

Altisource Portfolio Solutions S.A.
Form DEF 14A
April 08, 2010

Table of Contents

**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 ss.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 the 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:

Fee paid previously with preliminary materials.

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

1) Amount Previously Paid: N/A

2) Form, Schedule or Registration Statement No.: N/A

3) Filing Party: N/A

4) Date Filed: N/A

Table of Contents

April 7, 2010

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 2, rue Jean Bertholet, L-1233 Luxembourg, Grand Duchy of Luxembourg on Wednesday, May 19, 2010, 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. Let us 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. are sincerely appreciated.

Sincerely,

William C. Erbey
Chairman of the Board of Directors

William B. Shepro
Chief Executive Officer and Director

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 19, 2010

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

ELECTION OF DIRECTORS

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

BOARD OF DIRECTORS COMPENSATION

EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND RELATED SHAREHOLDER MATTERS

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE COMPENSATION

APPOINTMENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM (Proposal Two)

APPROVAL AND RATIFICATION OF SHARE REPURCHASE PROGRAM (Proposal Three)

RECEIPT OF THE DIRECTORS' REPORTS (RAPPORTS DE GESTION) ON THE LUXEMBOURG STATUTORY ACCOUNTS FOR THE YEARS ENDED DECEMBER 31, 2009, DECEMBER 31, 2008 AND DECEMBER 31, 2007 (THE DIRECTORS' REPORTS) (Proposal Four)

APPROVAL OF THE LUXEMBOURG STATUTORY ACCOUNTS FOR THE YEARS ENDED DECEMBER 31, 2009, DECEMBER 31, 2008 AND DECEMBER 31, 2007 AND ALLOCATION OF THE RESULTS OF THE YEARS ENDED DECEMBER 31, 2009, DECEMBER 31, 2008 AND DECEMBER 31, 2007 (Proposal Five)

DISCHARGE OF EACH OF THE CURRENT AND PAST DIRECTORS OF ALTISOURCE FOR THE PERFORMANCE OF THEIR MANDATE DURING THE YEAR ENDED DECEMBER 31, 2009

BUSINESS RELATIONSHIPS AND RELATED TRANSACTIONS

SHAREHOLDER PROPOSALS

ANNUAL REPORTS

OTHER MATTERS

Table of Contents

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

**2, rue Jean Bertholet
L-1233 Luxembourg
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 19, 2010**

NOTICE

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

Date: Wednesday, May 19, 2010
Time: 9:00 a.m., Central European Time
Location: Altisource Portfolio Solutions S.A.
2, rue Jean Bertholet
L-1233 Luxembourg
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 as the independent external auditor of Altisource Portfolio Solutions S.A. for the financial year ending December 31, 2010;

To approve a share repurchase program whereby Altisource Portfolio Solutions S.A. may purchase outstanding shares of its common stock within certain limits;

To receive the Directors' reports (*rappports de gestion*) on the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 (the *Directors' Reports*);

To approve the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 (the *Annual Statutory Accounts*) and to allocate the results of the years ended December 31, 2009, December 31, 2008 and December 31, 2007;

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, 2009 and

To transact such other business as may properly come before the meeting and any adjournment of the meeting.

PROCEDURES

Our Board of Directors has fixed March 15, 2010 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 2010 Annual Meeting of Shareholders and our annual report to shareholders on Form 10-K for the year ended December 31, 2009 are available on our website at 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

Table of Contents

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

By Order of the Board of Directors,

/s/ Kevin J. Wilcox
Kevin J. Wilcox
Secretary

April 7, 2010
Luxembourg, Grand Duchy of Luxembourg

Table of Contents

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 7, 2010 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 2, rue Jean Bertholet, L-1233 Luxembourg, Grand Duchy of Luxembourg on Wednesday, May 19, 2010, 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, each proxy received will be voted:

for each of the nominees for Director;

for ratification of the appointment of Deloitte & Touche LLP as our independent registered certified public accounting firm for 2010;

for approval of the share repurchase program whereby Altisource may purchase outstanding shares of its common stock (Common Stock);

for approval of the Directors reports (*rapports de gestion*) on the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007;

for approval of the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 and to allocate the results of the years ended December 31, 2009, December 31, 2008 and December 31, 2007;

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, 2009 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.
2, rue Jean Bertholet
L-1233 Luxembourg,
Grand Duchy of Luxembourg

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.

Table of Contents

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, 2010. At the close of business on March 15, 2010, there were 25,172,846 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.

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 exceeds 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 as our independent registered certified public accounting firm for 2010, the proposal to approve the share repurchase program whereby Altisource may purchase outstanding shares of its Common Stock, the proposal to approve the Directors' reports (*rapports de gestion*) on the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, the proposal to approve the Luxembourg statutory accounts for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 and to allocate the results of the years ended December 31, 2009, December 31, 2008 and December 31, 2007, the proposal to approve the discharge all of the current and past Directors of Altisource for the performance of their mandate during the years ended December 31, 2009 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.

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.

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.

Table of Contents**ELECTION OF DIRECTORS****(Proposal One)**

Our Articles of Association provide that our Board of Directors shall consist of no less than three (3) and no more than eight (8) 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 Mrs. Andresen-Kienz 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(1)	Director Since	Executive Committee	Audit Committee	Compensation Committee	Nomination/ Governance Committee
William C. Erbey	60	2009	X(2)			X(2)
William B. Shepro	40	2009	X			
Roland Müller-Ineichen	49	2009		X(2)	X	X
Timo Vättö	45	2009		X	X	X
Silke Andresen-Kienz	52	2010		X	X	X

(1) As of March 15, 2010

(2) Committee Chairman for 2009. Mr. DeNormandie served as Committee Chairman for the Compensation Committee for 2009.

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 since January 1988. 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. From

1975 to 1983, Mr. Erbey served at General Electric Capital Corporation in various capacities most recently as the President and Chief Operating Officer of General Electric Mortgage Insurance Corporation. He holds a Bachelor of Arts in Economics from Allegheny College and a Masters of Business Administration from Harvard University.

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 to the Board of Altisource in July, 2009. Mr. Shepro serves as a Director and Chief Executive Officer of Altisource. 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,

Table of Contents

Director, Senior Manager of Commercial Servicing and Counsel in the Law Department since joining Ocwen in 1997. 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 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. 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).

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.

Silke Andresen-Kienz. Mrs. Andresen-Kienz is the Managing Director of North Channel Bank. Prior to joining North Channel Bank in December, 2009, Mrs. Andresen-Kienz served as Managing Director of Ocwen Germany Holdings GmbH, a wholly owned subsidiary of Ocwen Financial Corporation and the General Partner of Bankhaus Oswald Kruber GmbH & Co. KG (BOK), where she was responsible for the business operations of BOK, from 2006 to 2009. From 2000 to 2006, Mrs. Andresen-Kienz served as Director of the Executive Board and General Manager of Wohnungsbaukreditanstalt, a public bank for real estate financing in Hamburg, Germany. Mrs. Andresen-Kienz has many years' experience in organizing banking business processes with a specific expertise in organization, information technology, project management, credit monitoring, risk management and regulatory requirements. Mrs. Andresen-Kienz holds a Masters Degree of National Economics from the University of Hamburg (Germany).

Mrs. Andresen-Kienz's extensive experience in the financial services and real estate financing industries provides the Board of Directors with valuable insights. Furthermore, her experience in the banking industry makes her financially literate as required by the NASDAQ listing standards.

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

Table of Contents

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.

Following the separation of Altisource from Ocwen, our Board of Directors held one (1) meeting during 2009. Each incumbent Director attended this meeting and each of the meetings held by all committees of our Board of Directors on which he 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.

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. Our current Board of Directors has determined Mr. Müller-Ineichen, Mr. Vättö and Mrs. Andresen-Kienz are independent Directors. The Board of Directors also considered shares of our Common Stock beneficially owned 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.

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 2009, no transactions were approved in this manner on behalf of the Board of Directors.

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 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

Table of Contents

determined that all members of our Audit Committee are financially literate. Further, our Board of Directors has determined that Mr. Müller-Ineichen possesses accounting or related financial management expertise within the meaning of the listing standards of the NASDAQ Stock Market and qualifies as an audit committee financial expert as that term is defined in Securities and Exchange Commission rules implementing requirements of the Sarbanes-Oxley Act of 2002. 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 and is available in print to any shareholder who requests it. This Committee met two (2) times during 2009.

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 2009 were Messrs. Müller-Ineichen, Vättö and DeNormandie. 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 and is available in print to any shareholder who requests it. This Committee did not meet in 2009. On an annual basis, the Compensation Committee evaluates its performance under the 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 approved by the Board of Directors in September 2009.

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 2009 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

Table of Contents

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 2009 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 the limited and exceptional circumstance described below, Mr. Erbey's membership on the Nomination/Governance Committee is required by the best interests of Altisource and its shareholders. In making the finding of limited and exceptional circumstances, the Board found that the limited size of the Board of Directors immediately following the separation from Ocwen necessitated Mr. Erbey's inclusion on the Nomination/Governance Committee for a limited period of time. 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 and is available in print to any shareholder who requests it. This Committee did not meet in 2009.

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. The Nomination/Governance Committee views diversity in an expansive way to include differences in prior work experience, view point, education and skills. 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. In connection with this evaluation, the Nomination/Governance Committee determines whether to interview the prospective nominee, and if warranted, 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., 2, rue Jean Bertholet, L-1233 Luxembourg, 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 2011 Annual Meeting, we must receive your recommendations by November 1, 2010.

Table of Contents

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 will review 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 and are available to any shareholder who requests them by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 2, rue Jean Bertholet, L-1233 Luxembourg, Grand Duchy of Luxembourg.

Executive Sessions of Non-Management Directors

Non-management Directors met in executive session without management one (1) time during 2009.

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., 2, rue Jean Bertholet, L-1233 Luxembourg 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 and are available to any shareholder who requests a copy by writing to our Corporate Secretary at 2, rue Jean Bertholet, L-1233 Luxembourg, 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.

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 and the independent accountants, 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. 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.

Table of Contents**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 2009. 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	All Other	Total
	Cash	Awards	Compensation	
Roland Müller-Ineichen	\$ 32,083	\$ 0	\$ 0	\$ 32,083
Timo Vättö	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Robert L. DeNormandie(1)	\$ 16,667	\$ 0	\$ 0	\$ 16,667
William C. Erbey	\$ 39,167	\$ 0	\$ 0	\$ 39,167

(1) Mr. DeNormandie is not seeking reelection to the Board of Directors.

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.

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.

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.

Name(1)	Age	Position
Robert D. Stiles	37	Chief Financial Officer
Kevin J. Wilcox	46	Chief Administration Officer and General Counsel
John T. McRae II	40	Chief Executive Officer of Nationwide Credit, Inc.
Shekar Sivasubramanian	46	President of Mortgage Services and Technology Products

(1) All information set forth herein is as of March 15, 2010.

Table of Contents

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. Prior to joining Altisource in March of 2009, 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.

John T. McRae II. Mr. McRae serves as the Chief Executive Officer of Nationwide Credit, Inc. (NCI), a subsidiary of Altisource. Prior to joining NCI in August of 2008, Mr. McRae served as Senior Vice President of Global Operations for Syniverse Technologies from December 2007 and as Senior Vice President of Operations for Emdeon Business Services and Chief Operating Officer of Emdeon Data Capturing Solutions division from December 2003. Mr. McRae served as Senior Vice President and General Manager of National Processing Company s Corporate Outsourcing and Payments Services division from March 2000. He holds a Bachelor of Science in Business Administration from the University of Michigan and a Masters of Business Administration from Case Western University.

Shekar Sivasubramanian. Mr. Sivasubramanian has served as the President of Mortgage Services and Technology Products of Altisource since November 2008. He served as Senior Vice President and Chief Information Officer of Ocwen from 2002 through November 2008. Prior to joining Ocwen in June 2002, he was Chief Operating Officer of Mascot Systems. Mr. Sivasubramanian is currently pursuing his Ph.D. in Knowledge Management and Information Retrieval from Carnegie Mellon University. He holds a Bachelor s degree in Technology from the Indian Institute of Technology and a Masters of Business Administration in Finance from the Bloch School of Business.

**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