a group, and by any person or group (as that term is used in the Securities Exchange Act of 1934, as amended) known to us as of that date to be a beneficial owner of more than 5% of the outstanding shares of our common stock.

Name of Beneficial Owner	Number of Shares Beneficially Owned	% Owned
5% Stockholders:		
Transamerica Investment Management, LLC (1)	3,741,006	10.9%
Nasser J. Kazeminy and affiliated entities (2)	1,764,205	5.1%
Barclays Global Investors, NA (3)	1,749,312	5.1%
Directors and Executive Officers (4)		
Jeffrey E. Stiefler	641,136	1.8%
Henry T. DeNero	65,000	*
John C. Dorman	130,968	*
Michael R. Hallman	122,500	*
Joseph M. McDoniel	71,888	*
James H. McGuire	114,349	*
Robert J. Meagher	44,972	*
Elizabeth S.C.S. Murray (5)	700	*
Robert L. North	95,000	*
Paul J. Pucino	33,924	*
Greg J. Santora	95,000	*
Robert R. Surridge	7,119	*
All Directors and officers as a group (12 persons)	1,422,556	4.0%

* Less than 1%

(1) The address of record for Transamerica Investment Management, LLC is 11111 Santa Monica Boulevard, Suite 820, Los Angeles, California 90025. This information was obtained from a Schedule 13G/A filed with the SEC on March 10, 2005 by Westcap Investors, LLC. Westcap Investors, LLC was subsequently acquired by Transamerica Investment Management, LLC.

(2) The address of record for Nasser J. Kazeminy is 760 Island Drive, Palm Beach, Florida 33480. The address of record for Exponential Partners II Limited Partnership is 3960 Howard Hughes Parkway, Fifth Floor, Las Vegas, Nevada 89109. This information was obtained from a Schedule 13G/A filed with the SEC on February 14, 2005. According to the 13G/A, Nasser J. Kazeminy is the sole limited partner of Exponential Partners II Limited Partnership and the sole member of NJK Investments, LLC, which is the sole general partner of Exponential Partners II Limited Partnership. As disclosed on the Schedule 13G/A, Exponential Partners II Limited Partnership beneficially owns 1,169,363 shares of our common stock. In addition, Mr. Kazeminy, Nader C. Kazeminy and James A. Vose are trustees of the Trust for the Benefit of Nader C. Kazeminy and share voting authority over the 297,421 shares held in that trust. Nasser Kazeminy, Nader C. Kazeminy and James A. Vose are trustees for the Trust for the Benefit of Tanya Mackay and share voting authority over the 297,421 shares held in that trust. Mr. Kazeminy disclaims beneficial ownership of the shares held by these trusts.

(3) The address of record for Barclays Global Investors, NA is 45 Fremont Street, 17th Floor, San Francisco, California 94105. This information was obtained from a Schedule 13G filed with the SEC on January 26, 2006. Shares listed as beneficially owned by Barclays are owned by the following entities: Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, LTD, and Barclays Global Investors Japan Trust and Banking Company Limited.

(4) The address of each director and officer is c/o Digital Insight Corporation, 26025 Mureau Road, Calabasas, California 91302.

(5) Reflects the beneficial ownership of our common stock by the former executive officer as of her last date of employment with Digital Insight, and not as of March 31, 2006.

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[Front of Proxy Card]

[A] Election of Directors

1. The Board of Directors recommends a vote **FOR** the listed nominees.

	For	**Withhold**
01 - Henry T. DeNero	¨	¨
02 - Jeffrey E. Stiefler	¨	¨

[B] Issues

The Board of Directors recommends a vote **FOR** the following proposal.

	For	**Against**	**Abstain**
2. Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of Digital Insight for the year ending December 31, 2006	¨	¨	¨

¨ I PLAN TO ATTEND MEETING

[C] Authorized Signatures Sign Here This section must be completed for your instructions to be executed.

Please mark, date and sign your name as it appears hereon and return in the enclosed envelope.

Please sign exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature 1 - Please keep signature within the box	Signature 2 - Please keep signature within the box	Date (mm/dd/yyyy)
[ ]	[ ]	[/ /]

Proxy - Digital Insight Corporation

26025 Mureau Road

Calabasas, California 91302

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Jeffrey E. Stiefler and Paul J. Pucino, and each of them, with full power of substitution, as proxy, to represent and vote all the shares of common stock of Digital Insight Corporation held of record by the undersigned on March 31, 2006, at the annual meeting of stockholders to be held on May 23, 2006 or any adjournment or postponement thereof, as designated on the reverse side hereof and in their discretion as to other matters.

The shares represented by this proxy will be voted as directed by the stockholder. If no direction is given when the duly executed proxy is returned, such shares will be voted FOR the Proposals.

The Board of Directors recommends a vote FOR the named nominees and FOR Proposal 2

(Please date and sign on reverse)

(Continued on reverse side)