

IRWIN FINANCIAL CORP

Form DEF 14A

April 17, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

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

Irwin Financial Corporation

(Name of Registrant as Specified In Its Charter)

Irwin Financial Corporation

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

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- x No fee required.
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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

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812.376.1909
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www.irwinfinancial.com

April 17, 2009

NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS

To our Shareholders:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Irwin Financial Corporation, to be held at YES Cinema and Conference Center, 4th & Jackson Streets, Columbus, Indiana, on Friday, May 29, 2009, at 4:00 p.m. Eastern Daylight Time, for the following purposes:

Proposals:

- No. 1. to elect four Directors to serve on the Board until our 2012 Annual Meeting;
- No. 2. to approve an amendment to the Irwin Financial Corporation Employees Stock Purchase Plan III to add shares to the plan;
- No. 3. to approve the Irwin Financial Corporation and Affiliates Amended and Restated Short Term Incentive Plan to qualify the plan as performance-based compensation under Section 162(m) of the Internal Revenue Code; and,
- No. 4. to act upon the confirmation of independent public accountants for 2009.

We recommend that you vote FOR Proposal Nos. 1, 2, 3 and 4.

Other Items:

to hear such reports as may be presented; and

to transact any other business that may properly come before the meeting or any adjournment of it.

Proposal Nos. 1, 2, 3, and 4 are described further in the proxy statement accompanying this Notice.

Registration of shareholders will start at 3:15 p.m. and the meeting will start at 4:00 p.m.

If you received a Notice of Internet Availability of Proxy Materials, it contains instructions on how to access our proxy materials over the Internet and how to vote your shares, as well as how to request a paper copy of our proxy materials by mail or an electronic copy by e-mail.

Your vote is important. Whether or not you plan to attend the meeting, I encourage you to vote your proxy as soon as possible to assure your representation at the meeting. If you are present at the meeting and desire to do so, you may revoke your proxy and vote in person. The back cover of the proxy statement contains a map with directions to the site of the Annual Meeting. Please see the section on [General Information and Voting Procedures](#) for instructions on voting your proxy.

MATT SOUZA
Secretary

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**PROXY STATEMENT OF IRWIN FINANCIAL CORPORATION
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 29, 2009**

GENERAL INFORMATION AND VOTING PROCEDURES

We are providing this proxy statement and the accompanying form of proxy (the proxy or proxy card) in connection with the solicitation by our Board of Directors (the Board) of proxies to be used at our Annual Meeting of Shareholders on Friday, May 29, 2009. The meeting will be held at the Yes Cinema and Conference Center, 4th & Jackson Streets, Columbus, Indiana, at 4:00 p.m. Eastern Daylight Time, or any adjournment thereof. Please see the back cover for a map with directions to the Annual Meeting location. This proxy statement will be sent to shareholders on or about April 17, 2009.

Pursuant to rules adopted by the Securities and Exchange Commission (SEC), we have sent a Notice of Internet Availability of Proxy Materials (the Notice) to certain of our registered shareholders and those that hold their shares through brokers, banks, broker-dealers or similar organizations. Shareholders will have access to our proxy materials over the Internet free of charge on the website identified in the Notice. The Notice contains instructions on how shareholders may access our proxy materials through the Internet and how shareholders may request electronic or paper copies if desired. If shares are held by a broker, bank, broker-dealer or similar organization in its name for the benefit of the shareholder, the shareholder is the beneficial owner of shares held in street name, and the Notice will be forwarded to the shareholder by the broker, bank, broker-dealer or similar organization. As the beneficial owner, the shareholder has the right to direct the broker, bank, broker-dealer or similar organization holding the shares how to vote the shares.

We will bear the costs of the solicitation of proxies. In addition to solicitation by mail, proxies may be solicited by our directors, officers and employees, at no additional compensation, by telephone, facsimile transmission, e-mail, and personal interviews or otherwise.

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If you are a shareholder of record, you may tell the Corporation's representatives how to vote your shares in one of the following ways:

By Telephone You may vote by calling the toll-free telephone number: 1-888-693-8683. Please have your proxy card or Notice available when you call, and follow the simple instructions to record your vote.

On the Internet The website for Internet voting is *www.cesvote.com*. Please have your proxy card or Notice available when you access the website, and follow the simple instructions to record your vote. If you vote on the Internet, you can also request electronic delivery of future proxy materials.

By Mail Be sure to complete, sign and date the paper proxy card or voting instruction card and return it in the postage-paid envelope provided or return it to: National City Bank, P.O. Box 535300, Pittsburgh, PA 15253-9837.

In Person You may vote in person by attending the Annual Meeting of Shareholders.

The availability of telephone and Internet voting for beneficial owners will depend on the voting procedures of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive.

All shares represented by a proxy, if it is executed and returned using one of the methods above, will be voted as directed by the shareholder. If a shareholder executes and returns a proxy, but makes no direction as to such shareholder's vote, the shares will be voted on each matter to come before the meeting in accordance with the recommendation of the Board of Directors.

A shareholder who votes a proxy may revoke it at any time before it is exercised by giving notice of revocation to our Secretary. Only shareholders of record at the close of business on March 23, 2009 (the record date), will be entitled to vote. On the record date, there were 29,976,042 common shares outstanding. Each common share is entitled to one vote on each matter to be voted on at the meeting.

Shareholders owning a majority of all the common shares outstanding must be present in person or represented by a proxy in order to constitute a quorum for the transaction of business. Based on the number of common shares outstanding on the record date, 14,988,022 shares will be required at the meeting for a quorum.

Proxies returned by brokers with non-votes on any matter on behalf of shares held in street name because the beneficial owner has withheld voting instructions, and proxies returned with abstentions, will be treated as present for purposes of determining a quorum.

However, non-votes and abstentions will not be counted as voting on any matter for which a non-vote or abstention is indicated and will therefore not affect the outcome of those matters.

Shareholders who hold their securities directly, as holders of record, and/or indirectly, as beneficial owners through a broker or similar organization, should anticipate receiving separate sets of proxy materials and/or Notices of Internet Availability representing the securities held through each of these methods. Shareholders who wish to vote all of their shares should exercise a proxy for each method of securities held.

In addition, if you are a participant in the Irwin Financial Corporation Employees Savings Plan and/or the Irwin Mortgage Corporation Retirement and Profit Sharing Plan (the Plans), you have the right to direct Fidelity Management Trust Company (Fidelity), as Trustee of the

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Plans, regarding how to vote the shares of Irwin Financial Corporation attributable to your individual account under the Plans. You will receive, or be provided with access to, a voting instruction card for this purpose. Your instructions to Fidelity will be tabulated confidentially. If your voting directions are not received by May 27, 2009, the Trustee may vote the shares attributable to your account as specified by the applicable Plan.

More specific voting information accompanies the Proposals.

Our main offices are located at 500 Washington Street, Columbus, Indiana 47201. Our website is www.irwinfinancial.com.

SECURITIES OWNERSHIP AND REPORTING**Principal Holders of Irwin Financial Securities**

Persons known by management to own beneficially more than 5 percent of our common shares, as of the record date, are listed below. All of the shares listed are beneficially owned through voting and investment power held solely by the reported owner, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
William I. Miller 500 Washington Street Columbus, IN 47201	11,386,910 (1)	37.89%
Dimensional Fund Advisors LP 1299 Ocean Avenue, 11th Floor Santa Monica, CA 90401	2,267,409 (2)	7.63%

(1) Amount and nature of beneficial ownership is as of the record date, March 23, 2009. This includes 5,176,038 common shares, which William I. Miller is deemed to beneficially own as the trustee of the J. Irwin Miller Marital Trust II (Trust II) and as to which shares William I. Miller has sole voting and dispositive power. William I. Miller was appointed as the Trustee on April 25, 2006. Previously, Trust II also granted William I. Miller an irrevocable proxy to vote and an option to acquire, subject to certain conditions, 5,160,544 of these common shares. His option to acquire the common shares became exercisable on February 19, 2008, and remains exercisable for a period of two years. William I. Miller disclaims beneficial ownership of the securities held in this trust except to the extent of his potential remainder interest in this trust.

This also includes 5,160,592 common shares deemed to be beneficially held through an irrevocable proxy granted by the IFC Trust under Trust Agreement dated June 29, 1990, Clementine M. Tangeman, Donor (the IFC Trust) and as to which shares William I. Miller has sole voting and dispositive power. On September 7, 2004 the IFC Trust appointed William I. Miller sole trustee, in substitution for his deceased father, J. Irwin Miller. The IFC Trust has granted William I. Miller an irrevocable proxy to vote such common shares, and an option to acquire such common shares, subject to certain conditions. His option to acquire the common shares became exercisable on February 19, 2008 and remains exercisable for a period of two years. William I. Miller disclaims beneficial ownership of the securities held in this trust except to the extent of his potential remainder interest in this trust.

Also includes (i) 22,812 common shares deemed to be beneficially held through William I. Miller's role as the custodian of accounts benefiting his children, (ii) 24,775 common shares held by William

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I. Miller's spouse, Lynne M. Maguire, as trustee of the 1998 William I. Miller Annual Exclusion Trust (the Exclusion Trust), and (iii) 858,228 common shares beneficially held through employee stock options that are exercisable within 60 days of March 23, 2009. William I. Miller expressly disclaims beneficial ownership of the common shares held as custodian on behalf of his children and the common shares held through the Exclusion Trust.

- (2) The aggregate number of shares indicated is determined as of December 31, 2008, as described in the Schedule 13G that Dimensional Fund Advisors LP (Dimensional) filed with the SEC on February 9, 2009, in which Dimensional reports it has sole voting and dispositive power as to all such shares.

Securities Ownership of Directors and Management

The following information about the ownership of our common shares is given as of the record date, except as noted below, for each of our current directors and the Named Executive Officers (as identified in the Summary Compensation Table in the Compensation section of this proxy statement) individually, and all our current directors and executive officers as a group. Our executive officers are our Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and line-of-business Presidents.

Name	Irrevocable Voting Proxy	Right to Acquire		Total Number of Shares Beneficially Owned (1)	Percent of Class
		within 60 days of March 23, 2009	Restricted Stock		
Sally A. Dean (3)		43,008	46,223	120,585	*
Gregory F. Ehlinger (4)		185,067	22,949	253,943	*
David W. Goodrich (2)(3)		6,225	19,083	54,942	*
R. David Hoover (3)		10,882	39,714	73,372	*
Bradley J. Kime (4)		99,290	7,027	116,725	*
William H. Kling (3)		10,050	19,083	67,937	*
Brenda J. Lauderback (2)(3)		19,783	19,083	55,039	*
Jocelyn Martin-Leano (4)		30,015	7,027	38,369	*
John C. McGinty, Jr. (2)(3)		14,855	19,083	53,727	*
William I. Miller (3)(4)(5)	10,321,136	858,228	19,582	11,386,910	37.89%
Dayton H. Molendorp (3)		0	19,083	24,671	*
Lance R. Odden (3)		14,855	19,083	60,433	*
John W. Rinaldi (4)		17,567	3,141	31,315	*

Marita Zuraitis (2)(3)		1,500	53,692	68,944	*
Current Directors and Executive Officers as a Group (15 persons) (6)	10,321,136	1,439,631	328,123	12,612,683	41.97%
Joseph LaLeggia (4)(7)		0	0	7,851	