

INFOUSA INC  
Form DFAN14A  
May 19, 2006

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SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
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 /X/

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

/X/ Definitive Additional Materials

// Soliciting Material under Rule 14a-12

infoUSA Inc.

(Name of Registrant as Specified In Its Charter)

Dolphin Limited Partnership I, L.P.

Dolphin Financial Partners, L.L.C.

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

Payment of Filing Fee (Check the appropriate box):

/X/ No fee required.

// Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common Stock, \$.0025 par value

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

// Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Materials posted by Dolphin on www.iusa accountability.com

**IUSA “Related Party” and Payments to Third Parties for Assets Used by Mr. Vinod Gupta and His Affiliates  
1998-2005**

<b>Payments that Appear to be Reflected in IUSA Proxy Statements 1</b>	<b>1998<sup>2</sup></b>	<b>1999</b>	<b>2000</b>	<b>2001<sup>5</sup></b>	<b>2002</b>	<b>2003<sup>8</sup></b>	<b>2004<sup>9</sup></b>	<b>2005<sup>11</sup></b>	<b>Tot</b>
Annapurna - Aircraft Usage (Business Purpose Identified)		\$ 1,419,177	\$ 1,233,214	\$ 179,736	\$ 617,535	\$ 537,814	\$ 662,093	\$ 218,648	\$ 4,86
Annapurna - Aircraft Usage (No Business Purpose Identified) <sup>3</sup>		\$ 303,154	\$ 653,464	\$ 1,743,936	\$ 1,047,110	\$ 586,404	\$ 268,118	\$ 78,352	\$ 4,68
Annapurna - American Princess Yacht Usage <sup>7</sup>						\$ 10,431	\$ 283,672		\$ 29
Annapurna - Consulting Fees		\$ 1,382,369		\$ 40,000	\$ 68,000				\$ 1,49
Annapurna - Loans		\$ 300,000 <sup>4</sup>							\$ 30
Annapurna - Skybox Usage		\$ 40,000							\$ 4
Annapurna - Unspecified Service Charges for Travel Services					\$ 330,000	\$ 360,000	\$ 175,000		\$ 86
Annapurna - Use of Residences in California		\$ 32,000	\$ 66,000	\$ 134,000	\$ 134,000	\$ 120,000	\$ 120,000		\$ 60
Everest Asset Management - Acquisition Expenses/Advisory Fees					\$ 415,000				\$ 41
Everest Investment Management - Sale of InfoSpace (INSP) Stock		\$ 500,000							\$ 50
Everest Investment Management - Rented Office Space				\$ 120,000					\$ 12
<b>Total</b>	<b>\$ 1,392,000</b>	<b>\$ 3,976,699</b>	<b>\$ 1,952,678</b>	<b>\$ 2,217,672</b>	<b>\$ 2,611,645</b>	<b>\$ 1,614,650</b>	<b>\$ 1,508,883</b>	<b>\$ 297,000</b>	<b>\$ 15,57</b>

<b>Payments that Do Not Appear to be Reflected in IUSA Proxy Statements</b>	<b>1998<sup>2</sup></b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005<sup>11</sup></b>	<b>Total</b>
Car & Catamaran Lease Payments to Aspen Leasing, Mr. Vinod Gupta's Affiliate						\$ 40,878	\$ 57,543		\$ 98,421
Consulting Fees to Mr. Vinod Gupta's Affiliates		\$ 23,000				\$ 33,000	\$ 31,200		\$ 87,200
Gupta Family 1999 Irrevocable Trust - Insurance Payments					\$ 75,696	\$ 75,696	\$ 75,696		\$ 227,088
Rent for Condos in Aspen, CO and Maui, HI		\$ 76,860	\$ 76,860	\$ 75,455	\$ 45,000	\$ 58,000	\$ 48,000	\$ 40,000	\$ 420,175
Vinod Gupta - Reimbursement for Use of Yacht <sup>7</sup>			\$ 36,000	\$ 54,000					\$ 90,000
Annapurna - Unspecified Service Charges for Travel Services								\$ 22,000	\$ 22,000
<b>Total</b>	\$ -	\$ 76,860	\$ 135,860	\$ 129,455	\$ 120,696	\$ 207,574	\$ 212,439	\$ 62,000	\$ 944,884

<b>Payments to Third Parties for Assets Used by Mr. Vinod Gupta and/or His Affiliates</b>	<b>1998<sup>2</sup></b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005<sup>11</sup></b>	<b>Total</b>
Everest Building - Cabling, Interior Decorating, etc				\$ 90,642 <sup>6</sup>					\$ 90,642
Condos in Maui, HI, Washington, DC & San Mateo, CA			\$ 15,013			\$ 22,860	\$ 88,264	\$ 72,544	\$ 198,680
American Princess Yacht-Related				\$ 22,875	\$ 88,167	\$ 145,393	\$ 72,225	\$ 238,299	\$ 566,958
Net Jets - Flights (No Business Purpose Identified) <sup>3</sup>								\$ 199,940	\$ 199,940
<b>Total</b>	\$ -	\$ -	\$ 15,013	\$ 113,517	\$ 88,167	\$ 168,253	\$ 160,488	\$ 510,783	\$ 1,056,220

<b>Acquisition of Assets</b>	<b>1998<sup>2</sup></b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005<sup>11</sup></b>	<b>Total</b>
Payment to Net Jets for interest in Gulfstream IV jet previously owned by Annapurna, Mr.								\$ 2,609,475	\$ 2,609,475

Vinod Gupta's affiliate									
Purchase from NetJets of fractional ownership interests in two jets previously owned by Mr. Vinod Gupta's affiliate					\$ 2,700,000			\$ 2,700,000	
Purchase of four luxury cars previously leased through Aspen Leasing Services, Mr. Vinod Gupta's affiliate						\$ 182,000		\$ 182,000	
Acquisition of building (the "Everest Building") by assumption of mortgage from Everest Investment Management, Mr. Vinod Gupta's affiliate					\$ 2,800,000			\$ 2,800,000	
Purchase of rights to a skybox at the University of Nebraska football stadium from Mr. Vinod Gupta's affiliate					\$ 617,400			\$ 617,400	
Lease for the American Princess Yacht from US Bancorp. Previously leased by Annapurna Corp., Mr. Vinod Gupta's affiliate.							\$ 2,216,806 <sup>10</sup>	\$ 2,216,806	
<b>Total</b>	\$	- \$	- \$	- \$ 2,800,000	\$	- \$ 617,400	\$ 2,700,000	\$ 5,008,281	\$ 11,125,681
							<b>GRAND TOTAL</b>	<b>\$ 28,698,012</b>	

\* Source: IUSA proxy statements and books and records received from the Company by Dolphin pursuant to its search under Delaware law.

The footnotes on the following page are an integral part of this table.



1. Dolphin has attempted to match the related party transactions between the Company and Mr. Vinod Gupta and affiliates appearing in the Company's proxy statements with Company expense records that Dolphin obtained in its books and records search under Delaware law. Dolphin's analysis suggests that in many cases, the Company has not correctly characterized the transactions in the proxy statements, as can be seen by comparing the amounts identified in the spreadsheet above with the proxy statement disclosures summarized below. Also, in some cases the accounts and amounts of related party transactions are inconsistent in the proxy statements of different years even when purporting to describe transactions in the same year.

<b>Year</b>		<b>Amount</b>	<b>Total Annual Amount</b>
2005	Reimbursement for operating expenses, hourly costs and a proportionate amount of fixed expenses associated with the use of this aircraft	\$297,000	\$297,000
2004	Aircraft usage	\$1.5 million	\$1.5 million
2003	Aircraft usage and other travel expenses	\$2.2 million	\$2.2 million
2002	Aircraft usage and other travel expenses	\$2.2 million	
	Acquisition-related expenses paid to Everest Asset Management	\$415,000	\$2.615 million
2001	Usage of the aircraft and other travel and entertainment expenses	\$2.1 million	
	Costs related to Polk City Directory acquisition	\$49,000	
	Payment for rented office space to Everest Investment Management	\$120,000	\$2.269 million
2000	Company-related employee travel expenses	\$2.0 million	\$2.0 million
1999	Reimbursement of Company related executive travel expenses	\$2.2 million	
	Acquisition and other related expenses	\$1.3 million	
	Investment advisory fees to Everest Investment Management	\$500,000	\$4.0 million
1998	Travel and consulting services and related expenses	\$1,392,000	\$1,392,000

2. In response to Dolphin's books and records request, the Company stated that it could not furnish records of related party transactions prior to July 1998. Accordingly, Dolphin's data for 1998 is incomplete.
3. These charges primarily say "business development," "IUSA," "Corporate Travel," or have no stated reason whatsoever. Often, the individual signing the related payment requisition is Mr. Vinod Gupta himself.
4. Apparently included in \$2.2 million of "travel expenses" disclosed in the 2000 IUSA proxy statement. There is no documentation indicating this loan has been repaid by either Annapurna or Mr. Vinod Gupta. Not included in this

summary is an additional \$2.6 million loan to Mr. Vinod Gupta in 1999, which appears to have been repaid.

5. Does not include a \$1 million investment in Everest<sup>3</sup> Fund. According to the 2004 proxy statement, IUSA liquidated this investment in 2004.
6. Spent before the Company purchased the Everest Building in October 2001. Does not include \$78,627 in similar payments for 2001, which the Company spent after acquiring the building. It is unclear to Dolphin for whose benefit these payments were made.
7. In the log book for the American Princess Yacht that Dolphin obtained in its books and records search, there is no identification of any business purpose for which the vessel was used.
8. Dolphin has been unable to identify all \$2.2 million in expense payments to Annapurna in 2003 that the Company disclosed in its proxy statements. Dolphin suspects that the Company included in its proxy disclosure the \$617,400 paid by the Company to Annapurna in that year for the purchase of the University of Nebraska skybox, which was also separately disclosed. When added to the expense payments that Dolphin has identified for 2003, it sums to approximately \$2.2 million.
9. The February 8, 2005 "Raval Memo" lists \$277,899 in payments to Annapurna for usage of the American Princess Yacht and \$195,000 in service charges for travel services. These payment totals modestly differ from those that Dolphin was able to identify.
10. Represents the total amount of payments that are payable over the term of the yacht lease.
11. Dolphin has included the records for 2005 which it received pursuant to its books and records request, but these records may not be complete.