

Altisource Portfolio Solutions S.A.

Form DEF 14A

April 06, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A Information  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

N/A

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

N/A

- (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):

N/A

- (4) Proposed maximum aggregate value of transaction:

N/A

- (5) Total fee paid:

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

(1) Amount Previously Paid:

N/A

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April 6, 2011

Dear Fellow Shareholder:

On behalf of the Board of Directors, we cordially invite you to attend the Annual Meeting of Shareholders of Altisource Portfolio Solutions S.A. which will be held at the offices of the Company located at 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg on Wednesday, May 18, 2011, at 9:00 a.m., Central European Time. The matters to be considered by shareholders at the Annual Meeting are described in detail in the accompanying materials.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the Annual Meeting in person. We urge you to complete your proxy card in one of the manners described in the accompanying materials even if you plan to attend the Annual Meeting. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend.

Your support of and interest in Altisource Portfolio Solutions S.A. is sincerely appreciated.

Sincerely,

William C. Erbey

Chairman of the Board of Directors

William B. Shepro

Chief Executive Officer and Director

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**ALTISOURCE PORTFOLIO SOLUTIONS S.A.**

**291, route d Arlon**

**L-1150 Luxembourg City**

**Grand Duchy of Luxembourg**

**R.C.S. Luxembourg B. 72.391**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND  
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 18, 2011**

**NOTICE**

Our Annual Meeting of Shareholders ( Annual Meeting ) will be held:

**Date:** Wednesday, May 18, 2011

**Time:** 9:00 a.m., Central European Time

**Location:** Altisource Portfolio Solutions S.A.  
291, route d Arlon  
L-1150 Luxembourg City  
Grand Duchy of Luxembourg

**PURPOSE**

To elect five (5) Directors for a one (1) year term and/or until their successors are elected and qualified;  
To ratify the appointment by the Audit Committee of our Board of Directors of Deloitte & Touche LLP to be our independent registered certified public accounting firm for the year ending December 31, 2011 and Deloitte S.A. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period;  
To receive the Directors' report on the Luxembourg statutory accounts ( *Directors Report* ) for the year ended December 31, 2010;  
To approve the Luxembourg statutory accounts for the year ended December 31, 2010 ( *Annual Statutory Accounts* ) and to allocate the results of the year ended December 31, 2010;  
To discharge each of the current and past Directors of Altisource Portfolio Solutions S.A. for the performance of their mandate during the year ended December 31, 2010;  
To approve, on an advisory (non-binding) basis, the compensation of Altisource's named executive officers as disclosed in the Proxy Statement ( *Say-on-Pay* );  
To hold an advisory vote as to the frequency that an advisory vote on executive compensation should be presented to the shareholders;  
To approve a change in our Directors' compensation; and  
To transact such other business as may properly come before the meeting and any adjournment of the meeting.

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**PROCEDURES**

Our Board of Directors has fixed March 15, 2011 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

Only shareholders of record at the close of business on that date will be entitled to vote at the Annual Meeting.

The proxy statement for our 2011 Annual Meeting of Shareholders and our annual report to shareholders on Form 10-K for the year ended December 31, 2010 are available on our website at [www.altisource.com](http://www.altisource.com) under Investor Relations. Additionally, and in accordance with Securities and Exchange Commission rules, you may access our proxy statement at <http://www.proxyvote.com>, a website that does not identify or track visitors of the site, by entering the 12 digit Control Number found on your Beneficial Notice Card or on your Proxy Card in the space provided.

The Directors Report and the draft Annual Statutory Accounts are available for inspection at Altisource Portfolio Solutions S.A.'s registered office.

By Order of the Board of Directors,

Kevin J. Wilcox

Secretary

April 6, 2011

Luxembourg City, Grand Duchy of Luxembourg

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**ALTISOURCE PORTFOLIO SOLUTIONS S.A.  
PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS**

**General Information**

We have made this proxy statement available to you on or about April 6, 2011 as a holder of Common Stock of Altisource Portfolio Solutions S.A. because our Board of Directors is soliciting your proxy to be used at our Annual Meeting of Shareholders (the Annual Meeting ) and at any adjournment of this meeting. The Annual Meeting will be held at our offices located at 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg on Wednesday, May 18, 2011, at 9:00 a.m., Central European Time for the purposes listed in the Notice of Annual Meeting of Shareholders.

**How a Proxy Works**

If you properly complete, sign and return your proxy to Altisource Portfolio Solutions S.A. ( Altisource or the Company ) and do not revoke it prior to its use, it will be voted in accordance with your instructions. If no contrary instructions are given, other than as discussed below with respect to broker non-votes , each proxy received will be voted:

- for each of the nominees for Director;
- for ratification of the appointment of Deloitte & Touche LLP to be our independent registered certified public accounting firm for 2011 and Deloitte S.A. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period;
- for approval of the Directors report ( *rapport de gestion* ) on the Luxembourg statutory accounts for the year ended December 31, 2010;
- for approval of the Luxembourg statutory accounts for the year ended December 31, 2010 and to allocate the results of the year ended December 31, 2010;
- for approval of the discharge of each of the current and past Directors of Altisource for the performance of their mandate during the year ended December 31, 2010;
- for approval, on an advisory basis, of the compensation of Altisource s named executive officers as disclosed in the Proxy Statement ( Say-on-Pay );
- for every three years to be the frequency that an advisory vote on executive compensation should be presented to the shareholders;
- for approval of a change in our Directors compensation; and
- with regard to any other business that properly comes before the meeting in accordance with the best judgment of the persons appointed as proxies.

**How to Revoke a Proxy**

Your proxy may be used only at the Annual Meeting and any adjournment of this meeting and will not be used for any other meeting. You have the power to revoke your proxy at any time before it is exercised by:

filing written notice with our Corporate Secretary at the following address:

Kevin J. Wilcox, Corporate Secretary  
Altisource Portfolio Solutions S.A.  
291, route d Arlon  
L-1150 Luxembourg City,  
Grand Duchy of Luxembourg

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submitting a properly executed proxy bearing a later date; or  
appearing at the Annual Meeting and giving the Corporate Secretary notice of your intention to vote in person.

**Who May Vote**

You are entitled to vote at the Annual Meeting or any adjournment of the Annual Meeting if you are a holder of record of our Common Stock at the close of business on March 15, 2011. At the close of business on March 15, 2011, there were 24,864,200 shares of Common Stock issued, outstanding and able to be voted and no other class of equity securities outstanding. Each share of our Common Stock is entitled to one (1) vote at the Annual Meeting on all matters properly presented. Abstentions and broker non-votes will be treated as present for purposes of a quorum.

**Quorum and Voting Information**

The presence at the Annual Meeting of a majority of the votes of our Common Stock entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Assuming a quorum, the five (5) nominees for Director will be elected as Directors of Altisource so long as the votes cast in favor of each such person exceed the votes cast to withhold authority for such person. You may vote in favor of or withhold authority to vote for one (1) or more nominees for Director. The proposal to approve the appointment of Deloitte & Touche LLP to be our independent registered certified public accounting firm for 2011 and Deloitte S.A. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period, the proposal to approve the Directors' report ( *rapport de gestion* ) on the Luxembourg statutory accounts for the year ended December 31, 2010, the proposal to approve the Luxembourg statutory accounts for the year ended December 31, 2010 and to allocate the results of the year ended December 31, 2010, the proposal to approve the discharge of each of the current and past Directors of Altisource for the performance of their mandate during the year ended December 31, 2010, the advisory vote to approve the compensation of Altisource's named executive officers as disclosed in the Proxy Statement (Say-on-Pay), the proposal to approve the change in Directors' compensation and any other matter properly submitted for your consideration at the Annual Meeting (other than the election of Directors), will be approved if the votes cast in favor of the action exceed the votes cast opposing the action. The advisory vote on the frequency that an advisory vote on executive compensation should be presented to the shareholders will be determined based on the frequency that receives the most votes.

Abstentions and broker non-votes will not be counted in determining the votes cast in connection with the foregoing matters. A broker non-vote occurs when a shareholder has not provided voting instructions to the broker on a non-routine item. In such cases, the NASDAQ Stock Market precludes brokers from giving a proxy to vote on non-routine items.

While our Board of Directors intends to carefully consider the shareholder votes resulting from the Say on Pay and Frequency proposals, the final votes will not be binding on us and are advisory in nature.

If the shares you own are held in street name by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. To vote your shares, you will need to follow the directions your bank or brokerage firm provides you. You will receive a Notice of Internet Availability of Proxy Materials that will tell you how to access our proxy materials and vote your shares via the Internet. It also will tell you how to request a paper or e-mail copy of our proxy material. Please contact your bank or brokerage firm for further information.

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(Proposal One)

Our Articles of Association provide that our Board of Directors shall consist of no less than three (3) and no more than seven (7) members with the exact number to be fixed by our Board of Directors.

We will propose the five (5) nominees listed below for election as Directors at the Annual Meeting. All nominees other than Mr. Linn currently serve as our Directors. There are no arrangements or understandings between any nominee and any other person for selection as a nominee.

If any nominee is unable or unwilling to stand for election at the time of the Annual Meeting, the person or persons appointed as proxies will nominate and vote for a replacement nominee or nominees recommended by our Board of Directors. At this time, our Board of Directors knows of no reason why any of the nominees would not be able or willing to serve as Director if elected.

**Nominees for Director**

The following table sets forth certain information concerning our nominees for Director:

Name	Age <sup>(1)</sup>	Director Since	Executive Committee	Audit Committee	Compensation Committee	Nomination/Governance Committee
William C. Erbey	61	2009	X <sup>(2)</sup>			X <sup>(2)</sup>
William B. Shepro	41	2009	X			
Roland Müller-Ineichen	50	2009		X <sup>(2)</sup>	X	X
Timo Vättö	46	2009		X	X <sup>(2)</sup>	X
W. Michael Linn	62	2011 <sup>(3)</sup>		X	X	

<sup>(1)</sup> As of March 15, 2011

<sup>(2)</sup> Committee Chairman for 2010

<sup>(3)</sup> Mr. Linn will serve as a Director on the Committees indicated if he is elected at the Annual Meeting.

The principal occupation for the last five (5) years and additional biographical information of each Director of Altisource is set forth below.

All our Directors bring to Altisource's Board of Directors a wealth of executive leadership experience derived from their service as executives of large corporations.

**William C. Erbey.** Mr. Erbey was appointed as the Chairman of the Board of Altisource in July 2009. He has served as the Chairman of the Board of Directors of Ocwen Financial Corporation (Ocwen), Altisource's former parent company, since September 1996 and as the Chief Executive Officer of Ocwen from January 1988 to October 2010. He served as the President of Ocwen from January 1988 to May 1998. From 1983 to 1985, Mr. Erbey served as a Managing General Partner of The Oxford Financial Group, a private investment partnership that was the predecessor of Ocwen. He is also the founder and Chairman of Home Loan Servicing Solutions, Ltd., a Cayman Islands exempted company, formed in December 2010 to acquire mortgage servicing assets. From 1975 to 1983, Mr. Erbey served at General Electric Capital Corporation in various capacities, including as President and Chief Operating Officer of General Electric Mortgage Insurance Corporation, Program and General Manager of the Commercial Financial Services Department and President of Acquisition Funding Corporation. He holds a Bachelor of Arts in Economics from Allegheny College and a Masters of Business Administration from Harvard University.

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Mr. Erbey's extensive experience as the Chairman and Chief Executive Officer of Ocwen demonstrates his leadership capability and business acumen. His experience in the mortgage services industry brings valuable financial, operational and strategic expertise to our Board of Directors.

**William B. Shepro.** Mr. Shepro was appointed Chief Executive Officer and to the Board of Altisource in July, 2009. Mr. Shepro previously served as the President and Chief Operating Officer of Ocwen Solutions at Ocwen. He previously served as President of Global Servicing Solutions, LLC, a joint venture between Ocwen and Merrill Lynch, from 2003 until 2009. Mr. Shepro also held the positions of Senior Vice President of Ocwen Recovery Group and Senior Vice President, Director and Senior Manager of Commercial Servicing at Ocwen. He joined Ocwen in 1997. Mr. Shepro serves on the Boards of Altisource and certain subsidiaries. He holds a Bachelor of Science in Business from Skidmore College and a Juris Doctorate from the Florida State University College of Law.

Mr. Shepro's day-to-day leadership and intimate knowledge of our business and operations provides the Board of Directors with Company-specific experience and expertise. Furthermore, Mr. Shepro's legal background and operational experience in the residential and commercial mortgage servicing industries provides the Board of Directors with valuable strategic and operational insights.

**Roland Müller-Ineichen.** Mr. Müller-Ineichen was appointed to the Board of Altisource in July, 2009. He also serves on the Board of Directors of Bank Arner SA, a provider of private banking services based in Lugano, Switzerland and on the Board of Directors of Absolute Private Equity AG, a Switzerland-based investment company.

Mr. Müller-Ineichen most recently served as a Partner with KPMG Switzerland and KPMG Europe LLP where he served as lead partner on the audits of national and international Banks, Security Dealers and Fund Management Companies. Mr. Müller-Ineichen began working in the Zurich office of KPMG in June 1995 as a Senior Manager in the audit department banking and financial services and served as a Partner from January 1999 until his retirement in December 2008. Prior to KPMG, Mr. Müller-Ineichen progressed through various audit and managerial roles with Switzerland based financial institutions. Mr. Müller-Ineichen is a Swiss Certified Public Accountant. He completed a commercial and banking business apprenticeship with UBS in 1980. Mr. Müller-Ineichen holds a Business Commerce degree.

Mr. Müller-Ineichen's past employment experience provides the Board of Directors with accounting expertise, and his experience in the financial services industry provides the Board of Directors with valuable strategic and financial insights. Furthermore, Mr. Müller-Ineichen is financially literate and qualifies as a financial expert as required by NASDAQ listing standards.

**Timo Vättö.** Mr. Vättö was appointed to the Board of Altisource in August, 2009. He is the founder and owner of Vättö Management Services AG, a provider of independent corporate advisory services to corporations, institutional investors and private families, which was founded in November 2008. Previously, Mr. Vättö was employed by Citigroup in Switzerland and the U.S. for almost twenty years in senior client coverage and business head roles within the client franchise management and business origination functions for Corporate and Investment Banking, most recently as Head of Swiss Investment Banking. In addition from 2004 to 2009, Mr. Vättö served as a member of the Board of Directors, including as a member of the Audit Committee, of Citibank (Switzerland) AG, part of Citigroup's Wealth Management Business. Mr. Vättö holds a Master of Science, Economics and Business Administration from the University of Tampere (Finland).

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Mr. Vättö's experience with Vättö Management Services AG and Citigroup makes him financially literate as required pursuant to the NASDAQ listing standards, and his knowledge of the financial services industry provides the Board of Directors with subject matter expertise.

**W. Michael Linn.** Mr. Linn currently serves on the Board of Directors and as President and Chief Executive Officer of Greensleeves LLC, where he focuses on increasing the use of alternative energy to power buildings. He also serves on the Board of Directors of National Lime & Stone and is a private investor in energy related industries. Mr. Linn previously served on the Board of Directors of Ocwen Financial Corporation from August 2002 to May 2008 and as the Executive Vice President of Sales and Marketing of Ocwen from February 2004 to May 2007. Prior to joining Ocwen, Mr. Linn served on the Board of Directors and as the Executive Vice President of Sales and Marketing of Solomon Software, Inc., a corporation now owned by Microsoft Corporation. He has also served on the Board of Directors and as President and CEO of Saunders, Inc., a venture backed, privately held financial services and technology solutions company. Mr. Linn graduated from Harvard College in 1970 with a Bachelor of Arts and earned a Masters of Business Administration from Harvard Business School in 1973.

Mr. Linn's extensive experience in rolling out emerging technologies and in the development of strategic relationships brings valuable operational sales and strategic expertise to our Board of Directors.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR**

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**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

**Meetings of the Board of Directors**

The Board of Directors plays an active role in overseeing management and representing the interests of the shareholders. Directors are expected to attend all Board meetings, the meetings of committees on which they serve and the Annual Meeting of Shareholders. Directors are also consulted for advice and counsel between formal meetings.

Our Board of Directors held six (6) meetings during 2010. Each incumbent Director attended at least 75% of these meetings as well as the meetings held by all Committees of our Board of Directors on which they served during the period. Although we do not have a formal policy regarding Director attendance at the Annual Meeting, our Directors are expected to attend. All of the incumbent members of our Board of Directors attended our 2010 Annual Meeting.

**Independence of Directors**

Our Corporate Governance Guidelines provide that our Board of Directors must be comprised of a majority of Directors who qualify as independent Directors under the listing standards of the NASDAQ Stock Market and applicable law.

Our Board of Directors annually reviews the direct and indirect relationships that we have with each Director. The purpose of this review is to determine whether any such transactions or relationships are inconsistent with a determination that the Director is independent. Only those Directors who are determined by our Board of Directors to have no material relationship with Altisource are considered independent. This determination is based in part on the analysis of questionnaire responses that follow the independence standards and qualifications established by the NASDAQ Stock Market and applicable law. The Board of Directors also considers beneficial ownership of our Common Stock by each of the Directors, as set forth under Security Ownership of Certain Beneficial Owners and Related Shareholder Matters, although our Board of Directors generally believes that stock ownership tends to further align a Director's interests with those of our other shareholders. Our current Board of Directors has determined that Mr. Müller-Ineichen, Mr. Vättö and Mrs. Andresen-Kienz are independent Directors and Mr. Linn will be an independent Director if he is elected.

**Board Leadership Structure**

Our Board of Directors has no fixed policy with respect to the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer. Our Board retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interests of the Company and our shareholders at any given time. The Board of Directors currently believes that separating the positions of Chief Executive Officer and Chairman is the best structure to fit the Company's needs. As our Chief Executive Officer, Mr. Shepro is responsible for our day-to-day operations and for formulating and executing our long-term strategies in collaboration with the Board. As Chairman of the Board, Mr. Erbey leads the Board and oversees Board meetings and the delivery of information necessary for the Board's informed decision-making.

**Committees of the Board of Directors**

Our Board of Directors has established an Executive Committee, an Audit Committee, a Compensation Committee and a Nomination/Governance Committee. A brief description of these Committees is provided below.

**Executive Committee.** Our Executive Committee is generally responsible to act on behalf of our Board of Directors during the intervals between meetings of our Board of Directors. On September 22, 2009, our Board of Directors authorized the Committee to approve and/or to designate in writing certain individuals to approve ordinary course of business actions that are required to be documented by counter parties but do not require action by the Board of Directors or its Committees. Such actions would include approving, signing and executing checks and electronic funds transmissions, dissolving or merging our wholly-owned subsidiaries and performing such other ministerial actions on such terms, conditions and limits as the Committee deems appropriate in its sole discretion. In 2010, no transactions were approved in this manner on behalf of the Board of Directors.

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***Audit Committee.*** The Audit Committee of our Board of Directors oversees the relationship with our independent registered certified public accounting firm, reviews and advises our Board of Directors with respect to reports by our independent registered certified public accounting firm and monitors our compliance with laws and regulations applicable to our operations including the evaluation of significant matters relating to the financial reporting process and our system of internal accounting controls and the review of the scope and results of the annual audit conducted by the independent registered certified public accounting firm. Each member of our Audit Committee, including our Director nominee, Mr. Linn, is independent as defined in regulations adopted by the Securities and Exchange Commission and the listing standards of the NASDAQ Stock Market. Our Board of Directors has determined that all members of our Audit Committee are financially literate. Furthermore, our Board of Directors has determined that Messrs. Müller-Ineichen and Vättö possess accounting or related financial management expertise within the meaning of the listing standards of the NASDAQ Stock Market and qualify as audit committee financial experts as that term is defined in Securities and Exchange Commission rules. Our Audit Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. This Committee met five (5) times during 2010.

***Compensation Committee.*** The Compensation Committee of our Board of Directors oversees our compensation and employee benefit plans and practices. Our Compensation Committee also evaluates and makes recommendations to our Board of Directors for human resource and compensation matters relating to our executive officers. The Compensation Committee reviews with the Chief Executive Officer and Chief Administration Officer and subsequently approves all executive compensation plans, any executive severance or termination arrangements and any equity compensation plans that are not subject to shareholder approval. The Compensation Committee also has the power to review our other compensation plans, including the goals and objectives thereof and to recommend changes to these plans to our Board of Directors. The Compensation Committee shares jurisdiction with our full Board of Directors over the administration of grants under the 2009 Equity Incentive Plan. The Compensation Committee has the authority to retain independent counsel or other advisers as it deems necessary in connection with its responsibilities at our expense. The Compensation Committee may request that any of our Directors, officers or employees, or other persons attend its meetings to provide advice, counsel or pertinent information as the committee requests.

The members of the Compensation Committee for 2010 were Messrs. Müller-Ineichen and Vättö and Mrs. Andresen-Kienz. If elected, Mr. Linn will replace Mrs. Andresen-Kienz as a member of the Compensation Committee following the Annual Meeting. Each member of the Compensation Committee is independent as defined in the listing standards of the NASDAQ Stock Market. While we have no specific qualification requirements for members of the Compensation Committee, our members have knowledge and experience regarding compensation matters as developed through their respective business experience in both management and advisory roles including general business management, executive compensation and employee benefits experience. We feel that their collective achievements and knowledge provide us with extensive diversity in experience, culture and viewpoints. The Corporate Secretary develops the meeting calendar for the year based on committee member availability and other relevant events within our Company calendar. Compensation Committee meeting agendas are generally developed by our Corporate Secretary and our Compensation Committee Chairman. The Compensation Committee generally meets in executive session at each scheduled meeting.

Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. This Committee met four (4) times in 2010. On an annual basis, the Compensation Committee evaluates its performance under its charter to ensure that it appropriately addresses the matters that are within the scope of Committee responsibility. When necessary, the Compensation Committee recommends amendments to its charter to the Board of Directors for approval. The charter was last reviewed and approved by the Compensation Committee in January 2011.

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Certain executives are involved in the design and implementation of our executive compensation programs, including the Chief Executive Officer and Chief Administration Officer, who may be present at Compensation Committee meetings. These executives annually review the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the Compensation Committee with consultation of the Chairman) and present their conclusions and recommendations regarding incentive award amounts to the Compensation Committee for its consideration and approval. The Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations; however, executive compensation matters are generally delegated to the Chief Executive Officer and Chief Administration Officer for development and execution.

***Compensation Committee Interlocks and Insider Participation.*** No member of the Compensation Committee was at any time during the 2010 fiscal year or at any other time an officer or employee of the Company and no member had any relationship with us requiring disclosure under Item 404 of Securities and Exchange Commission Regulation S-K. None of our executive officers has served on the Board of Directors or compensation committee of any other entity that has or had one (1) or more executive officers who served as a member of our Board of Directors or our Compensation Committee during the 2010 fiscal year.

***Nomination/Governance Committee.*** The Nomination/Governance Committee of our Board of Directors makes recommendations to our Board of Directors of individuals qualified to serve as Directors and committee members for our Board of Directors; advises our Board of Directors with respect to Board of Directors composition, procedures and committees; develops and presents our Board of Directors with a set of corporate governance principles and oversees the evaluation of our Board of Directors and our management. Other than Mr. Erbey, each member of our Nomination/Governance Committee is independent as defined in the listing standards of the NASDAQ Stock Market. The Board of Directors found that, on the basis of exceptional circumstances, Mr. Erbey's membership on the Nomination/Governance Committee is in the best interests of Altisource and its shareholders. In making this finding of exceptional circumstances, the Board found that the size of the Board of Directors following the separation from Ocwen, as well as Mr. Erbey's extensive management and industry domain experience necessitated his inclusion on the Nomination/Governance Committee. Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our web site at [www.altisource.com](http://www.altisource.com) and is available in print to any shareholder who requests it. This Committee met three (3) times in 2010.

It is the policy of our Nomination/Governance Committee to consider candidates for Director recommended by you, our shareholders. In evaluating all nominees for Director, our Nomination/Governance Committee takes into account the applicable requirements for Directors under the Securities Exchange Act of 1934, as amended, and the listing standards of the NASDAQ Stock Market. In addition, our Nomination/Governance Committee takes into account our best interests as well as such factors as knowledge, experience, skills, expertise, diversity and the interplay of the candidate's experience with the background of other members of our Board of Directors. Pursuant to the Company's Diversity Policy, the Nomination/Governance Committee considers diversity when it recommends Director nominees to the Board of Directors, viewing diversity in an expansive way to include differences in prior work experience, viewpoint, education and skill set. In particular, the Nomination/Governance Committee considers diversity in professional experience, skills, expertise, training, broad-based business knowledge and understanding of the Company's business environment when recommending Director nominees to the Board of Directors, with the objective of achieving a board with diverse business, educational, and individual backgrounds that, when combined, provide a portfolio of experience and knowledge that will serve the Company's governance and strategic needs. The Nomination/Governance Committee reviews the skills and attributes of Directors within the context of the current make-up of the full Board of Directors periodically as the Nomination/Governance Committee deems appropriate. The Nomination/Governance Committee does not discriminate against Director candidates based on race, color, religion, sex, sexual orientation or national origin.

The Nomination/Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are anticipated. Various potential candidates for Director are then identified. Candidates may come to the attention of the Nomination/Governance Committee through current Board of Directors members, professional search firms, shareholders or industry sources.

In evaluating the candidate, the Nomination/Governance Committee will consider factors other than the candidate's qualifications including the current composition of the Board of Directors, the balance of management and independent Directors, the need for Audit Committee expertise and the evaluations of other prospective nominees.

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In connection with this evaluation, one or more members of the Nomination/Governance Committee, and others as appropriate, interview prospective nominees. After completing this evaluation and interview, the Nomination/Governance Committee makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board of Directors. The Board of Directors determines the nominees after considering the recommendation and report of the Nomination/Governance Committee. Should you recommend a candidate for Director, our Nomination/Governance Committee would evaluate such candidate in the same manner that it evaluates any other nominee. To date, no shareholder or group of shareholders owning more than 5% of our Common Stock has put forth any Director nominees.

If you want to recommend persons for consideration by our Nomination/Governance Committee as nominees for election to our Board of Directors, you can do so by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg. You should provide each proposed nominee's name, biographical data and qualifications. Your recommendation should also include a written statement from the proposed nominee consenting to be named as a nominee and, if nominated and elected, to serve as a Director. For consideration at the 2012 Annual Meeting, we must receive your recommendations by November 1, 2011.

### **Corporate Governance Guidelines**

The Corporate Governance Guidelines adopted by our Board of Directors provide guidelines for us and our Board of Directors to ensure effective corporate governance. The Corporate Governance Guidelines cover topics such as: Director qualification standards, Board of Directors and committee composition, Director responsibilities, Director access to management and independent advisors, Director compensation, Director orientation and continuing education, management succession and annual performance appraisal of the Board of Directors.

Our Nomination/Governance Committee reviews our Corporate Governance Guidelines at least once a year and, if necessary, recommends changes to our Board of Directors. Our Corporate Governance Guidelines are available on our web site at [www.altisource.com](http://www.altisource.com) and are available to any shareholder who requests them by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg.

### **Executive Sessions of Non-Management Directors**

Non-management Directors met in executive session without management five (5) times during 2010.

### **Communications with Directors**

If you desire to contact our Board of Directors or any individual Director regarding Altisource, you may do so by mail addressed to our Corporate Secretary at Altisource Portfolio Solutions S.A., 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg. Communications received in writing are distributed to our Board of Directors or to individual Directors, as appropriate, depending on the facts and circumstances outlined in the communication received.

### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to our Directors, officers and employees as required by the NASDAQ Stock Market rules. Any waivers from the Code of Business Conduct and Ethics for Directors or executive officers must be approved by our Board of Directors or a Board committee and must be promptly disclosed to you. We have also adopted a Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer and our Chief Financial Officer. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers are available on our website at [www.altisource.com](http://www.altisource.com) and are available to any shareholder who requests a copy by writing to our Corporate Secretary at 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg. Any amendments to the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers, as well as any waivers that are required to be disclosed under the rules of the Securities and Exchange Commission or the NASDAQ Stock Market, will be posted on our website.

**Table of Contents****Risk Management and Oversight Process**

The entire Board of Directors and each of its committees are involved in overseeing risk associated with Altisource. The Board of Directors and the Audit Committee monitor Altisource's credit risk, liquidity risk, regulatory risk, operational risk and enterprise risk by regular reviews with management and internal and external auditors. In its periodic meetings with the internal auditors, the Audit Committee discusses the scope and plan for the internal audit and includes management in its review of accounting and financial controls, assessment of business risks and legal and ethical compliance programs. In its periodic meetings with the external auditors, the Audit Committee discusses the external audit scope, the external auditors' responsibility under the Standards of the Public Company Accounting Oversight Board (PCAOB), accounting policies and practices and other required communications. The Board of Directors and the Nomination/Governance Committee monitor Altisource's governance and succession risk by regular review with management. The Board of Directors and the Compensation Committee monitor Altisource's compensation policies and related risks by regular reviews with management. The Board's role in risk oversight is consistent with the Company's leadership structure, with the Chief Executive Officer and other members of senior management having responsibility for assessing and managing the Company's risk exposure, and the Chairman, the Board and its Committees providing oversight in connection with these efforts.

**BOARD OF DIRECTORS COMPENSATION**

The following table discloses compensation received by each non-management member of our Board of Directors who served as a Director during fiscal year 2010. Our management Directors do not receive an annual retainer or any other compensation for their service on the Board of Directors.

Name	Fees Earned Or Paid in		Stock Awards <sup>(1)</sup>	All Other		Total
	Cash			Compensation		
Roland Müller-Ineichen	\$ 49,875	\$	45,000	\$ 0	\$	94,875
Timo Vättö	\$ 46,083	\$	45,000	\$ 0	\$	91,083
Robert L. DeNormandie <sup>(2)</sup>	\$ 18,333	\$	45,000	\$ 0	\$	63,333
William C. Erbey	\$ 95,000	\$	45,000	\$ 0	\$	140,000
Silke Andresen-Kienz <sup>(3)</sup>	\$ 25,000	\$	0	\$ 0	\$	25,000

(1) Aggregate fair value as of the grant date in accordance with ASC 718.

(2) Mr. DeNormandie did not seek re-election to the Board of Directors in May, 2010.

(3) Mrs. Andresen-Kienz was elected to the Board of Directors in May, 2010, but has announced that she will not seek re-election at the 2011 Annual Meeting.

**Cash Compensation**

We provide the following cash compensation to our non-management Directors in quarterly installments:

- an annual retainer of \$40,000;
- an additional \$50,000 to the Chairman of the Board;
- an additional \$12,500 to the Audit Committee chairperson;
- an additional \$5,000 to all committee chairpersons (other than the Audit Committee chairperson) and
- an additional \$5,000 to all Audit Committee members.

**Table of Contents****Other Compensation Issues**

Any Director compensation may be prorated for a Director serving less than a full one-year term as in the case of a Director joining the Board of Directors after an annual meeting of shareholders. Directors are reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board of Directors and its committees. Under Luxembourg law and our Articles of Association, Directors' compensation is subject to review and adjustment by the shareholders from time to time.

As part of Director compensation, non-management Directors receive shares of Common Stock of Altisource with a fair market value of \$45,000. Fair Market Value is defined as the average of the high and low prices of the Common Stock as reported on the NASDAQ Stock Exchange on the award date. Equity compensation is paid for the prior year of service after the annual organizational meeting of the Board of Directors which immediately follows the Annual Meeting of Shareholders. Shares will be awarded if the Director attends an aggregate of at least 75% of all meetings of the Board of Directors and committees thereof of which the Director is a member during the award period.

**Proposal for Change in Compensation**

In 2010, the Company engaged Exequity LLP ( Exequity ) to assist in analyzing the competitiveness of its pay levels for non-management Directors and in identifying peer group companies. Please see Compensation Discussion and Analysis for more information on the use of Exequity and our peer groups.

Based on a review of data provided by Exequity, the Compensation Committee concluded that the compensation of our Directors is below the median compensation of non-management Directors of our peer group companies by approximately \$12,000. The Compensation Committee believes it is important to attract and retain the best possible candidates to serve on our Board of Directors. Therefore, we are including a proposal to our Annual General Meeting that Directors' compensation be increased by \$9,000 in the annual cash retainer paid to our non-management Directors. In addition, we are also proposing to award a one-time grant of 500 shares of Common Stock to each new non-management Director on the date of his or her initial election to the Board of Directors by our shareholders. These shares would vest 25% a year on each anniversary of the grant date. Lastly, we are proposing that all non-management Directors that are elected at the 2011 Annual General Meeting be provided this one-time grant.

**EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS**

The following table sets forth certain information with respect to each person who currently serves as one of our executive officers but does not serve on our Board of Directors. Our executive officers are elected annually by our Board of Directors and generally serve at the discretion of our Board of Directors. There are no arrangements or understandings between us and any person for election as our executive officer. None of our Directors and/or executive officers are related to any other Directors and/or executive officer of Altisource or any of its subsidiaries by blood, marriage or adoption.

<b>Name<sup>(1)</sup></b>	<b>Age</b>	<b>Position</b>
Robert D. Stiles	38	Chief Financial Officer
Kevin J. Wilcox	47	Chief Administration Officer and General Counsel

(1) All information set forth herein is as of March 15, 2011.

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The principal occupation for the last five (5) years, as well as certain other biographical information, for each of our executive officers that is not a Director is set forth below.

**Robert D. Stiles.** Mr. Stiles serves as Chief Financial Officer of Altisource. Before joining Altisource in August of 2009, he served as Chief Financial Officer of Ocwen Solutions since March 2009. Prior to joining Ocwen, Mr. Stiles served as Director, Controller for Centerline Capital Group since October 2007, as Vice President and Assistant Controller for Viacom Inc. from April 2006 to May 2007 and in various positions within Time Warner Inc.'s financial reporting and tax policy groups from August 2002 to April 2006. Mr. Stiles began his career with KPMG LLP and is a Certified Public Accountant (Virginia). He holds a Bachelor of Business Administration in Accounting with a concentration in Information Systems from James Madison University and a Masters of Business Administration from Columbia University.

**Kevin J. Wilcox.** Mr. Wilcox serves as Chief Administration Officer and General Counsel of Altisource. Before joining Altisource in August of 2009, he served as Executive Vice President, Chief Administration Officer and Corporate Secretary for Ocwen since May 2008. Mr. Wilcox previously served as the Senior Vice President of Human Resources and Corporate Services. He joined Ocwen in March 1998 as Senior Manager, Litigation in the Law Department where he was responsible for the management and resolution of all corporate litigation. He holds a Bachelor of Science in Business Administration from the University of Florida and a Juris Doctorate from the Florida State University College of Law.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND RELATED SHAREHOLDER MATTERS****Beneficial Ownership of Common Stock**

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of the record date by:

- each Director and named executive officer of Altisource;
- all Directors and named executive officers of Altisource as a group; and
- all persons known by Altisource to own beneficially 5% or more of the outstanding Common Stock.

The table is based upon information supplied to us by Directors, executive officers and principal shareholders and filings under the Securities Exchange Act of 1934, as amended. Unless otherwise indicated, the address of all persons below is: 291, Route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg.

**Shares Beneficially Owned as of March 1, 2011<sup>(1)</sup>**

<b>Name of Beneficial Owner:</b>	<b>Amount</b>	<b>Percent</b>
Leon G. Cooperman <sup>(2)</sup>	1,957,700	7.47%
 <b>Directors and Named Executive Officers:</b>		
William C. Erbey <sup>(3)</sup>	6,449,448	24.61%
William B. Shepro <sup>(4)</sup>	222,353	*
Roland Müller-Ineichen	4,839	*
Timo Vättö	3,839	*
Silke Andresen-Kienz <sup>(5)</sup>	(0)	*
W. Michael Linn <sup>(6)</sup>	(0)	*
Robert D. Stiles <sup>(7)</sup>	9,167	*
Kevin J. Wilcox <sup>(8)</sup>	136,882	*
 All Directors and Named Executive Officers as a Group (7 persons)	 6,826,528	 26.04%

\* Less than 1%

- (1) For purposes of this table, an individual is considered the beneficial owner of shares of Common Stock if he or she directly or indirectly has, or shares, voting power or investment power as defined in the rules promulgated under the Securities Exchange Act of 1934, as amended. Unless otherwise indicated, an individual has sole voting power and sole investment power with respect to the indicated shares. No shares have been pledged as security by the named executive officers or Directors.
- (2) Based on information contained in a Schedule 13G/A filed with the Securities and Exchange Commission on February 4, 2011 by Leon G. Cooperman. Includes 1,014,200 shares as to which sole voting power is claimed and 1,014,200 shares as to which sole dispositive power is claimed. Mr. Cooperman's address is 2700 North Military Trail, Suite 230, Boca Raton FL 33431.
- (3) Includes 4,110,396 shares held by FF Plaza Partners, a Delaware partnership of which the partners are William C. Erbey, his spouse, E. Elaine Erbey, and Delaware Permanent Corporation, a corporation wholly-owned by William C. Erbey. Mr. and Mrs. William C. Erbey share voting and dispositive power with respect to the shares owned by FF Plaza Partners and to 13,862 shares held jointly. Also includes 1,803,234 shares held by Erbey Holding Corporation, a corporation wholly-owned by William C. Erbey and includes options to acquire 520,117 shares which are exercisable on or within 60 days after March 1, 2011.



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- (4) Includes options to acquire 197,490 shares which are exercisable on or within 60 days after March 1, 2011. Includes 24,871 shares held by the William B. Shepro Revocable Trust. Mr. and Mrs. William B. Shepro share voting and dispositive power with respect to these shares.
- (5) Mrs. Andresen-Kienz currently serves as a Director but is not seeking re-election to the Board of Directors.
- (6) Mr. Linn does not currently serve as a Director but has been nominated for election to the Board of Directors.
- (7) Includes options to acquire 9,167 shares which are exercisable on or within 60 days after March 1, 2011.
- (8) Includes options to acquire 136,150 shares which are exercisable on or within 60 days after March 1, 2011.

**Equity Compensation Plan Information**

The following table sets forth information as of the end of the most recently completed fiscal year with respect to compensation plans under which our equity securities are authorized for issuance. The information is split between all compensation plans previously approved by security holders and all compensation plans not previously approved by security holders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,451,613	\$ 13.46	2,711,399
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>3,451,613</b>	<b>\$ 13.46</b>	<b>2,711,399</b>

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

Based upon the Company's review of Section 16(a) reports, the Company believes that all Section 16(a) filing requirements applicable to such reporting persons were complied with, except that the following Section 16 reports were filed late primarily as a result of an administrative oversight following the Company's separation from Ocwen: William C. Erbey filed one late report, an amendment, which covered fourteen transactions; William B. Shepro filed two late reports, including one amendment, which covered fourteen transactions; Kevin J. Wilcox filed two late reports, including one amendment, which covered fourteen transactions; and Robert D. Stiles filed one late report covering three transactions. Silke Andresen-Kienz filed one late report to report her status as an insider.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Introduction, Philosophy and Objectives**

We believe an effective executive compensation program aligns executives' interests with shareholders by rewarding performance that achieves or exceeds specific financial targets and strategic goals designed to improve shareholder value. We seek to promote individual service longevity and to provide our executives with long-term incentive opportunities that promote consistent, high-level financial performance. The Compensation Committee evaluates both performance and compensation annually to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of our peer companies. To achieve these objectives, we generally believe executive compensation packages should include both cash and equity-based compensation that rewards performance as measured against established goals.

This compensation discussion and analysis provides information regarding the following:

- compensation programs for our Chief Executive Officer, Chief Financial Officer and Chief Administration Officer and General Counsel;
- overall objectives of our compensation program and what it is designed to reward;
- each element of compensation that we provide; and
- the reasons for the compensation decisions we have made regarding these individuals.

Our named executive officers for 2010 are:

<b>Name</b>	<b>Position</b>
William B. Shepro	Chief Executive Officer
Robert D. Stiles	Chief Financial Officer
Kevin J. Wilcox	Chief Administration Officer and General Counsel

**Role of Executive Officers in Compensation Decisions**

Certain executives are involved in the design and implementation of our executive compensation programs including the Chief Executive Officer and Chief Administration Officer, who are typically present at Compensation Committee meetings. These executives annually review the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the Compensation Committee) and present their conclusions and recommendations regarding incentive award amounts to the Compensation Committee for its consideration and approval. The Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations; however, executive compensation matters are generally delegated to the Chief Executive Officer and Chief Administration Officer for development and execution.

**Role of Compensation Consultant**

To further the objectives of our compensation program, in December 2010, our Compensation Committee, pursuant to its authority under its Committee Charter, retained an independent compensation consultant, Exequity, to provide advice on executive compensation matters and to assist the Committee and management in their review of the compensation for our named executive officers, other key executives and our Board of Directors.

Our continuing engagement with Exequity will be project-based and in response to the needs of our Compensation Committee. Pursuant to the terms of our engagement with Exequity, Exequity will report directly to the Compensation Committee, receive compensation only for compensation advisory services provided to the Compensation Committee and will have no other business relationship with the Company.

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As part of its analysis, Exequity provided research and presented information to the Committee related to compensation trends and best practices in executive and director compensation among peer group companies in a similar line of business and of similar size to Altisource. Executive compensation data and other resources provided by Exequity set the foundation for the Committee's review and analysis of Executive and Director Compensation levels. Please see *Setting Compensation Levels* for information on the peer group companies the Compensation Committee used in its analysis.

**Employment Agreements**

As required by Luxembourg law, Altisource has entered into employment agreements with William B. Shepro, our Chief Executive Officer, Robert D. Stiles, our Chief Financial Officer and Kevin J. Wilcox, our Chief Administration Officer and General Counsel. The employment terms continue indefinitely until the executive's separation. The contracts provide for base salary and annual incentive compensation based on the satisfaction of relevant performance criteria. In addition, the executives may receive benefits such as health care or a contributory retirement plan. Altisource reimburses each executive for reasonable costs properly incurred by such executive in the course of his employment with the Company including, without limitation, reimbursement of relocation expenses and the provision of certain allowances as described in the Executive Compensation section below.

In order to terminate the contract, each party must provide notice in accordance with the time periods set forth in article L.124-1 of the Luxembourg Labour Code. In the event of the executive's termination by the Company for cause (as such term is defined in the employment agreement), no notice is required. In addition, in the event that the executive's employment is terminated by the Company without cause (as such term is defined in the employment agreement) or the executive resigns for good reason (as such term is defined in the employment agreement), the executive will receive severance benefits. Furthermore, the executive may be entitled to receive redundancy payments in accordance with article L.124-7 of the Luxembourg Labour Code upon certain terminations.

The contracts also provide for a covenant to maintain our confidential information and to enter into an intellectual property agreement. In addition, the executive is bound by a non-solicitation covenant for a period of one (1) year following the termination of the contract. The agreements are governed in accordance with the laws of the Grand Duchy of Luxembourg.

**Elements of Compensation**

The current compensation package for our executive officers consists of base salary and annual incentive compensation. This compensation structure was developed in order to provide each executive officer with a competitive salary while emphasizing an incentive compensation element that is tied to the achievement of corporate goals and strategic initiatives as well as individual performance. We believe that the following elements of compensation are appropriate in light of our performance, industry, current challenges and environment.

**Base Salary.** Base salaries for our executive officers are established based on individual qualifications and job responsibilities while taking into account compensation levels at similarly situated companies for similar positions. Base salaries of the executive officers are reviewed annually during the performance appraisal process with adjustments made based on market information, internal review of the executive officer's compensation in relation to other officers, individual performance of the executive officer and corporate performance. Salary levels are also considered upon a promotion or other change in job responsibility. Salary adjustment recommendations are based on our overall performance and an analysis of compensation levels necessary to maintain and attract quality personnel. While the Compensation Committee sets the base salary for the Chief Executive Officer, the base salaries for all other executive officers are established and reviewed by the Chief Executive Officer and Chief Administration Officer.

**Annual Incentive Compensation.** Pursuant to Altisource's annual incentive plan, a participant can earn cash, restricted stock and stock option awards as determined by the Compensation Committee. The plan provides the Compensation Committee and our management with the authority to establish incentive award guidelines which are further discussed below.

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Each executive officer has a targeted annual cash incentive award that is expressed as a percentage of annual cash total target compensation for each executive officer. In 2010, 40-60% of total annual cash target compensation was payable only upon achievement of certain minimum Company and individual performance levels. The appropriate targeted percentage is determined and varies based upon the nature and scope of each executive officer's responsibilities. The table below reflects the percentage of each executive officer's target total annual cash compensation that was allocated to each of base salary and incentive compensation in 2010 and each executive officer's actual total annual cash compensation that was allocated to each of base salary and incentive compensation in 2010:

Name	Incentive		Incentive	
	Base Salary % of Target Total Annual Cash Compensation in 2010	Compensation % of Target Total Annual Cash Compensation in 2010	Base Salary % of Actual Total Annual Cash Compensation in 2010	Compensation % of Actual Total Annual Cash Compensation in 2010
William B. Shepro	40%	60%	31%	69%
Robert D. Stiles	60%	40%	53%	47%
Kevin J. Wilcox	50%	50%	42%	58%

Our annual incentive-based cash compensation is structured to motivate executives to achieve pre-established key performance indicators by rewarding the executives for such achievement. This is accomplished by utilizing a balanced scorecard methodology which incorporates multiple financial and non-financial performance indicators developed through our annual strategic planning process to enhance Company performance and long-term shareholder value. This corporate scorecard is approved annually by the Compensation Committee and/or the full Board of Directors and is utilized by the Compensation Committee as a factor to determine the appropriate amount of incentive compensation to be paid to the Chief Executive Officer and other executive officers. During development of the corporate scorecard each year, the Compensation Committee considers the level of difficulty associated with attainment of each goal in the scorecard. The intent of the Compensation Committee is to establish the Target goal at a level that is challenging to achieve. For 2010, our corporate scorecard was approved by our Board of Directors at our meeting on January 26, 2010.

Our corporate scorecard for 2010 and corresponding achievement levels are detailed below:

**2010 Corporate Scorecard Elements**

Element	Threshold	Achievement Levels		
		Target	Outstanding	Level Achieved
Achieve Revenue Target	\$244.8 million	\$272.0 million	\$299.2 million	\$301.4 million
Achieve EPS Target	\$1.53 Diluted EPS	\$1.70 diluted EPS	\$1.87 Diluted EPS	\$1.88 Diluted EPS
Optimize Legal Structure	Executive Committee discretion of average improvement achieved by December 31, 2010	Executive Committee discretion of average improvement achieved by September 30, 2010	Executive Committee discretion of material improvement achieved by September 30, 2010	Executive Committee determined material improvement achieved by June 30, 2010

Successfully  
complete the  
Company's key  
strategic initiatives

Achieve 80%  
weighted average  
score

Achieve 90%  
weighted  
average score

Achieve 100%  
weighted average  
score

Achieved weighted  
average score of  
101.6%

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<b>Element</b>	<b>Strategic Initiatives</b>			
	<b>Threshold</b>	<b>Achievement Levels Target</b>	<b>Outstanding</b>	<b>Level Achieved</b>
Existing Customer Penetration	Achieve planned penetration level by June 30, 2010	Achieve planned penetration level by May 31, 2010	Achieve planned penetration level by April 30, 2010	Achieved planned penetration level by April 30, 2010
New Customer Penetration	Achieve \$19.5 million in revenue from new third-party clients	Achieve \$21.7 million in revenue from new third-party clients	Achieve \$23.9 million in revenue from new third-party clients	Achieved \$20.6 million in revenue from new third-party clients
Invest in new Service Offerings	Two plans approved (at CEO discretion). One by March 31, 2010 with completion at target level and second plan by October 31, 2010 with completion at target level	Two plans approved (at CEO discretion). One by March 31, 2010 with completion at target level and second plan by August 31, 2010 with completion at target level	Two plans approved (at CEO discretion). One by March 31, 2010 with completion at target level and second plan by June 30, 2010 with completion at target level	Two plans approved by March 31, 2010; One additional plan approved by June 30, 2010
Provide highest quality services at lowest operating costs Productivity Improvement	18% performance improvement in call center functions	24% performance improvement in call center functions	30% performance improvement in call center functions	0% performance improvement in call center functions
Provide highest quality services at lowest operating costs Six Sigma Project	Six Sigma process improvement plan approved by April 30, 2010 and average quality implementation Executive Committee discretion	Six Sigma process improvement plan approved by March 31, 2010 and average quality implementation Executive Committee discretion	Six Sigma process improvement plan approved by February 28, 2010 and high quality implementation Executive Committee discretion	Six Sigma process improvement plan approved by February 28, 2010 and Executive Committee has determined the implementation to be of high quality
Provide highest quality services at lowest operating costs Technology Services	10% Reduction of production issues when comparing second half 2010 to first half 2010	25% Reduction of production issues when comparing second half 2010 to first half 2010	50% Reduction of production issues when comparing second half 2010 to first half 2010	54% Reduction of production issues comparing second half 2010 to first half 2010
Provide highest quality at lowest	Achieve Service Level Agreement	Achieve Service Level Agreement	Achieve Service Level Agreement	Achieved Service Level Agreement

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operating costs Mortgage Services	Performance Parameters >= 85.0% and < 89.9%	Performance Parameters >= 90.0% and <94.9%	Performance Parameters >= 95.0%	Performance Parameter of 85.2%
Provide highest quality services at lowest operating costs Financial Services	Achieve 5 of 5 client scorecards at threshold or above	Achieve 5 of 5 client scorecards at target or above	Achieve all client scorecards at target and 3 of 5 client scorecards at outstanding (must include largest client)	Not achieved

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<b>Element</b>	<b>Threshold</b>	<b>Achievement Levels</b>		<b>Level Achieved</b>
		<b>Target</b>	<b>Outstanding</b>	
Standardize BPM Platform and deliver in accordance with plan milestones	Deliver the Roadmap by August 30, 2010	Deliver the Roadmap by August 10, 2010	Deliver the Roadmap by July 15, 2010	Delivered Roadmap on July 10, 2010
Business Strategy Planning	Achieve weighted average score on project plan of .70 to .849.	Achieve weighted average score on project plan of .85 to 1.0	Achieve weighted average score on project plan of greater than 1.00	Achieved weighted average score of .85
Business Strategy Planning	Level of achievement of project plan to commercialize REALServicing® at the discretion of the CEO	Level of achievement of project plan to commercialize REALServicing® at the discretion of the CEO	Level of achievement of project plan to commercialize REALServicing® at the discretion of the CEO	CEO has determined the level of achievement to be Outstanding
New Customer Penetration	REALTrans®, REALRemit® and LENDERS ONE® Integrated Portal delivered to UAT by December 31, 2010	REALTrans®, REALRemit® and LENDERS ONE® Portal delivered to UAT by December 15, 2010	REALTrans®, REALRemit® and LENDERS ONE® Integrated Portal delivered to UAT by November 30, 2010	REALTrans®, REALRemit® and LENDERS ONE® Integrated Portal was delivered to UAT in November 2010
Process Optimization	Achieve weighted average score on Consumer Analytics projects of .70 to .849.	Achieve weighted average score on Consumer Analytics projects of .85 to 1.0	Achieve weighted average score on Consumer Analytics projects of greater than 1.00	Achieved weighted average score of 1.05 Outstanding
Develop and Implement Agile Transition Plan	Achieve 1 of 3	Achieve 2 of 3	Achieve 3 of 3	Achieved 3 of 3
	Complete Part 1 by September 30, 2010	Complete Part 1 by September 30, 2010	Complete Part 1 by September 30, 2010	Completed Part 1 on September 21, 2010
	Complete Part 2 by October 31, 2010	Complete Part 2 by October 31, 2010	Complete Part 2 by October 31, 2010	Completed Part 2 on October 22, 2010
	Complete Part 3 by November 15, 2010	Complete Part 3 by November 15, 2010	Complete Part 3 by November 15, 2010	Completed Part 3 on October 29, 2010

The incentive award for our Chief Executive Officer is structured so that compensation opportunities are related to (i) the Company's performance versus the objectives established in the corporate scorecard (80%), and (ii) a performance appraisal (20%). The incentive awards of our other named executive officers are structured so that

compensation opportunities are related to (i) performance within the corporate, business unit or support unit scorecard as expressly assigned in each executive's scorecard of which 20% or more is weighted on Corporate Financial Objectives (80%), and (ii) a performance appraisal (20%).

The components in each scorecard are weighted individually based on relevance to the ultimate financial performance of the Company and achievement of our corporate strategic initiatives. Within each component of the scorecard, there are three (3) established levels of achievement: Threshold, Target, and Outstanding. Each level of achievement is tied to a relative point on a percentage scale which indicates the executive officer's level of goal achievement within each component of the scorecard. Achieving the Threshold level of achievement will earn the executive officer 50% of the target incentive compensation tied to such goal; the Target level of achievement will earn the executive officer 100% of the target incentive compensation tied to such goal and the Outstanding level of achievement will earn the executive officer 150% of the target incentive compensation tied to such goal. Any achievement below the Threshold level will not entitle the executive to compensation for the associated goal.

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The goals and initiatives are further cascaded down through the organization to all of our incentive-eligible employees in their personal scorecards which are tied to performance against goals that are directly linked to Company profitability and strategy. The scorecards are communicated to all incentive-eligible employees by the Human Resource Department or the employee's immediate supervisor and are available to employees in our performance management tracking system. Performance against such scorecards is reviewed with senior management on a quarterly basis and after the end of each year. This incentive compensation structure is intended to align the goals of our incentive-eligible employees with the overall success of the Company while establishing clear performance standards within their respective business or support units.

The 2010 personal scorecards for our Chief Executive Officer and other named executive officers and their corresponding levels of achievement are as follows:

Name	%	2010 Scorecard Elements	Achievement Levels			Level Achieved
			Threshold	Target	Outstanding	
William B. Shepro	25%	Achieve EPS Target	\$1.53 Diluted EPS	\$1.70 diluted EPS	\$1.87 Diluted EPS	\$1.88 Diluted EPS
	20%	Achieve Revenue Target of \$272.0 million (35% increase over prior year)	\$244.8 million	\$272.0 million	\$299.2 million	\$301.4 million
	30%	Successfully complete the key strategic initiatives	80% of weighted average	90% of weighted average	100% of weighted average	Achieved 101.6% weighted average score
	25%	Optimize legal structure	Executive Committee Discretion of average improvement achieved by year-end	Executive Committee Discretion of average improvement achieved by September 30	Executive Committee Discretion of material improvement achieved by September 30	Completed in June 2010 at Outstanding
Robert D. Stiles	25%	Achieve EPS Target	\$1.53 Diluted EPS	\$1.70 diluted EPS	\$1.87 Diluted EPS	\$1.88 Diluted EPS
	20%	Achieve Revenue Target of \$272.0 million (35% increase over prior year)	\$244.8 million	\$272.0 million	\$299.2 million	\$301.4 million
	30%	Successfully complete the key strategic initiatives	90% of weighted average	100% of weighted average	110% of weighted average	Achieved 101.6% weighted average score
	25%	Optimize legal structure	Executive Committee Discretion of	Executive Committee Discretion of	Executive Committee Discretion of	Completed in June 2010 at Outstanding

average improvement achieved by year-end	average improvement achieved by September 30	material improvement achieved by September 30
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Name	%	2010 Scorecard Elements	Achievement Levels			Level Achieved
			Threshold	Target	Outstanding	
Kevin J. Wilcox	25%	Achieve EPS Target	\$1.53 Diluted EPS	\$1.70 diluted EPS	\$1.87 Diluted EPS	\$1.88 Diluted EPS
	20%	Achieve Revenue Target of \$272.0 million (35% increase over prior year)	\$244.8 million	\$272.0 million	\$299.2 million	\$301.4 million
	30%	Successfully complete the key strategic initiatives	90% of weighted average	100% of weighted average	110% of weighted average	Achieved 101.6% weighted average score
	25%	Optimize legal structure	Executive Committee Discretion of average improvement achieved by year-end	Executive Committee Discretion of average improvement achieved by September 30	Executive Committee Discretion of material improvement achieved by September 30	Completed in June 2010 at Outstanding

Executives have 20% of their incentive compensation determined by their performance appraisal for the service year. Each of our executive officers performs a self-assessment as to his performance against his goals for the applicable year. Our Chief Executive Officer utilizes these assessments, as well as his own observations to prepare a written performance appraisal for each of the other executive officers. These performance appraisals rate performance on objective criteria related to two key factors: (i) the executive's ability to improve and develop their organization throughout the year, and (ii) the executive's strategic contributions to the direction of the Company.

The Chief Executive Officer's scorecard performance and personal performance appraisal are determined by the Compensation Committee in consultation with the Chairman taking into consideration whether the Company's performance as a whole compared with the Chief Executive Officer's incentive presents a fair representation of the Chief Executive Officer's performance.

For our executives, other than the Chief Executive Officer, the Chief Executive Officer, in conjunction with the Chief Administration Officer, presents the personal scorecard performance and the performance appraisal scores to the Compensation Committee and makes recommendations as to the incentive compensation for each executive officer. The Compensation Committee evaluates the recommendations in light of the Company's overall performance and the executive's business unit or support unit's performance and makes the final compensation award determinations for each executive. Annual incentive compensation is paid to our executives and other incentive-eligible employees following this determination. For 2010, incentive compensation was awarded accordingly.

Generally, at the first Board of Directors meeting of the fiscal year, the Compensation Committee approves the corporate scorecard and annual incentive components for the Chief Executive Officer and other executives for the upcoming year. Key performance indicators for the Company for 2011 have been developed.

The corporate scorecard for 2011 includes achieving an overall revenue target, achieving business segment specific revenue and pre-tax income targets and increasing earnings per share. In addition, the corporate scorecard provides for successful completion of strategic initiatives established to enhance long-term corporate and shareholder value. The 2011 corporate strategic initiatives relate to:

- Improving operational effectiveness and efficiency;
- Expanding the Company's service offerings;

Balancing the Company's service offerings; and  
Organizational development.

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**Setting Compensation Levels**

From time to time, the Company conducts benchmarking on Chief Executive Officer and other executive officer compensation among peer companies of comparable size, industry, location and similar attributes that may compete with Altisource for qualified management talent. In 2010, our Compensation Committee retained an independent compensation consultant, Exequity, to assist the Compensation Committee in reviewing the compensation levels for our Executive officers and Directors.

Exequity conducted an analysis of our executive and director compensation levels compared to pay levels among our peer companies to help identify the competitive positioning of our pay practices.

In order to provide a robust array of pay benchmarking data, Exequity reviewed executive pay among two independent sets of companies:

A primary peer group of 14 similarly-sized (revenues ranging from \$95MM – \$1.7B) companies with similar operational dynamics as Altisource from the Mortgage Services, Business Process Outsourcing (BPO) and Application Software / Software Systems sectors. This peer group consists of the following companies: Bottomline Technologies Inc., Cass Information Systems, EXLService Holdings, Inc., Fleetcor Technologies Inc., Genpact Ltd., Hackett Group Inc., iGate, Online Resources Corp., Prommis Solutions Holding Corp. Stewart Information Services, TNS Inc., Virtusa Corp., WNS (Holdings) Ltd. and Wright Express Corp.

A secondary peer group of 8 companies that have a more direct operational match to Altisource, but which includes companies larger than Altisource (revenues ranging between \$1.1B – \$5.8B). The peer group consists of the following companies: Equifax Inc., Fidelity National Financial, Fidelity National Information Services, First American Financial Corporation, Fiserv Inc., Genpact Ltd., Lender Processing Services and Stewart Information Services.

All information was obtained from publicly available proxy disclosures. The information gathered from these companies included base salary, cash incentive compensation and long-term equity incentive compensation.

The Compensation Committee believes this methodology of peer group benchmarking provides a fair representation of the competitive arena for executive talent and is an effective approach to setting compensation levels to ensure that the Company's pay practices allow it to attract and retain executive employees of the highest quality.

Based on the benchmarking, performance, retention and other relevant considerations, the Compensation Committee reviews recommendations and determines appropriate base salary and annual incentive compensation targets for the Chief Executive Officer and other executive officers. The Compensation Committee generally makes its determinations during the second quarter of the year; however, they may make adjustments at other times as appropriate. No changes were recommended to the Company's Executive compensation pay practices by the independent compensation consultant.

Please see [Role of Compensation Consultant](#) for further information regarding our use of an independent compensation consultant based on its analysis of the peer companies.

**Equity Incentive Plan**

The Compensation Committee, in cooperation with senior management, implemented the 2009 Equity Incentive Plan. The purpose of the 2009 Equity Incentive Plan is to provide additional incentives to key employees to make extraordinary contributions to the Company, to assist with the retention of key employees and to align the interests of our employees with the interests of our shareholders. The 2009 Equity Incentive Plan is administered by the Compensation Committee and authorizes the grant of restricted stock, options, stock appreciation rights, stock purchase rights or other equity-based awards to our employees. Options granted under the plan may be either incentive stock options as defined in Section 422 of the Code, or nonqualified stock options, as determined by the Compensation Committee.

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In January 2010, we granted option awards to fifteen (15) key employees who we identified as employees that can have a meaningful impact on the rapid and profitable growth of Altisource. The grants ranged from 10,000 options to 80,000 options for a total grant of 407,500 options. As part of these awards, Robert D. Stiles was granted 46,667 options. These options have an exercise price of \$22.01, the stock price at close on the grant date. Twenty-five percent of the options vest over time in equal installments over four years and seventy-five percent of the options will vest based on applicable Company performance. If at any time the shareholders have achieved a 20% annualized rate of return and two times their investment (as measured by a hypothetical investment at the strike price on the grant date), two-thirds of the performance options will vest. If at any time the investors have achieved a 25% annualized rate of return and three times their investment (as measured by a hypothetical investment at the strike price on the grant date), 100% of the Performance Grant will vest. At the time the performance hurdles are achieved the options will vest over three years (25% immediately and 25% on each anniversary date of the performance hurdle being met). If the employee voluntarily resigns or is terminated, the employee loses the right to any unvested awards.

The grant of options to this broader set of employees allowed us to incent the long term success of the Company by creating further alignment to an increase in shareholder value. Additionally, the long term vesting of the options provides a significant retention tool for these key employees.

In May 2010, we awarded 480,000 primarily performance-based options to our named executive officers, consisting of an award of 240,000 options to William B Shepro, 120,000 options to Robert D. Stiles and 120,000 options to Kevin J. Wilcox. These options have an exercise price of \$24.85. The performance based vesting terms of these options require exceptional returns for the shareholders before vesting would begin for the executives. We determined that these equity amounts would bring management in-line with amounts which we believe to be comparable to the management teams of publicly traded competitors.

Because of the long-term equity incentive opportunity now available to our named executive officers, we do not intend to grant such awards on an annual basis. With seventy-five percent of the awards tied to performance and requiring a doubling or tripling of the stock price to vest, these options incent Management to make extraordinary contributions to the long-term success of the Company. Additionally, as noted above, the long-term vesting of the options provides a significant retention tool for our named executive officers.

Each award granted under the plan is evidenced by a written award agreement between the participant and us, which describes the award and states the terms and conditions to which the award is subject. If any shares subject to award are forfeited or if any award terminates, expires or lapses without being exercised, shares of Common Stock subject to such award will again be available for future grant.

### **Stock Ownership Policies**

Although we do not have stock ownership requirements, our philosophy is that equity ownership by our Directors and executives is important to attract, motivate, retain and to align their interests with the interests of our shareholders. The Compensation Committee believes that the Company's various equity incentive plans are adequate to achieve this philosophy. We also maintain a management directive detailing our trading window period policy for Directors, executive officers and other employees and our insider trading policy.

### **Other Compensation**

The Compensation Committee's policy with respect to other employee benefit plans is to provide benefits to our employees, including executive officers, that are comparable to benefits offered by companies of a similar size to ours. A competitive comprehensive benefit program is essential to achieving the goal of attracting and retaining highly qualified employees.

**Table of Contents****Potential Payments upon Termination or Change in Control**

Below is a description of the amounts payable to each named executive officer assuming the executive's employment had terminated under various scenarios, or a change of control had occurred, on December 31, 2010 (the last business day of fiscal year 2010). Due to the number of factors that affect the nature and amount of any benefits under the various scenarios, actual amounts paid or distributed may be different.

As noted above, our Chief Executive Officer, Chief Financial Officer and Chief Administration Officer and General Counsel have entered into employment agreements with the Company. Under these agreements, if employment is terminated by the executive's retirement or disability, as defined therein, the Company will pay all standard relocation costs to relocate the officer to the United States. If the Company terminates the officer other than for cause, or the officer terminates for good reason, as defined therein, the Company is obligated to make a cash payment of one year's salary plus one year's target incentive compensation. In these instances, the Company will also pay all standard relocation costs to relocate the named executive officer to the United States. If the named executive officer is terminated by the Company for cause, the Company may terminate without notice and with no liability to make any further payment to the executive, other than amounts accrued and unpaid at the date of termination.

All named executive officers have options under the 2009 Equity Incentive Plan. As described in the Equity Incentive Plan section above, a portion of the options vest over time in equal installments (the Time-Based Options), and the remaining options will vest based on applicable Company performance (the Performance-Based Options). Unless an executive officer has been terminated for cause, the executive officer would be entitled to retain any vested portion of prior equity awards granted through the 2009 Equity Incentive Plan. Generally, for termination not due to death, disability or retirement, the executive officer has six (6) months within which to exercise stock options pursuant to our stock option agreements. Any portion of an equity award not vested will be forfeited in either circumstance unless alternate arrangements are made in the discretion of the Compensation Committee. Furthermore, pursuant to each stock option agreement granting an equity award, upon termination of an executive for cause, all outstanding stock options granted pursuant to such stock option agreement are forfeited.

Certain of the stock option agreements provide for accelerated vesting as set forth below. Upon a named executive officer's retirement, disability, death, termination by the Company without cause or termination by the named executive officer for good reason, as defined in the applicable stock option agreement, all Time-Based Options will immediately vest. Additionally, pursuant to these certain agreements, if there is a change of control event, as defined in the applicable stock option agreement, all options, including Time-Based Options and Performance-Based Options, will vest.

Upon his retirement, disability, death, termination by the Company without cause or termination by Mr. Shepro for good reason, Mr. Shepro would receive \$890,393 from the accelerated vesting of options. Upon a change in control, Mr. Shepro would receive \$3,196,158 from the accelerated vesting of options.

Upon his retirement, disability, death, termination by the Company without cause or termination by Mr. Stiles for good reason, Mr. Stiles would receive \$284,969 from the accelerated vesting of options. Upon a change in control, Mr. Stiles would receive \$394,328 from the accelerated vesting of options.

Upon his retirement, disability, death, termination by the Company without cause or termination by Mr. Wilcox for good reason, Mr. Wilcox would receive \$610,886 from the accelerated vesting of options. Upon a change in control, Mr. Wilcox would receive \$2,343,698 from the accelerated vesting of options.

**Tax Considerations**

The timing of compensation decisions is driven by a variety of tax considerations. Under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), the tax deduction by corporate taxpayers is limited with respect to the compensation of certain executive officers up to \$1,000,000 per covered executive unless such compensation is based upon the attainment of performance objectives meeting certain regulatory criteria or is otherwise excluded from the limitation.

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In order to satisfy the deductibility requirements under Section 162(m) of the Code, performance objectives must be established in the first 90 days of the performance period. For annual incentive awards, this means performance objectives must be established no later than the end of March. In addition, in order to avoid being considered deferred compensation under Section 409A of the Code and to be deductible for the prior tax year, our annual incentive awards with respect to the prior year must be paid out by March 15 for employees of the Company who are U.S. taxpayers.

**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table discloses compensation received by our Chief Executive Officer, our Chief Financial Officer and our Chief Administration Officer and General Counsel for fiscal years 2009 and 2010.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Option Awards <sup>(2)</sup>	Non-Equity Incentive Compensation <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Total
<b>William B. Shepro</b> Chief Executive Officer and Director	2009	\$ 383,816 <sup>(5)</sup>		\$ 853,205	\$ 221,254 <sup>(6)</sup>	\$ 1,458,275
	2010	\$ 445,471	\$ 2,892,000	\$ 994,500	\$ 106,425 <sup>(7)</sup>	\$ 4,438,396
<b>Robert D. Stiles</b> Chief Financial Officer	2009	\$ 215,171 <sup>(8)</sup>	\$ 171,248 <sup>(9)</sup>	\$ 218,960	\$ 27,169 <sup>(10)</sup>	\$ 632,548
	2010	\$ 272,065	\$ 1,960,737	\$ 243,800	\$ 56,890 <sup>(11)</sup>	\$ 2,533,492
<b>Kevin J. Wilcox</b> Chief Administration Officer and General Counsel	2009	\$ 316,084 <sup>(12)</sup>		\$ 450,938	\$ 30,426 <sup>(13)</sup>	\$ 797,448
	2010	\$ 363,632	\$ 1,446,000	\$ 500,500	\$ 150,076 <sup>(14)</sup>	\$ 2,460,208

(1) Represents amounts earned in corresponding year.

(2) For awards of options, the amount disclosed represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. We based the grant date fair value of stock awards in 2009 and 2010 on the closing price of our Common Stock. We estimated the grant date fair value of stock option awards in 2009 and 2010 using the Black-Scholes option-pricing model and a binomial option pricing model utilizing the following assumptions:

**Service Condition Awards Black-Scholes Option Pricing Model**

Performance Year	Expected Volatility (%)	Expected Dividend Yield (%)	Exercise Price (\$)	Risk-Free Interest Rate (%)	Expected Term in Years
2009	39%	0	\$ 14.15	2.64%	5.0
2010	47% - 50%	0	\$ 22.01 - \$24.85	2.82% - 3.12%	7.0

**Table of Contents****Market Condition Awards    Binomial Option Pricing Model**

<b>Performance Year</b>	<b>Expected Volatility (%)</b>	<b>Expected Dividend Yield (%)</b>	<b>Exercise Price (\$)</b>	<b>Risk-Free Interest Rate (%)</b>	<b>Contract Term in Years</b>
2009	38% - 46%	0	\$ 14.15	0.5% - 3.86%	10
2010	51% - 52%	0	\$ 22.01 - \$25.85	0.02% - 3.66%	13

- (3) Consists of the cash portion of incentive compensation bonus related to performance measures satisfied in the year indicated and awarded in the first quarter of the following year.
- (4) Consists of contributions by Ocwen and Altisource pursuant to their 401(k) Savings Plan for each executive officer, group term life insurance, relocation expenses, car allowances, housing allowances and utilities allowances as detailed below.
- (5) As set forth in Mr. Shepro's employment agreement, following the separation of Altisource from Ocwen, Mr. Shepro's base salary was converted from US Dollars to Euros at the average exchange rate for US Dollars to Euros for 2009 up to August 24, 2009. This amount includes a 30% cost of living adjustment effective as of August 24, 2009, the date of Mr. Shepro's relocation to Luxembourg.
- (6) Includes \$186,924 for relocation expenses, \$27,571 for housing allowance, \$1,748 for a car allowance, \$4,900 for 401(k) contributions and \$111 for group term life contributions. Mr. Shepro also has access to an additional Company car while in Luxembourg.
- (7) Includes \$67,519 for housing allowance, \$14,175 for a car allowance and \$24,731 for goods and services allowance. Mr. Shepro also has access to a Company car while in Luxembourg.
- (8) Mr. Stiles joined Altisource in March of 2009; consequently, his base salary is for a partial year. As set forth in Mr. Stiles' employment agreement, following the separation of Altisource from Ocwen, Mr. Stiles' base salary was converted from US Dollars to Euros at the average exchange rate for US Dollars to Euros for 2009 up to August 24, 2009.
- (9) Altisource agreed to grant Mr. Stiles these option awards in Mr. Stiles' offer of employment dated January 22, 2009.
- (10) Includes \$16,749 for relocation expenses and \$10,421 for housing allowance. Mr. Stiles also has access to a Company car while in Luxembourg.
- (11) Includes \$32,159 for housing allowance and \$24,731 for goods and services allowance. Mr. Stiles also has access to a Company car while in Luxembourg.
- (12) As set forth in Mr. Wilcox's employment agreement, following the separation of Altisource from Ocwen, Mr. Wilcox's base salary was converted from US Dollars to Euros at the average exchange rate for US Dollars to Euros for 2009 up to August 24, 2009. This amount includes a 30% cost of living adjustment effective as of August 24, 2009, the date of Mr. Wilcox's relocation to Luxembourg.
- (13) Includes \$16,775 for relocation expenses, \$8,585 for housing allowance and \$4,900 for 401(k) contributions and \$166 for group term life contributions. Mr. Wilcox also has access to a Company car while in Luxembourg.

<sup>(14)</sup> Includes \$81,350 for relocation expenses, \$43,995 for housing allowance and \$24,731 for goods and services allowance. Mr. Wilcox also has access to a Company car while in Luxembourg.

We have employment agreements with our Chief Executive Officer, Chief Financial Officer and Chief Administration Officer and General Counsel (see discussion above). For more information about the elements of the compensation paid to our named executive officers, see Compensation Discussion and Analysis above.

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**Grants of Plan Based Awards for 2010**

The following table provides information related to non-equity incentive compensation pursuant to our annual incentive compensation and our 2009 Equity Incentive Plan for services rendered in fiscal year 2010 by the individuals named in the Summary Compensation Table.

Grant	Estimated Future Payouts Under Non-Equity	Estimated Future Payouts Under	All Other Option Awards: Number of Securities	Exercise or Base Price	Grant Date Fair Value of
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