

CORILLIAN CORP  
Form DEF 14A  
April 08, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

(Rule 14a-101)

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

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

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

**CORILLIAN CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  
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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:
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-

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**April 8, 2005**

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders (the Annual Meeting ) of Corillian Corporation (the Company ).

Place: Heathman Hotel  
1001 SW Broadway  
Portland, Oregon

Date: Monday, May 9, 2005

Time: 10:00 a.m. local time

The Notice of the Annual Meeting and Proxy Statement accompany this letter. The Proxy Statement describes the business to be transacted at the meeting and provides other information concerning the Company.

The principal business to be transacted at the Annual Meeting will be (i) election of directors and (ii) ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2005. The Board of Directors recommends that shareholders vote for election of the nominated directors and ratification of KPMG LLP as the Company's independent registered public accounting firm.

We know that many of our shareholders will be unable to attend the Annual Meeting. Proxies are therefore solicited so that each shareholder has an opportunity to vote on all matters that are scheduled to come before the meeting. Whether or not you plan to attend the Annual Meeting, we hope that you will have your stock represented by marking, signing, dating and returning your proxy card in the enclosed envelope as soon as possible. Your stock will be voted in accordance with the instructions you have given in your proxy card. You may, of course, attend the Annual Meeting and vote in person even if you have previously returned your proxy card.

Sincerely,

Alex P. Hart  
Chief Executive Officer and President

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**CORILLIAN CORPORATION  
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To be Held May 9, 2005**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the Annual Meeting ) of Corillian Corporation, an Oregon corporation (the Company ), will be held on Monday, May 9, 2005 at 10:00 a.m. local time, at the Heathman Hotel, located at 1001 SW Broadway, Portland, Oregon:

1. To elect four (4) directors to the Company s Board of Directors.
2. To ratify the appointment of KPMG LLP as independent registered public accounting firm for the fiscal year ending December 31, 2005.
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 15, 2005, will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE URGED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE PREPAID ENVELOPE IN ORDER THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. THE GIVING OF SUCH PROXY DOES NOT AFFECT YOUR RIGHT TO REVOKE IT LATER OR VOTE YOUR SHARES IN PERSON IN THE EVENT THAT YOU SHOULD ATTEND THE ANNUAL MEETING.

By Order of the Board of Directors  
of Corillian Corporation

Erich J. Litch  
Secretary

Portland, Oregon  
April 8, 2005

**IMPORTANT**

A proxy card is enclosed herewith. All shareholders are urged to complete and mail the proxy card promptly. The enclosed envelope for return of the proxy card requires no postage. Any shareholder attending the Annual Meeting may personally vote on all matters that are considered, in which event the signed proxy will be revoked.

**IT IS IMPORTANT THAT YOUR STOCK BE VOTED**

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**PROXY STATEMENT FOR 2005 ANNUAL MEETING OF SHAREHOLDERS  
INFORMATION CONCERNING SOLICITATION AND VOTING**

**General**

This proxy statement and the enclosed form of proxy are being mailed on or about April 8, 2005, to shareholders of Corillian Corporation, an Oregon corporation, in connection with the solicitation of proxies by the Board of Directors of Corillian for use at the annual meeting of shareholders to be held on May 9, 2005, at 10:00 a.m. local time, at the Heathman Hotel, located at 1001 SW Broadway, Portland, Oregon, and any adjournment thereof (the Annual Meeting ). Corillian's principal executive offices are located at 3400 NW John Olsen Place, Hillsboro, Oregon 97124.

**Record Date and Outstanding Shares**

Only shareholders of record at the close of business on March 15, 2005 (the Record Date ) will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 38,907,726 shares of Corillian's common stock outstanding.

**Revocability of Proxies**

Whether or not you are able to attend the Annual Meeting, Corillian urges you to submit your proxy, which, when properly completed, will be voted as you direct. In the event no directions are specified, such proxies will be voted in accordance with the following recommendations of the Board of Directors:

FOR the election of Robert G. Barrett, Alex P. Hart, Tyree B. Miller and James R. Stojak to the Board of Directors (Proposal One); and

FOR the ratification of the appointment of KPMG LLP as independent registered public accounting firm for 2005 (Proposal Two).

A shareholder giving a proxy has the power to revoke that proxy at any time before it is exercised by filing with Corillian's Secretary an instrument of revocation, or a duly exercised proxy bearing a later date, or by personally attending and voting at the Annual Meeting; however the mere presence at the Annual Meeting of a shareholder who has previously appointed a proxy will not revoke the prior appointment.

**Quorum and Voting**

Each share of Corillian's common stock entitles its holder to one vote. Under Oregon law, action may be taken on a matter submitted to shareholders only if a quorum exists with respect to that matter. A majority of the outstanding shares of Corillian's common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, will constitute a quorum.

If a quorum is present, a nominee for election to the Board of Directors will be elected by a plurality of the votes cast by shares entitled to vote at the Annual Meeting. For all other matters, if a quorum is present, action will be approved if the votes cast in favor of the action exceed the votes cast opposing the action.

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Shares represented by a properly executed proxy will be voted in accordance with the shareholder's instructions, if given. If no instructions are given, shares will be voted FOR (i) the election of the four (4) nominees for director named in this proxy statement, (ii) the ratification of the selection of KPMG LLP as Corillian's independent registered public accounting firm for fiscal year 2005; and (iii) the recommendations of management on any other matters properly brought before the Annual Meeting. The Board of Directors knows of no other matters to be presented for action at the meeting.

Proxies that expressly indicate an abstention as to a particular proposal and broker non-votes will be counted for purposes of determining whether a quorum exists at the Annual Meeting, but will not be counted for any purposes in determining whether a proposal is approved and have no effect on the determination of whether a plurality exists with respect to a given nominee. Proxies and ballots will be received and tabulated by Mellon Investor Services LLP, the Company's transfer agent.

### **Solicitation of Proxies**

This solicitation is being made on behalf of the Board of Directors, and the cost of soliciting proxies will be borne by Corillian. In addition to solicitation by mail, certain of Corillian's directors, officers and regular employees may solicit proxies, without additional compensation, in person or by telephone or other means. Brokers, nominees and fiduciaries will be reimbursed in accordance with customary practice for expenses incurred in obtaining proxies or authorizations from the beneficial shareholders. Your cooperation in promptly completing, signing, dating and returning the enclosed proxy card will help avoid additional expense. Shareholders who hold shares in street name through a broker or otherwise through a nominee will receive instructions from the broker or nominee on how to instruct the broker or nominee to vote the shares.

### **Shareholder Proposals for 2006 Annual Meeting**

Shareholder proposals to be presented at the 2006 annual meeting of shareholders must be received at Corillian's principal executive offices no later than December 9, 2005 in order to be included in Corillian's proxy statement and form of proxy relating to that meeting.

According to Corillian's bylaws, for business to be properly brought before the 2006 annual meeting of shareholders by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at Corillian's principal executive offices not less than 60 days nor more than 90 days prior to the date of the 2006 annual meeting of shareholders; provided, that in the event that less than 70 days' notice of the date of the 2006 annual meeting of shareholders is given to the shareholders, notice by the shareholder, to be timely, must be so received not later than the close of business on the seventh day following the day on which such notice of the date of the meeting was mailed.

If Corillian receives proper notice of a shareholder proposal pursuant to Corillian's bylaws, and such notice is not received a reasonable time prior to mailing by Corillian of its proxy materials for Corillian's 2006 annual meeting of shareholders, Corillian believes that its proxy holders would be allowed to use the discretionary authority granted by the proxy card to vote against the proposal at the meeting without including any disclosure of the proposal in the proxy statement relating to such meeting.

### **Shareholder Information**

**Corillian's 2004 Annual Report To Shareholders accompanies these materials. Copies of Corillian's Annual Report On Form 10-K for the fiscal year ended December 31, 2004 may be obtained from Corillian without charge upon written request to Corillian. Requests should be directed to the Secretary, Corillian Corporation, 3400 NW John Olsen Place, Hillsboro, Oregon 97124.**

### **PROPOSAL 1: ELECTION OF DIRECTORS**

Under Corillian's Articles of Incorporation, the Board of Directors may be classified as long as it consists of at least six directors. The members of a classified Board serve staggered three year-terms. At each annual



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meeting, directors in one class are elected for a term of three years to succeed those directors whose terms expire at that annual meeting or until their respective successors are duly qualified and elected. At the 2004 annual meeting of shareholders, because the Board of Directors consisted of five directors, rather than six directors, the shareholders elected two directors to serve one-year terms instead of three-year terms. The Board of Directors increased the size of the Board to six members and appointed an additional director subsequent to the 2004 annual meeting of shareholders.

Effective at the Annual Meeting, the Board of Directors will again be divided into three classes, consisting of two Class 1 directors, two Class 2 directors and two Class 3 directors. At the Annual Meeting, the shareholders are being asked to elect a total of four directors: two Class 1 directors to serve a term of two years, or until death or removal from office and until their respective successors are duly qualified and elected; and two Class 2 directors to serve a term of three years, or until death or removal from office and until their respective successors are duly qualified and elected.

**Nominees**

The Nominating and Corporate Governance Committee of the Board of Directors selected, and the Board of Directors approved, the following nominees for election to the Board of Directors at the Annual Meeting, each to serve until the annual meeting of shareholders held in the year listed beside his name or until his successor is duly qualified and elected (the Nominees ):

<b>Name</b>	<b>Class</b>	<b>Term Expires</b>
Robert G. Barrett	Class 1 Director	2007
Alex P. Hart	Class 1 Director	2007
Tyree B. Miller	Class 2 Director	2008
James R. Stojak	Class 2 Director	2008

Although the Board of Directors anticipates that the Nominees will be available to serve as directors of Corillian, if any of them does not accept the nomination, or otherwise is unwilling or unable to serve, the proxies will be voted for the election of a substitute nominee or nominees designated by the Board of Directors. There are no arrangements or understandings between any director or executive officer and any other person pursuant to which he is or was to be selected as a director or officer of Corillian. There is no family relationship between any director or executive officer of Corillian.

**Vote Required**

If a quorum is present, the four (4) candidates receiving the highest number of affirmative votes represented and voting on this proposal at the Annual Meeting will be elected to the Board of Directors. Abstentions and broker non-votes will be counted for the purposes of determining the presence or absence of a quorum, but will have no effect on the election of directors once a quorum is established.

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**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE  
SHAREHOLDERS VOTE FOR THE ELECTION OF THE FOUR (4)  
NOMINEES**

**Board and Nominee Biographical Information**

Set forth below are the ages, as of the Record Date, and certain biographical information for each director and Nominee.

Name	Age	Position	Director Since
<b>Class 1 Directors to be elected at the Annual Meeting:</b>			
Robert G. Barrett	60	Director(1),(2),(3)	1999
Alex G. Hart	42	Chief Executive Officer and Director	2001
<b>Class 2 Directors to be elected at the Annual Meeting:</b>			
Tyree B. Miller	51	Director	2005
James R. Stojak	58	Director(2)	2004
<b>Class 3 Directors whose terms expire at the 2006 annual meeting of shareholders:</b>			
Eric Dunn	47	Director(1),(3)	2001
Jay N. Whipple, III	48	Lead Director(1),(2),(3)	1997

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Nominating and Corporate Governance Committee

*Robert G. Barrett*, age 60, has served as a director of Corillian since April 1999. Mr. Barrett became a partner for FTVentures in 2002. From 2000 to 2002, Mr. Barrett served as a consultant for several board of directors in an individual capacity and as a representative of Battery Ventures. Mr. Barrett was a founding partner of Battery Ventures, and was a Managing Partner from 1984 to 2000. Mr. Barrett serves on the board of directors of Brooktrout Technology, Inc., Peerless Systems Corporation, and several private companies.

*Alex P. Hart*, age 42, has served as President and a director of Corillian since January 2001 and as Chief Executive Officer since October 2002. Mr. Hart served as Executive Vice President of Corporate Development from April 2000 to January 2001. From January 1999 to April 2000, he was Vice President of Business Development for TransPoint, a joint venture among Microsoft, First Data Corporation and Citigroup.

*Tyree B. Miller*, age 51, has served as director of Corillian since March 2005. Since July 2004, Mr. Miller has served as Chairman of Paymetric, Inc. Mr. Miller served as the President and Chief Executive Officer of the Global Treasury Services of BankOne Corporation until its merger with JP Morgan Chase & Co. in July 2004. Previous positions with Bank One Corporation included President and Chief Executive Officer of Bank One Dallas, Managing Director of Commercial Banking and head of all Commercial Banking products and staff functions, and Chairman and Chief Executive Officer of Bank One, Texas NA.

*James R. Stojak*, age 58, has served as director of Corillian since September 2004. Since 2000, Mr. Stojak has been serving as an independent consultant to financial institutions and technology providers. Prior to his work as a consultant, Mr. Stojak served as an executive vice president of Citigroup, where he led Citigroup's global consumer operations and technology divisions until his retirement in November 2001.

*Eric Dunn*, age 47, has served as a director of Corillian since July 2001. Since November 2003, Mr. Dunn has been a General Partner at Cardinal Venture Capital. From August 2000 to December 2003, Mr. Dunn was President and owner of Kingston Creek Ventures. Mr. Dunn serves on the board of directors of TIBCO Software, Inc., and several private companies.

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*Jay N. Whipple III*, age 48, has served as a director of Corillian since November 1997. Since November 1997, Mr. Whipple has served as President of J.N. Whipple, Inc., a money management firm, and as Chairman of Osprey Partners, LLP, a software services company.

**Board Meetings and Committees**

The Board of Directors has determined that Messrs. Barrett, Dunn, Miller, Stojak, and Whipple, who constitute a majority of the Board of Directors, are independent under applicable NASD rules.

During 2004, there were six meetings of the Board of Directors. Each director during 2004 attended more than 75% of the aggregate number of Board of Directors meetings and meetings of Board committees of which he was a member.

The Board of Directors has standing Audit, Compensation, and Nominating and Corporate Governance Committees. All members of the committees are appointed by the Board of Directors, and are independent, non-employee directors. The following describes each committee, its current membership, the number of meetings held during fiscal year 2004 and its function.

*Audit Committee.* The Audit Committee currently consists of Messrs. Whipple, Barrett and Dunn, all of whom are independent under NASD rules and SEC regulations applicable to audit committee members. The Board has determined that Mr. Dunn is an audit committee financial expert as defined in SEC regulations. Mr. Whipple is Chair of the Audit Committee.

The Audit Committee held seven meetings during 2004. The Audit Committee assists the Board of Directors in oversight of the integrity of Corillian's financial statements, Corillian's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of the independent registered public accounting firm and internal audit function and compliance with Corillian's code of ethics for senior financial officers and code of conduct for all Corillian's personnel. The Audit Committee operates under a written charter, which was attached to Corillian's proxy statement for the 2004 annual meeting of shareholders. The Audit Committee report is included in this proxy statement on page 21.

*Compensation Committee.* The Compensation Committee currently consists of Messrs. Barrett, Stojak (since September 2004) and Whipple and Ravi Mohan. Mr. Mohan's term as a director is ending at the Annual Meeting. Messrs. Barrett, Mohan, Stojak and Whipple are independent under applicable NASD rules. Mr. Barrett is the chairman of the Compensation Committee. Executive officers who are also directors of Corillian do not participate in decisions affecting their own compensation. The Compensation Committee held three meetings during 2004. The Compensation Committee approves compensation for Corillian's executive officers, reviews and approves executive compensation programs and administers Corillian's stock incentive and executive compensation plans. The Compensation Committee operates under a written charter contained in Corillian's bylaws. The Compensation Committee report is included in this proxy statement on page 17.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee currently consists of Messrs. Barrett, Dunn, Mohan and Whipple. Mr. Mohan's term as a director is ending at the Annual Meeting. Messrs. Barrett, Dunn, Mohan and Whipple are independent under applicable NASD rules. The Nominating and Corporate Governance Committee was established in March 2003 to: (i) identify individuals qualified to become members of the Board of Directors; (ii) approve and recommend to the Board of Directors director candidates; (iii) develop, update as necessary and recommend to the Board of Directors corporate governance principles and policies applicable to the Company; and (iv) monitor compliance with such principles and policies. The Nominating and Corporate Governance Committee's written charter is available on the corporate governance section of the investor relations page on the Company's website at [www.corillian.com/investors](http://www.corillian.com/investors). The committee did not have any meetings during 2004 and acted solely by written consent.

The Nominating and Corporate Governance Committee utilizes a variety of methods for identifying and evaluating director candidates. Candidates should have the highest personal and professional ethics, integrity and values. They should have broad professional experience in business, government, education, technology or

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public interest. They should be committed to enhancing shareholder value and should have sufficient time to carry out their duties as a director. Each director must represent the interests of Corillian shareholders.

The committee regularly assesses the appropriate size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the committee considers various potential candidates for director. Candidates may come to the attention of the committee through current Board members, professional search firms or other persons. These candidates are evaluated at regular or special meetings of the committee using the criteria listed above, and may be considered at any point during the year.

While the Nominating and Corporate Governance Committee does not consider nominees recommended by shareholders, shareholders can directly nominate directors for election by following the procedures set forth in Corillian's bylaws. Corillian's bylaws require that shareholders give advance notice and furnish certain information to Corillian in order to nominate a person for election as a director. Shareholders of Corillian can nominate candidates for election as directors by submitting a notice in writing to the Secretary of Corillian at 3400 NW John Olsen Place, Hillsboro, Oregon 97124. This notice must be received not less than 60 days or more than 90 days prior to the date of the annual meeting of shareholders. If Corillian provides less than 70 days' notice to shareholders of the date of the annual meeting of shareholders, notice by a shareholder nominating a director candidate must be received by Corillian by the close of business on the seventh day following the day on which such notice of the date of the meeting was mailed. A shareholder's written notice to nominate a director candidate must state for each person recommended as a director candidate: the candidate's name, age, business and residence address and his or her principal occupation or employment. The notice must also state as to the shareholder giving the notice: that person's name and address as they appear on Corillian's books; a representation that he or she is entitled to vote at the annual meeting of shareholders; the number of shares of Corillian's common stock that he or she beneficially owns; and a representation that the shareholder intends to appear in person or by proxy at the meeting to make the nomination specified in the notice. In addition, the notice must include any other information relating to the shareholder that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. If a nomination is not made in accordance with these procedures, the nomination will be disregarded.

### **Compensation Committee Interlocks and Insider Participation**

The members of the Compensation Committee during 2004 were Messrs. Barrett, Mohan, Stojak (since September 2004) and Whipple. Mr. Mohan's term as a director is ending at the Annual Meeting. Messrs. Barrett, Mohan, Stojak and Whipple have at no time been officers or employees of Corillian. Mr. Barrett and Mr. Mohan were partners of Battery Ventures, a former holder of more than 5% of Corillian's stock, until April 2000 and June 2004, respectively. Corillian has issued and sold shares of stock to Battery Ventures in two private placement transactions, as previously reported. Battery Ventures no longer holds any shares of Corillian's stock.

### **Compensation of Directors**

Non-employee directors receive \$1,000 for each Board of Directors meeting attended and \$500 for each committee meeting attended. Corillian also grants stock options to non-employee directors from time to time. Corillian granted stock options to purchase an aggregate of 40,000 shares to non-employee directors in 2004, and granted stock options to purchase 20,000 shares to Mr. Miller, a non-employee director, upon his election to the Board of Directors in March 2005. No employee director receives additional compensation for his service as a director.

### **Shareholder Communication with Directors**

Shareholders can communicate with the Board of Directors, the independent directors or any individual director by submitting written communication addressed to the Board of Directors, the independent directors or an individual director, at Corillian Corporation, 3400 NW John Olsen Place, Hillsboro, Oregon 97124.

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All communications received in accordance with these procedures will be reviewed initially by Corillian's Investor Relations Department. The Investor Relations Department will relay the communications to the appropriate director or directors unless the Investor Relations Department determines that the communication:

does not relate to the business or affairs of Corillian or the functioning or constitution of the Board of Directors or any of its committees;

relates to routine or insignificant matters that do not warrant the attention of the Board;

is an advertisement or other commercial solicitation or communication;

is frivolous or offensive; or

is otherwise not appropriate for delivery to directors.

The director or directors who receive a communication received in accordance with these procedures will have discretion to determine whether the subject matter of the communication should be brought to the attention of the full Board or one or more of its committees and whether any response to the person sending the communication is appropriate. Any such response will be made through the Investor Relations Department and only in accordance with Corillian's policies and procedures and the applicable law and regulations relating to the disclosure of information.

Corillian encourages its directors to attend the annual meeting of shareholders. One member of the Board of Directors attended the 2004 annual meeting of shareholders.

**PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected KPMG LLP to audit Corillian's financial statements for the fiscal year ending December 31, 2005. The Audit Committee carefully considered that firm's qualifications as an independent registered public accounting firm. This included a review of the qualifications of the engagement team, the quality control procedures the firm has established, and any issues raised by the most recent quality control review of the firm; as well as its reputation for integrity and competence in the fields of accounting and auditing. The Audit Committee's review also included matters required to be considered under the SEC's rules on auditor independence, including the nature and extent of non-audit services, to ensure that they will not impair the independence of the accountants. The Audit Committee was satisfied with KPMG LLP in all of these respects.

Although ratification by shareholders is not required by law, the Board of Directors has determined that it is desirable to request approval of this selection by the shareholders. Notwithstanding its selection, the Audit Committee, in its discretion, may appoint a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of Corillian and its shareholders. If the shareholders do not ratify the appointment of KPMG LLP, the Audit Committee may reconsider its selection. Representatives of KPMG LLP will be in attendance at the Annual Meeting and will be given the opportunity to make a statement if they wish to do so and will be available to respond to appropriate questions.

**Table of Contents****Fees Billed to Corillian by KPMG LLP During 2004**

The following table presents fees billed for professional audit services and other services rendered by Corillian's independent registered public accounting firm, KPMG LLP, for the fiscal years ended December 31, 2004 and December 31, 2003.

	Fees	
	2004	2003
<b>Services</b>		
Audit fees(1)	\$ 355,000	\$ 159,000
Audit-related fees(2)	20,000	14,000
Tax fees(3)	53,000	34,000
All other fees(4)	47,000	63,000
Total fees	\$ 475,000	\$ 270,000

- (1) **Audit Fees** consisted of fees for professional services rendered for the audit of Corillian's annual financial statements included in Corillian's Annual Reports on Form 10-K (including, with respect to audit fees billed in 2004, services incurred with rendering an opinion under Section 404 of the Sarbanes-Oxley Act of 2002) and for the review of financial statements included in Corillian's Quarterly Reports on Form 10-Q, as well as reviews of regulatory and statutory filings.
- (2) **Audit-Related Fees** consisted of fees for accounting consultation services that are reasonably related to the performance of the audit or review of Corillian's financial statements and are not reported above under **Audit Fees**.
- (3) **Tax Fees** consisted of fees for tax compliance services.
- (4) **All Other Fees** consisted of fees for a SAS 70 review performed by KPMG LLP over Corillian's hosted data center located in Oregon, unrelated to its audit of Corillian's financial statements.

**Pre-Approval of Audit and Non-Audit Services**

The Audit Committee has established a policy governing Corillian's use of KPMG LLP for non-audit services. Under the policy, management may use KPMG LLP for non-audit services that are permitted under SEC rules and regulations, provided that management obtains the Audit Committee's approval before such services are rendered.

The Audit Committee has determined that the provision of all fees identified above under the captions

**Audit-Related Fees**, **Tax Fees** and **All Other Fees** that were billed by KPMG LLP is compatible with maintaining KPMG LLP's independence and has pre-approved these services in accordance with its charter and applicable laws, rules and regulations.

**Vote Required**

If a quorum is present, the affirmative vote of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the appointment of KPMG LLP as Corillian's independent registered public accounting firm. Abstentions will have the effect of a vote against the ratification of KPMG LLP as Corillian's independent registered public accounting firm. Broker non-votes will have no effect on the outcome of the vote.

**The Board of Directors unanimously recommends that the shareholders vote FOR the ratification of KPMG LLP as Corillian's independent registered public accounting firm for the year ending December 31, 2005.**



**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table contains information about the beneficial ownership of Corillian's common stock as of the Record Date for

each person (or group of affiliated persons) who beneficially owns more than 5% of Corillian's common stock;

each director and Nominee;

each of the Named Executive Officers; and

all of Corillian's current executive officers and directors as a group.

Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and except for community property laws where applicable, the persons named in the following table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The percentage of beneficial ownership before the offering is based on 38,907,726 shares of common stock outstanding as of the Record Date. Shares of common stock subject to options currently exercisable or exercisable within 60 days of the Record Date are deemed outstanding for computing the percentage ownership of the person holding such options, but are not deemed outstanding for computing the percentage of any other person.

Name and Address	Beneficially Owned	Percentage of Shares Outstanding
Mazama Capital Management, Inc.(1) One S.W. Columbia, Suite 1500, Portland, Oregon 97258	4,487,336	11.5%
Delaware Management Holdings(2) Delaware Management Business Trust 2005 Market Street Philadelphia, Pennsylvania 19103	3,608,700	9.3
Jay N. Whipple III(3)	1,511,397	3.9
Alex Hart(4)	1,042,605	2.6
Chris Brooks(5)	246,826	*
Paul K. Wilde(6)	150,000	*
Robert C. Barrett(7)	139,524	*
Erich J. Litch(8)	63,437	*
Eric Dunn(9)	41,000	*
John A. Vincze(10)	30,615	*
Tyree B. Miller	25,000	*
William Hughes(11)	2,612	*
Ravi Mohan	0	*
James R. Stojak	0	*
All directors and executive officers as a group (10 persons) (12)	3,219,789	7.9

\* Represents beneficial ownership of less than 1%.

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- (1) This information is based on a Schedule 13G filed on February 14, 2005. Of these shares, Mazama Capital Management, Inc. has sole power to vote 2,528,873 shares and sole power to dispose of 4,487,336 shares.
- (2) This information is based on a Schedule 13G filed on February 9, 2005. Consists of 3,608,700 shares over which Delaware Management Holdings and Delaware Management Business Trust each exercises sole voting and dispositive power.

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- (3) Includes 5,001 shares subject to options exercisable within 60 days of March 30, 2005. Mr. Whipple is transferring half of his interest in Corillian s Common Stock to his former spouse, but such transfer is not yet concluded.
- (4) Consists of 1,042,605 shares subject to options exercisable within 60 days of March 30, 2005.
- (5) Includes 243,259 shares subject to options exercisable within 60 days of March 30, 2005.
- (6) Consists of 150,000 shares subject to options exercisable within 60 days of March 30, 2005.
- (7) Includes 18,334 shares subject to options exercisable within 60 days of March 30, 2005.
- (8) Consists of 63,437 shares subject to options exercisable within 60 days of March 30, 2005.
- (9) Includes 20,000 shares subject to options exercisable within 60 days of March 30, 2005.
- (10) Includes 21,875 shares subject to options exercisable within 60 days of March 30, 2005.
- (11) Includes 2,612 shares subject to options exercisable within 60 days of March 30, 2005.
- (12) Includes 1,542,636 shares subject to options exercisable within 60 days of March 30, 2005.

**EXECUTIVE OFFICERS**

Set forth below are the ages, as of the Record Date, and certain biographical information for the executive officers of Corillian.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Alex P. Hart(1)	42	Chief Executive Officer and President
Paul K. Wilde	54	Chief Financial Officer
Chris Brooks	37	Chief Technology Officer
Erich J. Litch	34	Senior Vice President of Corporate Development, General Counsel and Secretary

(1) For information regarding Mr. Hart, see Board and Nominee Biographical Information.

*Paul K. Wilde* has served as Corillian s Chief Financial Officer since November 2003. From May 2001 to November 2003, Mr. Wilde performed some business consulting and spent personal time off with his family. From May 2000 to May 2001, Mr. Wilde served as President and Chief Executive Officer of Spear Technologies, Inc., an enterprise software company, after serving as its Vice President and Chief Operating Officer from February 1999 to May 2000. Mr. Wilde holds a B.S. degree in Accounting from Brigham Young University.

*Chris Brooks* has served as Corillian s Chief Technology Officer since March 2001. Mr. Brooks served as Corillian s Vice President of Engineering from June 2000 to March 2001, as Corillian s Director of Platform Engineering from January 2000 to June 2000, and as Corillian s Engineering Manager for Voyager from September 1999 to January 2000. Mr. Brooks holds Bachelor of Science degrees in both computer science and electrical engineering from Washington University in St. Louis, Missouri, and a master s degree in electrical and computer engineering, with an emphasis on high-availability computing, from the University of California at Santa Barbara.

*Erich J. Litch* has served as Corillian s Senior Vice President of Corporate Development since October 2002, as Corillian s General Counsel since April 2000 and as Corillian s Secretary since December 2003. Mr. Litch served as Corillian s Senior Vice President of Business and Legal Affairs from April 2002 to October 2002 and as Vice President of Business and Legal Affairs from April 2001 to April 2002. Mr. Litch was an associate at Perkins Coie

LLP from April 1999 to April 2000 and an associate at O Melveny & Myers LLP from October 1997 to April 1999. Mr. Litch holds a B.A. degree in History and Art History from University of California at Los Angeles and a J.D. degree from Loyola Law School in Los Angeles, California.

There are no arrangements or understandings pursuant to which any person has been appointed as an executive officer of Corillian. Corillian has no employment contracts with any of its executive officers.

**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation**

The following table sets forth compensation information for 2004, 2003 and 2002 for Corillian's Chief Executive Officer, Corillian's other four most highly compensated executive officers and William Hughes (collectively, the Named Executive Officers). Mr. Hughes was not an executive officer of Corillian as of December 31, 2004. Mr. Vincze was an executive officer of Corillian as of December 31, 2004, but no longer is an executive officer of Corillian as of the date of this Proxy Statement.

**Summary Compensation Table**

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards	
		Salary	Bonus(1)	Other Annual Compensation	Securities Underlying Options	All Other Compensation
Alex P. Hart	2004	\$ 244,958	\$ 133,950			
<i>Chief Executive Officer and</i>	2003	235,000	120,000	\$ 4,000(2)	955,000	209,025(3)
<i>President</i>	2002	235,000			250,000	15,932(4)
Paul K. Wilde	2004	200,000	25,000			4,833(5)
<i>Chief Financial Officer</i>	2003	36,410			400,000	
	2002					
Chris Brooks	2004	183,718	42,750			4,883(6)
<i>Chief Technology Officer</i>	2003	180,000	55,000		345,000	4,575(7)
	2002	155,000			80,000	4,163(8)
Erich J. Litch	2004	165,577	38,000			3,054(9)
<i>Senior Vice President of Corporate Development, General Counsel and Secretary</i>	2003	160,000	50,000		215,000	400(10)
	2002	155,833			50,000	4,675(11)
John A. Vincze(12)	2004	175,000	197,500			