

AUTOINFO INC
Form PREM14A
March 15, 2013

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**

Filed by 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

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

AUTOINFO, INC.

(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)(1) and 0-11.

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

Common stock, par value \$0.001 per share, of AutoInfo, Inc. ("AutoInfo Common Stock")

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

As of March 14, 2013 an aggregate of 41,196,573 shares of AutoInfo Common Stock including the following: (i) 34,299,507 shares of AutoInfo Common Stock outstanding; and (ii) 6,597,066 shares of AutoInfo Common Stock issuable upon exercise of outstanding stock options.

(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):

The maximum aggregate value was determined as follows: (A) 34,299,507 shares of AutoInfo Common Stock outstanding multiplied by \$1.05 per share; and (B) 6,597,066 shares of AutoInfo Common Stock issuable upon exercise of outstanding options multiplied by \$0.44 (the difference between \$1.05 and the weighted average exercise price of \$0.61 per share).

(4) Proposed maximum aggregate value of transaction:

\$38,917,191

(5) Total fee paid:

\$5,308, calculated by multiplying the proposed maximum aggregate value of the transaction by 0.00013640.

.. 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.

Amount Previously Paid:

Form, Schedule or Registration Statement No.:

Filing Party:

Date Filed:

PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION, March __, 2013

AutoInfo, Inc.

6413 Congress Avenue

Suite #260

Boca Raton, FL 33487

[**], 2013

Dear Stockholder,

You are cordially invited to attend a Special Meeting of the stockholders of AutoInfo, Inc. (the “Special Meeting”) to be held on [**], 2013, starting at 9:00 A.M. Eastern Time, at The Embassy Suites Hotel, 661 Northwest 53rd Street, Boca Raton, Florida 33487.

At the Special Meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of February 28, 2013, among AutoInfo, Inc. (“AutoInfo”), AutoInfo Holdings, LLC (“Parent”) and AutoInfo Acquisition Corp. (“Merger Sub”), a wholly owned subsidiary of Parent (the “Merger Agreement”) and the Merger contemplated thereby (the “Merger”). Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into AutoInfo and each outstanding share of AutoInfo Common Stock, other than shares held in treasury, shares held by Parent or Merger Sub and dissenting shares, will automatically be converted into the right to receive \$1.05 in cash, without interest and less any applicable withholding taxes, as more fully described in the enclosed proxy statement. You will also be asked to approve, solely on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo.

The attached proxy statement contains detailed information about the Special Meeting, the Merger Agreement and the Merger. A copy of the Merger Agreement is attached as Annex A to the proxy statement. We encourage you to read the proxy statement, including the Merger Agreement and all other attachments thereto, carefully and in their entirety. You may also obtain more information about AutoInfo from documents we have filed with the SEC.

After careful consideration, the board of directors of AutoInfo (the “Board”) (based upon a recommendation from a Special Committee of the Board that was established to review and evaluate potential strategic

transactions), has unanimously approved, adopted and declared advisable the Merger Agreement and the transactions contemplated thereunder, including the Merger and the consideration per share to be received by stockholders of AutoInfo, and determined that the terms of the Merger and the other transactions contemplated by the Merger Agreement, including the Merger, are advisable and fair to and in the best interests of AutoInfo and its stockholders, and the Board unanimously recommends that you vote “FOR” the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, and “FOR” the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger.

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires that we seek a non-binding advisory vote from our stockholders with respect to certain payments that will be made to AutoInfo’s executive officers in connection with the Merger. Accordingly, at the Special Meeting, you will also be asked to consider and vote upon a proposal to approve, solely on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo. For purposes of this proposal, change of control payments are any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to the proposed Merger pursuant to the employment agreements entered into with AutoInfo in February 2011. **The Board unanimously recommends that you vote “FOR” the proposal to approve, solely on a non-binding, advisory basis, the change of control payments that will be received by certain executive officers of AutoInfo in connection with the Merger under their existing employment agreements with AutoInfo.**

Whether or not you plan to attend the Special Meeting, please complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares in "street name," you should instruct your broker how to vote in accordance with the voting instruction form you will receive from your bank, broker or other nominee.

Your vote is very important, regardless of the number of shares of AutoInfo Common Stock you own. We cannot consummate the Merger unless the Merger Agreement is approved and adopted by the affirmative vote of the holders of a majority of the outstanding shares of AutoInfo Common Stock. Your failure to vote will have the same effect as a vote "AGAINST" the proposal to approve and adopt the Merger Agreement and the Merger. If you hold your shares in "street name," the failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote "AGAINST" the proposal to approve and adopt the Merger Agreement and the Merger.

If you have any questions or need assistance voting your shares of our Common Stock, please contact _____, our _____, by calling _____.

Thank you in advance for your continued support and your consideration of this matter.

Sincerely,

Harry Wachtel

Chairman of the Board and Chief Executive Officer

Boca Raton, Florida

AutoInfo, Inc.

6413 Congress Avenue

Suite #260

Boca Raton, FL 33487

Preliminary Proxy Statement—Subject to Completion

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TIME: 9:00 A.M., Eastern Time, on [**], 2013

PLACE: The Embassy Suites Hotel, 661 Northwest 53rd Street, Boca Raton, Florida 33487

ITEMS OF
BUSINESS:

Proposal #1: To consider and vote to approve and adopt the Agreement and Plan of Merger, dated as of February 28, 2013, by and among AutoInfo, Inc. (“AutoInfo”), AutoInfo Holdings, LLC (“Parent”) and AutoInfo Acquisition Corp., a wholly owned subsidiary of Parent (“Merger Sub”), as it may be amended from time to time (the “Merger Agreement”), and the Merger contemplated thereby (the “Merger”).

Proposal #2: To consider and vote to approve, solely on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo.

Proposal #3: To consider and vote upon a proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, if there are insufficient votes to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger,.

RECORD
DATE:

Only stockholders of record at the close of business on [**], 2013 are entitled to notice of, and to vote at, the Special Meeting. All stockholders of record are cordially invited to attend the Special Meeting in person.

PROXY
VOTING:

Your vote is very important, regardless of the number of shares of AutoInfo Common Stock you own. The Merger cannot be completed unless the Merger Agreement and the transactions contemplated thereunder, including the Merger, are adopted by the affirmative vote of the holders of a majority of the outstanding shares of the AutoInfo Common Stock entitled to vote thereon. Even if you plan to attend the

Edgar Filing: AUTOINFO INC - Form PREM14A

Special Meeting in person, we request that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying pre-paid reply envelope or submit your proxy by telephone or the Internet prior to the Special Meeting to ensure that your shares of AutoInfo Common Stock will be represented at the Special Meeting if you are unable to attend. If you fail to return your

proxy card and fail to submit your proxy by telephone or the Internet, your shares of AutoInfo Common Stock will not be counted for purposes of determining whether a quorum is present at the Special Meeting and will have the effect of a vote “**AGAINST**” the proposal to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger.

If you are a stockholder of record, voting by ballot at the Special Meeting will revoke any vote previously submitted whether by proxy, through the Internet or by telephone. If you hold your shares of AutoInfo Common Stock through a bank, broker, trustee or other nominee, you should follow the procedures provided by your bank, broker, trustee or other nominee in order to vote.

RECOMMENDATION: After careful consideration, the board of directors of AutoInfo (the “Board”) (based upon a recommendation from a Special Committee of the Board that was established to review and evaluate potential strategic transactions) has unanimously approved, adopted and declared advisable the Merger Agreement and the transactions contemplated thereunder, including the Merger, including the consideration per share to be received by stockholders of AutoInfo, and determined that the terms of the Merger and the other transactions contemplated by the Merger Agreement are advisable and fair to and in the best interests of AutoInfo and its stockholders, and the Board unanimously recommends that you vote “FOR” the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger and “FOR” the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger. **The Board recommends that you vote “FOR” approval of each of the Proposal #1, #2 and #3 set forth in this Notice of Special Meeting of AutoInfo Stockholders.**

ATTENDANCE: You are entitled to attend the Special Meeting only if you were a holder of AutoInfo Common Stock as of the close of business on [**], 2013, which we refer to as the record date, or hold a valid proxy for the Special Meeting. Since seating is limited, admission to the Special Meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a bank, broker, trustee or other nominee (i.e., in “street name”), you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to the record date, a copy of the voting instruction card provided by your bank, broker, trustee or other nominee, or similar evidence of ownership.

APPRAISAL RIGHTS: Stockholders of AutoInfo who do not vote in favor of or submit a proxy in favor of the proposal to adopt the Merger Agreement will have the right to seek appraisal of the fair value of their shares of AutoInfo Common Stock if they deliver a demand for appraisal before the vote is taken on the Merger Agreement and comply with all the requirements of Delaware law, which are summarized in the accompanying proxy statement and reproduced in their entirety in Annex D to the accompanying proxy statement, and the Merger is consummated.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PRE-PAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET.

By Order of the Board of Directors,

Harry Wachtel

Chairman of the Board and Chief Executive Officer

Boca Raton, Florida

TABLE OF CONTENTS

SUMMARY	1
Parties to the Merger	1
The Special Meeting	1
Time, Place and Purpose	1
Record Date and Quorum	2
Vote Required	2
Proxies and Revocation	2
The Merger	3
Merger Consideration	3
Reasons for the Merger; Recommendation of the Board of Directors	3
Opinion of Stephens Inc., Financial Advisor	4
Financing of the Merger	4
Comvest Guaranty	4
Interests of the Certain Persons in the Merger	4
Material U.S. Federal Income Tax Consequences of the Merger	6
Litigation Relating to the Merger	6
The Merger Agreement	6
Treatment of Common Stock and Options	6
No Solicitation of Takeover Proposals	7
Conditions to the Merger	7
Termination	7
Termination Fees	9
Expense Reimbursement	9
Appraisal Rights (Page [***])	9
Market Prices of AutoInfo Common Stock and Dividend Information	9
Delisting and Deregistration of AutoInfo Common Stock	9
QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING	10
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION	17
PARTIES TO THE MERGER	18
THE SPECIAL MEETING	19
Time, Place and Purpose of the Special Meeting	19
Record Date and Quorum	19
Attendance	19
Vote Required	20
Other Matters of Business	20
How to Vote	21
Revocation of Proxies	22
Adjournments and Postponements	22
Anticipated Date of Completion of the Merger	22

Rights of Stockholders Who Seek Appraisal	22
Questions and Additional Information	23
THE MERGER (PROPOSAL #1)	23
Merger Consideration	23
Background of the Merger	23
Reasons for the Merger; Recommendation of the Special Committee and the Board	31
Special Committee	31

Board of Directors	35
Opinion of Stephens, Financial Advisor	35
Fee Arrangements	42
Voting Agreement	42
Litigation Relating to the Merger	42
Financing of the Merger	43
Interests of Certain Persons in the Merger	43
Equity Compensation and Incentive Awards	43
Change of Control Payments	44
Employment Arrangements with the Surviving Corporation	44
Management Exchange and Rollover Agreement	45
Indemnification and Insurance	45
Special Committee Fees	46
Accounting Treatment	46
Material U.S. Federal Income Tax Consequences of the Merger	46
Exchange of Shares of AutoInfo Common Stock for Cash Pursuant to the Merger Agreement	47
Backup Withholding and Information Reporting	47
THE MERGER AGREEMENT	48
The Merger	48
Closing	48
Effective Time	48
Directors and Officers of Surviving Corporation	48
Organizational Documents of Surviving Corporation	48
Effect of the Merger on the Capital Stock of the Parties	49
Exchange and Payment Procedures	49
AutoInfo Stock Options	50
Representations and Warranties	50
Stockholders' Meeting	53
Conduct of Our Business Pending the Merger	53
No Solicitation of Takeover Proposals	55
Agreement to Use Reasonable Best Efforts	57
Indebtedness and AutoInfo Transaction Expenses	58
Other Covenants and Agreements	59
Public Announcements	59
Access to Information; Confidentiality	59
Notification of Certain Matters	59
Indemnification; Directors' and Officers' Insurance	59
Securityholder Litigation	60
Fees and Expenses	60
Conditions to the Merger	60
Termination	62
Effect of Termination	63
Termination Fees and Expense Reimbursement	63
AutoInfo Termination Fee	63
Parent Termination Fee	64
Expense Reimbursement	64
No Survival; Wachtel Indemnification	64
Amendment or Supplement	65

Specific Performance

65

ii

COMVEST GUARANTY	65
MANAGEMENT EXCHANGE AND ROLLOVER AGREEMENT	65
VOTING AGREEMENT	66
Agreement to Vote and Irrevocable Proxy	66
Transfer Restrictions	66
Termination	66
APPRAISAL RIGHTS	67
MARKET PRICES OF AUTOINFO'S COMMON STOCK AND DIVIDEND INFORMATION	71
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	72
DELISTING AND DEREGISTRATION OF AUTOINFO'S COMMON STOCK	73
PROPOSAL #2 - ADVISORY VOTE ON CHANGE OF CONTROL PAYMENTS	73
PROPOSAL #3 - ADJOURNMENT OF THE SPECIAL MEETING	74
OTHER MATTERS	74
STOCKHOLDER PROPOSALS	74
HOUSEHOLDING OF PROXY MATERIAL	75
WHERE YOU CAN FIND MORE INFORMATION	75

ANNEX A: AGREEMENT AND PLAN OF MERGER

ANNEX B: VOTING AGREEMENT

ANNEX C: OPINION OF STEPHENS INC.

ANNEX D: SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

SUMMARY

*The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its Annexes and the documents referred to in or incorporated by reference into this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under “Where You Can Find More Information” beginning on page [**] of this proxy statement.*

Parties to the Merger (Page [])**

AutoInfo, Inc., or AutoInfo, we, our or us, is a Delaware corporation headquartered in Boca Raton, Florida. We are a non-asset based transportation services company, providing transportation capacity and related transportation services to shippers throughout the United States and Canada. Unless the context otherwise requires, references to AutoInfo, we, our or us in this proxy statement include AutoInfo and its subsidiaries on a consolidated basis.

AutoInfo Holdings, LLC, or Parent, is a Delaware limited liability company and was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. Parent is a majority-owned subsidiary of Comvest Investment Partners IV, LP, one of the investment funds managed by Comvest Partners, a private equity firm with over \$1.3 billion of assets under management. Comvest Partners’ personnel include seasoned, senior level operating executives who partner with managers and owners of companies to operationally improve businesses and create long-term value. Since 2000, Comvest Partners has invested more than \$1.6 billion of capital in over 110 public and private companies. Under the terms of the Merger Agreement, upon consummation of the proposed Merger, AutoInfo will be a wholly-owned subsidiary of Parent.

AutoInfo Acquisition Corp., or Merger Sub, is a Delaware corporation that is a wholly-owned subsidiary of Parent and was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. Under the terms of the Merger Agreement, Merger Sub will merge with and into AutoInfo, with AutoInfo continuing as the surviving corporation and the separate corporate existence of Merger Sub shall thereupon cease.

In this proxy statement, we refer to the Agreement and Plan of Merger, dated as of February 28, 2013, as it may be further amended from time to time, by and among AutoInfo, Parent and Merger Sub, as the “Merger Agreement”, and the Merger of Merger Sub with and into AutoInfo as the “Merger”.

The Special Meeting (Page [*])**

Time, Place and Purpose (Page [])***

The Special Meeting will be held on [**], 2013, starting at 9:00 A.M. Eastern Time, at The Embassy Suites Hotel, 661 Northwest 53rd Street, Boca Raton, Florida 33487.

At the Special Meeting, holders of AutoInfo's common stock, par value \$0.001 per share ("AutoInfo Common Stock" or "Common Stock"), will be asked to approve and adopt the Merger Agreement and the Merger and approve the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the Merger. Further, stockholders will be asked to approve, solely on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo.

Record Date and Quorum (Page [*])**

You are entitled to receive notice of, and to vote at, the Special Meeting if you owned shares of AutoInfo Common Stock at the close of business on [**], 2013, which AutoInfo has set as the record date for the Special Meeting and which we refer to as the record date. You will have one vote for each share of AutoInfo Common Stock that you owned on the record date. As of the record date, there were _____ shares of AutoInfo Common Stock outstanding and entitled to vote at the Special Meeting. A majority of the shares of AutoInfo Common Stock outstanding at the close of business on the record date and entitled to vote at the meeting, present in person or represented by proxy at the Special Meeting constitutes a quorum for the purposes of the Special Meeting.

Vote Required (Page [*])**

Proposal #1: Approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger, requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of AutoInfo Common Stock.

Proposal #2: Approval, on a non-binding, advisory basis, of change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote thereon.

Proposal #3: Approval of the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, if there are insufficient votes to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote thereon.

On February 28, 2013, AutoInfo's officers and directors, in their capacity as stockholders, entered into a Voting Agreement with Parent with respect to 22.3% of the outstanding shares of AutoInfo Common Stock (the "Voting Agreement"). Under the Voting Agreement, such stockholders have agreed to vote in favor of the approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger, and against any proposal made in opposition to, or in connection with, the Merger and the transactions contemplated thereunder, including the Merger.

Proxies and Revocation (Page [*])**

Any stockholder of record entitled to vote at the Special Meeting may submit a proxy by telephone, over the Internet, or by returning the enclosed proxy card in the accompanying pre-paid reply envelope, or may vote in person at the Special Meeting. If your shares of AutoInfo Common Stock are held in “street name” by your bank, broker, trustee or other nominee you should instruct your bank, broker, trustee or other nominee on how to vote your shares of AutoInfo Common Stock using the instructions provided by your bank, broker, trustee or other nominee. If you fail to submit a proxy or vote in person at the Special Meeting, or abstain, or you do not provide your bank, broker, trustee or other nominee with instructions, as applicable, your shares of AutoInfo Common Stock will not be voted on the Merger proposal, which will have the same effect as a vote “**AGAINST**” approval of the proposal to approve and adopt the Merger Agreement and the Merger.

If you are a stockholder of record, you have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting at a later date through any of the methods available

to you, by giving written notice of revocation to our Corporate Secretary, which must be filed with the Corporate Secretary by the time the Special Meeting begins, or by voting by ballot at the Special Meeting. Attending the Special Meeting, by itself, is not enough to revoke a proxy. If you are a beneficial owner and wish to revoke your voting instructions you should follow the instructions provided by your bank, broker, trustee or other nominee.

The Merger (Page [*])**

The Merger Agreement provides that Merger Sub will merge with and into AutoInfo, with AutoInfo continuing as the surviving corporation and doing business following the Merger, and the separate corporate existence of Merger Sub shall thereupon cease. As a result of the Merger, AutoInfo will cease to be a publicly-traded company. If the Merger is completed, you will not own any shares of the capital stock of the surviving corporation. Assuming timely satisfaction of necessary closing conditions, we anticipate that the Merger will be completed in the second quarter of calendar 2013.

Merger Consideration (Page [])***

In the Merger, each outstanding share of AutoInfo Common Stock (except for certain shares held by AutoInfo, Parent or Merger Sub and shares held by stockholders who have properly exercised appraisal rights) will be converted into the right to receive \$1.05 in cash, without interest, which amount we refer to as the per share Merger consideration, less any applicable withholding taxes. At the effective time of the Merger, each outstanding option will become fully vested and will be cancelled and terminated and converted into the right to receive cash equal to the excess of the per share Merger consideration of \$1.05 over the per share exercise price under such option, less any applicable tax withholding.

Reasons for the Merger; Recommendation of the Board of Directors (Page [*])**

After careful consideration of various factors described in the section entitled “The Merger — Reasons for the Merger; Recommendation of the Board of Directors,” based upon a recommendation from a Special Committee of the Board that was established to review and evaluate potential strategic transactions (the “Special Committee”), the Board of Directors of AutoInfo (the “Board”) has unanimously approved the terms of the Merger Agreement and the transactions contemplated by the Merger Agreement (including the Merger), including the consideration per share to be received by stockholders of AutoInfo, and determined that the Merger Agreement and the transactions contemplated by the Merger Agreement (including the Merger) are advisable and fair to and in the best interests of AutoInfo and its stockholders, and the Board approved, and adopted the Merger Agreement and the Merger and unanimously recommends that you vote “FOR” the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, and “FOR” the proposal to adjourn the Special Meeting, if necessary or

appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger.

In considering the recommendation of the Board with respect to the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, you should be aware that certain of our directors and executive officers have interests in the Merger that are different from, or in addition to, your interests as a stockholder. The Board was aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and the Merger, and in recommending that the Merger Agreement and the transactions contemplated thereunder, including the Merger, be approved and adopted by the stockholders of AutoInfo. See the section entitled “The Merger — Interests of Certain Persons in the Merger” beginning on page [**] of this proxy statement.

The Board believes that the Merger is advisable and fair to and in the best interests of AutoInfo and its stockholders and recommends that the stockholders approve and adopt the Merger Agreement and the transactions

contemplated thereunder, including the Merger. **The Board recommends that you vote “FOR” the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.**

Opinion of Stephens Inc., Financial Advisor (Page [*])**

The Board received a written opinion, dated February 28, 2013, from AutoInfo’s financial advisor, Stephens Inc. (“Stephens”), to the effect that, as of that date and based upon and subject to the assumptions, procedures, factors, limitations and qualifications stated in its written opinion, the \$1.05 per share cash consideration to be received by AutoInfo’s stockholders was fair, from a financial point of view, to the stockholders. The full text of Stephens’ written opinion, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion is attached as Annex C to this proxy statement.

Stephens provided the written opinion for the information and assistance of the Special Committee and the Board in connection with its consideration of the approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger. Stephens did not recommend the amount or form of consideration payable pursuant to the Merger Agreement. Stephens’ opinion does not address the merits of the underlying decision by AutoInfo to enter into the Merger Agreement, the merits of the Merger as compared to other alternatives potentially available to AutoInfo or the relative effects of any alternative transaction in which AutoInfo might engage, nor is it intended to be a recommendation to any person as to how to vote on the proposal to adopt the Merger Agreement.

Financing of the Merger (Page [*])**

We anticipate that the total amount of funds necessary to complete the Merger will be approximately \$60.2 million, in the aggregate, comprised of:

- approximately \$38.9 million to pay our stockholders (and holders of options) the amounts due to them under the Merger Agreement;
- approximately \$14.2 million to retire debt in connections with the transactions contemplated by the Merger Agreement; and
- approximately (i) \$4.7 million of AutoInfo transaction fees and expenses, including change of control payments, and (ii) \$2.4 million for other miscellaneous fees and expenses.

These payments are expected to be funded by Parent from its cash on hand and committed availability under its credit facilities.

Comvest Guaranty (Page [*])**

As a condition to AutoInfo entering into the Merger Agreement, Comvest Investment Partners IV, L.P., a majority equity holder of Parent, entered into a limited guaranty pursuant to which it guaranteed any and all obligations owing by Parent and Merger Sub to AutoInfo under the Merger Agreement.

Interests of the Certain Persons in the Merger (Page [*])**

In considering the recommendation of the Special Committee, you should be aware that certain executive officers and directors of AutoInfo have interests in the transaction that are different from, or are in addition to, your interests as a stockholder. The Special Committee was aware of these actual and potential conflicts of interest and

considered them along with other matters when it determined to recommend the Merger. These interests are described in more detail under "Interests of Certain Persons in the Merger" beginning on page [**] of this proxy statement. These differing interests include the following:

As a condition to Parent entering into the Merger Agreement, on February 28, 2013, Harry Wachtel, AutoInfo's Chief Executive Officer and a director, Michael P. Williams, AutoInfo's President, and Mark Weiss, AutoInfo's Executive Vice President and a director, who we collectively refer to as the "Management Participants", entered into an Exchange and Rollover Agreement (the "Rollover Agreement") whereby: (i) Mr. Wachtel and Mr. Weiss will contribute shares of AutoInfo's common stock in exchange for equity interests of Parent; and (ii) Mr. Williams will forego and forfeit cash payable to him in connection with the Merger on account of options to purchase common stock that were previously granted to him in exchange for profit interest units of Parent. Pursuant to the terms of the Rollover Agreement, the Management Participants will acquire an indirect ownership interest in AutoInfo upon the closing of the Merger and, as a result, the Management Participants will have a continuing interest in the profits and losses of AutoInfo after the Merger. The Management Participants will not, however, hold more than 5% of the outstanding limited liability company interests in Parent after the Merger. The equity interests of Parent to be issued to Mr. Wachtel and Mr. Weiss and the profits interests units of Parent to be issued to Mr. Williams, in each case pursuant to the Rollover Agreement, shall be subject to Parent's Limited Liability Company Agreement (the "LLC Agreement"), which includes standard and customary transfer restrictions and buy/sell provisions.

As a condition to Parent entering into the Merger Agreement, on February 28, 2013, Mr. Wachtel and Mr. Williams entered into amended and restated employment agreements with AutoInfo that will become effective upon the closing of the Merger. Mr. Wachtel's employment agreement provides for his part-time services as Chairman of the Board of AutoInfo for a two-year term of employment, as well as for severance benefits in the event he is terminated for certain reasons. Mr. Williams's employment agreement provides for his full-time services as the Chief Executive Officer of AutoInfo, as well as for severance benefits in the event he is terminated for certain reasons. Under the amended and restated employment agreements, the responsibilities of the respective employees vary from their current responsibilities. Upon the closing of the Merger, the amended and restated employment agreements will replace and supersede the current employment agreement between AutoInfo and each of Mr. Wachtel and Mr. Williams.

- We have agreed to reimburse the Management Participants in the aggregate amount of \$30,000 for fees and expenses of legal counsel they incurred to represent them in connection with the negotiation of the Rollover Agreement and their new employment agreements.
- AutoInfo's existing employment agreements with each of Mr. Wachtel, Mr. Williams and William I. Wunderlich, our executive vice president and chief financial officer, provide that, in the event of a change of control, which the closing of the Merger will constitute, Messrs. Wachtel, Williams and Wunderlich shall each receive a lump-sum cash payment equal to one and one-half times his respective base salary plus one and one-half times his average annual bonus for the prior two years. Assuming that the Merger is consummated in the second quarter of 2013 as contemplated, Messrs. Wachtel, Williams and Wunderlich will be entitled to change of control payments in the amount of \$1,060,000, \$694,000 and \$947,000, respectively.

Mr. Wachtel has agreed to enter into an indemnification agreement with Parent and Merger Sub for breaches of AutoInfo's representations and warranties under the Merger Agreement, whereby \$500,000 of Parent's equity interests to be issued to Mr. Wachtel pursuant to the Rollover Agreement would be held in escrow and Mr. Wachtel would be responsible for 50% of any damages incurred by Parent and Merger Sub arising from breaches of AutoInfo's representations and warranties under the Merger Agreement, subject to a \$100,000 deductible and an indemnity cap of \$500,000, any of which claims can be satisfied (at the election of Mr. Wachtel) in cash or set off against such equity interests (the "Indemnification Agreement").

- Directors and officers own options to purchase shares of AutoInfo Common Stock. Pursuant to the Merger Agreement, at the effective time of the Merger, each outstanding option will become fully vested and will be cancelled and terminated and converted into the right to receive cash equal to the excess of the per share Merger consideration of \$1.05 over the per share exercise price under such

option, multiplied by the number of shares subject to the option, less any applicable tax withholding. Upon the closing of the Merger, directors and officers will receive approximately \$450,000 with respect to the accelerated vesting of options.

- Each member of the Special Committee received a fee in the amount of \$8,000 for such member's services on the Special Committee. In addition, Mark K. Patterson received an incremental fee of \$12,000 for serving as chairperson of the Special Committee.

- The Merger Agreement provides that Parent will indemnify each present and former director, officer, employee or agent of AutoInfo to the fullest extent provided in AutoInfo's certificate of incorporation, bylaws, or any indemnification agreements in effect as of the date of the Merger Agreement and the Delaware General Corporation Law (the "DGCL"). In addition, Parent will maintain AutoInfo's directors' and officers' liability insurance policy (or a substantially similar policy) relating to acts or omissions occurring prior to the Merger for at least six years following the completion of the Merger.

Material U.S. Federal Income Tax Consequences of the Merger (Page [*])**

The exchange of shares of AutoInfo Common Stock for cash in the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder whose shares of AutoInfo Common Stock are converted into the right to receive cash in the Merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received with respect to such shares (determined before the deduction of any applicable withholding taxes) and the U.S. holder's adjusted tax basis in such shares. Backup withholding of tax may apply to cash payments to which a non-corporate U.S. holder is entitled under the Merger Agreement, unless the U.S. holder or other payee provides a taxpayer Identification number, certifies that such number is correct, and otherwise complies with the backup withholding rules. You should read the section entitled "The Merger — Material U.S. Federal Income Tax Consequences of the Merger" beginning on page [**] of this proxy statement for the definition of "U.S. holder" and a more detailed discussion of the U.S. federal income tax consequences of the Merger. Because individual circumstances may differ, you should also consult your tax advisor regarding the particular effects of the Merger on your federal, state, local and/or foreign taxes.

Litigation Relating to the Merger (Page [*])**

To AutoInfo's knowledge, there is no pending litigation involving the Merger.

The Merger Agreement (Page [*])**

Treatment of Common Stock and Options [*]**

Common Stock. At the effective time of the Merger, each share of AutoInfo Common Stock issued and outstanding (except for shares of AutoInfo Common Stock held by AutoInfo, Parent or Merger Sub, and shares held by stockholders of AutoInfo who have properly exercised their respective appraisal rights) will convert into the right to receive the per share Merger consideration of \$1.05 in cash, without interest, less any applicable withholding taxes.

Options. At the effective time of the Merger, each outstanding option will become fully vested and will be cancelled and terminated and converted into the right to receive cash equal to the excess of the per share Merger consideration of \$1.05 over the per share exercise price under such option, multiplied by the number of shares subject to such option, less any applicable tax withholding.

No Solicitation of Takeover Proposals (Page [*])**

From and after February 28, 2013, we are not permitted to: (i) solicit, initiate, willfully or intentionally cause, willfully or intentionally facilitate or willfully or intentionally encourage (including by way of furnishing information) any inquiries, proposals, offers or other efforts or attempts that constitute, or may reasonably be expected to lead to, any takeover proposal; (ii) participate in any discussions or negotiations with respect to a takeover proposal; or (iii) enter into any agreement related to a takeover proposal. Notwithstanding these restrictions, under certain circumstances, we may, from and after February 28, 2013, and prior to the time our stockholders adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, if the Board receives an unsolicited, bona fide written takeover proposal and the Board (upon receipt of a recommendation by the Special Committee) reasonably determines in good faith that such takeover proposal constitutes or would reasonably be expected to lead to a superior proposal and with respect to which the Board determines in good faith, after consulting with and receiving the advice of outside counsel and its independent financial advisors, that the taking of such action is necessary in order for the Board to comply with its fiduciary duties to our stockholders under Delaware law, then we may, at any time prior to obtaining stockholder approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger, and after providing Parent not less than twenty four hours written notice of its intention to take such actions, furnish information to the party making such takeover proposal pursuant to a confidentiality agreement (which confidentiality agreement must be no less favorable to us than the confidentiality agreement between Parent and us, and shall not include any provision for an exclusive right to negotiate with us, and must provide that any non-public information exchanged between such person and us with respect to any takeover proposal, be disclosed to Parent) and participate in discussions and negotiations with respect to such takeover proposal.

See “The Merger Agreement — No Solicitation of Takeover Proposals” beginning on page [**] of this proxy statement and see “The Merger Agreement — Termination Fees” beginning on page [**] of this proxy statement.

Conditions to the Merger (Page [*])**

The respective obligations of AutoInfo, Parent and Merger Sub to consummate the Merger are subject to the satisfaction or waiver of certain customary conditions, including: (i) the adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger, by our stockholders; (ii) there not being any temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any governmental authority or other law, rule, legal restraint or prohibition in effect preventing, restraining or rendering illegal the consummation of the Merger (each a “Restraint”); (iii) the accuracy of the representations and warranties of the parties; (iv) compliance by the parties with their respective obligations under the Merger Agreement; (v) the receipt of required consents; (vi) there not having occurred a material adverse effect with respect to AutoInfo; (vii) the receipt of written resignation letters from each of the members of the Board; (viii) stockholders holding no more than 5% of the shares of AutoInfo Common Stock having exercised appraisal rights under the DGCL; (ix) the execution and delivery of a flow of funds agreement; and (x) the consummation of the transactions contemplated by the Rollover Agreement.

Termination (Page [***])

We and Parent may, by mutual written consent, terminate the Merger Agreement and abandon the Merger at any time prior to the effective time of the Merger.

The Merger Agreement may also be terminated and the Merger abandoned at any time prior to the effective time of the Merger as follows:

by either AutoInfo or Parent, if:

the Merger has not been consummated on or before August 27, 2013 (but this right to terminate will

not be available to a party if the failure to consummate the Merger on or before August 27, 2013 was primarily due to the failure of such party to perform in any material respects any of its obligations under the Merger Agreement);

a Restraint is in effect and has become final and nonappealable (but this right to terminate will not be available to a party if the issuance of a restraint was primarily due to the failure of a party to perform its obligations under the Merger Agreement); or

our stockholders' meeting has been held and completed and our stockholders have not adopted the Merger Agreement and the transactions contemplated thereunder, including the Merger, at such meeting or any adjournment or postponement of such meeting.

by Parent, if:

we shall have breached or failed to perform in any material respects any of our covenants or agreements set forth in the Merger Agreement or if any of our representations or warranties set forth in the Merger Agreement shall fail to be materially true, which breach or failure to perform (i) would give rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (ii) cannot be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure;

a material adverse effect shall have occurred with respect to the business, properties, assets, liabilities (contingent or otherwise), operation, condition (financial or otherwise), or results of operations of AutoInfo and its subsidiaries, taken as a whole, and cannot be cured by AutoInfo within thirty days following receipt of written notice from Parent of such material adverse effect; or

at any time prior to the adoption of the Merger Agreement by our stockholders, the Board has failed to recommend against any takeover proposal or failed to reaffirm the Board's recommendation at least five days prior to the Special Meeting after receipt of a written request from Parent if such request is made following a takeover proposal with respect to AutoInfo; or

there are any actions, lawsuits, litigations, arbitrations, or claims against AutoInfo or any of its subsidiaries that (i) are not related to the Merger or our business operations, (ii) are materially adverse to AutoInfo and its subsidiaries, taken as a whole, and (iii) are not resolved on or before the earlier of (a) sixty days of the commencement of such action, lawsuit, litigation, arbitration, or claim, or (b) August 27, 2013.

by AutoInfo, if:

Parent or Merger Sub shall have breached or failed to perform in any material respects any of its covenants or agreements set forth in the Merger Agreement or if any of its representations or warranties set forth in the Merger Agreement shall fail to be materially true, which breach or failure to perform (i) would give rise to a failure of a condition to AutoInfo's obligation to close the Merger, and (ii) cannot be cured by Parent within thirty days following

receipt of written notice from Parent of such breach or failure; or

at any time prior to the adoption of the Merger Agreement by our stockholders, in order to concurrently enter into an agreement with respect to a superior proposal that constitutes a superior proposal, if (i) AutoInfo has complied with its obligations described in the section entitled “The Merger Agreement — No Solicitation of Takeover Proposals” beginning on page [**] of this proxy statement and (ii) prior to or concurrently with such termination, we pay Parent the termination fee and expense reimbursement discussed in the section entitled “The Merger Agreement — Termination Fees” beginning on page [**] of this proxy statement.

Termination Fees (Page [])***

If the Merger Agreement is terminated in certain circumstances described under “The Merger Agreement — Termination” beginning on page [**] of this proxy statement, AutoInfo will be obligated to pay to Parent a termination fee of \$1.5 million.

Expense Reimbursement (Page [])***

If the Merger Agreement is terminated in certain circumstances described under “The Merger Agreement — Termination” beginning on page [**] of this proxy statement, AutoInfo will be obligated to reimburse Parent for cost and expenses incurred in connection with the proposed transaction up to \$1.25 million.

Appraisal Rights (Page [])***

You are entitled to appraisal rights under the DGCL in connection with the Merger, provided that you meet all of the conditions set forth in Section 262 of the DGCL. If you meet all conditions required to make a proper demand for appraisal rights, you are entitled to have the fair value of your shares of AutoInfo Common Stock determined by the Delaware Court of Chancery and to receive cash payment based on that valuation instead of receiving the per share Merger consideration provided under the Merger Agreement. The ultimate amount you receive in an appraisal proceeding may be less than, equal to, or more than the amount you would have received under the Merger Agreement.

To exercise your appraisal rights, you must, among other things, submit a written demand for appraisal to AutoInfo before the vote is taken on the Merger Agreement and you must not submit a proxy or otherwise vote in favor of the proposal to adopt the Merger Agreement. Your failure to follow exactly the procedures specified under the DGCL will result in the loss of your appraisal rights. See “Appraisal Rights” beginning on page [**] of this proxy statement and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex D to this proxy statement. If you hold your shares of AutoInfo Common Stock through a bank, broker, trustee or other nominee and you wish to exercise appraisal rights, you should consult with your bank, broker, trustee or other nominee to determine the appropriate procedures for the making of a demand for appraisal by the bank, broker, trustee or other nominee. In view of the complexity of the procedures specified under the DGCL, stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors promptly.

Market Prices of AutoInfo Common Stock and Dividend Information (Page [])***

The closing price of AutoInfo Common Stock on the Nasdaq Over-the-Counter Bulletin Board (“OTCBB”) on February 28, 2013, the last trading day prior to the public announcement of the execution of the Merger Agreement, was \$0.98 per share. On [**], 2013, the most recent practicable date before this proxy statement was mailed to our stockholders, the closing price for AutoInfo Common Stock on the OTCBB was \$_____ per share. You are encouraged to obtain current market quotations for Common Stock in connection with voting your shares of AutoInfo Common Stock. We have never declared or paid cash dividends on our Common Stock and the terms of the Merger Agreement provide that, from the date of the Merger Agreement until the effective time of the Merger, we may not declare, set aside or pay any dividends on shares of our Common Stock.

Delisting and Deregistration of AutoInfo Common Stock (Page [*])**

If the Merger is completed, you will no longer be a stockholder of AutoInfo, and AutoInfo Common Stock will no longer be quoted on the OTCBB and it will be deregistered under the Securities Exchange Act of 1934, as amended,

(the “Exchange Act”). As such, we would no longer file periodic reports with the Securities and Exchange Commission (the “SEC”) on account of AutoInfo Common Stock.

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

*The following questions and answers are intended to address briefly some commonly asked questions regarding the Merger, the Merger Agreement and the Special Meeting. These questions and answers may not address all questions that may be important to you as an AutoInfo stockholder. Please refer to the “Summary” and the more detailed information contained elsewhere in this proxy statement, the Annexes to this proxy statement and the documents referred to in this proxy statement, which you should read carefully. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under “Where You Can Find More Information” beginning on page [**] of this proxy statement.*

Q: What is the proposed transaction and what effects will it have on AutoInfo?

The proposed transaction is the acquisition of AutoInfo by Parent pursuant to the Merger Agreement. If the proposal to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, is approved by our stockholders and the other closing conditions under the Merger Agreement have been satisfied or waived, Merger Sub will merge with and into AutoInfo, with AutoInfo continuing as the surviving corporation, and A: the separate corporate existence of Merger Sub shall thereupon cease. As a result of the Merger, AutoInfo will become a subsidiary of Parent and will no longer be a publicly-traded corporation, AutoInfo Common Stock will be delisted from the OTCBB and deregistered under the Exchange Act, we will no longer file periodic reports with the SEC on account of AutoInfo Common Stock, and you will no longer have any interest in our future earnings or growth.

Q: What will I receive if the Merger is completed?

Upon completion of the Merger, you will be entitled to receive the per share Merger consideration of \$1.05 in cash, without interest, less any applicable withholding taxes, for each share of AutoInfo Common Stock that you own, A: unless you have properly exercised and not withdrawn your appraisal rights under the DGCL with respect to such shares. For example, if you own 100 shares of AutoInfo Common Stock, you will receive \$105.00 in cash in exchange for your shares of AutoInfo Common Stock, less any applicable withholding taxes.

Q: Will I own any shares of AutoInfo Common Stock or Parent Common Stock after the Merger?

A: No. You will be paid cash for your shares of AutoInfo Common Stock. Our stockholders will not have the option to receive equity interests of Parent in exchange for their shares instead of cash (other than Mr. Wachtel, Mr.

Williams and Mr. Weiss pursuant to the Rollover Agreement).

Q: How does the per share Merger consideration compare to the market price of AutoInfo Common Stock prior to announcement of the Merger?

A: The per share Merger consideration represents a premium of approximately 7% to the closing price of AutoInfo Common Stock on February 28, 2013, the last trading day prior to the public announcement of the Merger Agreement, and a premium of approximately 22% to the average price for the six month period preceding February 28, 2013.

Q: How does the Board recommend that I vote in connection with Proposal #1?

A: The Board unanimously recommends that you vote “**FOR**” approval of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger and “**FOR**” approval of

the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger.

Q: What was the role of the Special Committee?

A: The Board determined that it was advisable and in the best interests of AutoInfo and its stockholders to form the Special Committee, consisting solely of non-employee, independent directors, for the purpose of directing a full review of strategic alternatives for AutoInfo. The Board appointed each of Mr. Patterson, Thomas C. Robertson and Peter C. Einselen as members of the Special Committee. Mr. Patterson served as chairperson of the Special Committee. The Special Committee was delegated full power and authority to: (i) review and evaluate the terms and conditions, and determine the advisability, of a potential Merger of AutoInfo; (ii) participate, directly or through their or AutoInfo's advisors, in negotiations with potentially interested parties of the terms and conditions of a Merger; and (iii) recommend to the Board whether a Merger should be approved or disapproved and any other action that should be taken by AutoInfo in respect to a Merger transaction. In connection with the approval of the Merger Agreement, the Board determined to preserve the Special Committee and maintain its previously delegated power and authority so that it could: (i) consider, evaluate and negotiate the terms and conditions of any alternative transaction; and (ii) recommend, if appropriate, any alternative transaction to the Board as being in the best interests of AutoInfo and its stockholders. See the section entitled "The Merger – Background of the Merger beginning on page [**] of this proxy statement.

Q: When do you expect the Merger to be completed?

A: We are working towards completing the Merger as soon as possible. Assuming timely satisfaction of closing conditions, we anticipate that the Merger will be completed in the second quarter of calendar 2013. If our stockholders vote to approve the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Merger will become effective as promptly as practicable following the satisfaction or waiver of the other conditions to the Merger. See the sections entitled "The Merger Agreement — Closing" and "The Merger Agreement — Effective Time" beginning on page [**] of this proxy statement.

Q: What happens if the Merger is not completed?

A: If the Merger Agreement is not adopted by the stockholders of AutoInfo or if the Merger is not completed for any other reason, the stockholders of AutoInfo will not receive any payment for their shares of AutoInfo Common Stock in connection with the Merger. Instead, AutoInfo will remain an independent public company and AutoInfo Common Stock will continue to be quoted on the OTCBB. Under specified circumstances, AutoInfo may be required to pay to or receive from Parent a fee with respect to the termination of the Merger Agreement, as described under "The Merger Agreement - Termination Fees" beginning on page [**] of this proxy statement.

Q: Is the Merger expected to be taxable to me?

A: Yes. The exchange of shares of AutoInfo Common Stock for cash pursuant to the Merger generally will be a taxable transaction to U.S. holders (as defined in “The Merger — Material U.S. Federal Income Tax Consequences of the Merger” beginning on page [**] of this proxy statement) for U.S. federal income tax purposes. If you are a U.S. holder and you exchange your shares of AutoInfo Common Stock in the Merger, you will generally recognize gain or loss in an amount equal to the difference, if any, between the cash payments made pursuant to the Merger and your adjusted tax basis in your shares of AutoInfo Common Stock. Backup withholding may also apply to the cash payments made pursuant to the Merger unless the U.S. holder or other payee provides a taxpayer identification number, certifies that such number is correct and otherwise complies with the backup withholding rules. You should read “The Merger — Material U.S. Federal Income Tax Consequences of the Merger” beginning on page [**] of this proxy statement for a more detailed discussion of the U.S. federal income tax consequences of the Merger. You should also consult your tax advisor for a complete analysis of the effect of the Merger on your federal, state and local and/or foreign taxes.

Q: Do any of AutoInfo's directors or officers have interests in the Merger that may differ from or be in addition to my interests as a stockholder?

A: Yes. In considering the recommendation of the Board with respect to the Merger Agreement and the Merger, you should be aware that certain of AutoInfo's directors and executive officers have interests in the Merger that are different from, or in addition to, the interests of our stockholders generally. The Special Committee and the Board were aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and the Merger, and in recommending that the Merger Agreement and the transactions contemplated thereunder, including the Merger, be adopted by the stockholders of AutoInfo. See "The Merger — Interests of Certain Persons in the Merger" beginning on page [**] of this proxy statement.

Q: What happens to AutoInfo stock options in the Merger?

A: Upon the consummation of the Merger, all outstanding options to acquire AutoInfo Common Stock will accelerate and vest in full and will then be cancelled. In consideration for the cancellation of the options, the holder of any such option will receive an amount equal to the number of shares of AutoInfo Common Stock underlying the option multiplied by the amount (if any) by which \$1.05 exceeds the exercise price for each share of AutoInfo Common Stock underlying the options, without interest and less any applicable withholding taxes. If the exercise price of the option is equal to or exceeds \$1.05, the holder of such option will not be entitled to any payment in connection with the cancellation thereof.

Q: Why am I receiving this proxy statement and proxy card or voting instruction form?

A: You are receiving this proxy statement and proxy card or voting instruction form because you own shares of AutoInfo Common Stock as of [**], 2013, the record date for the Special Meeting. This proxy statement describes matters on which we urge you to vote and is intended to assist you in deciding how to vote your shares of AutoInfo Common Stock with respect to such matters.

Q: When and where is the Special Meeting?

A: The Special Meeting of stockholders of AutoInfo will be held on [**], 2013 at 9:00 A.M. Eastern Time, at The Embassy Suites Hotel, 661 Northwest 53rd Street, Boca Raton, Florida 33487.

Q: What am I being asked to vote on at the Special Meeting?

A: You are being asked to consider and vote on the following proposals:

Proposal 1: Approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.

Proposal 2: Approval, on a non-binding, advisory basis, of change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo.

Proposal 3: Approval of the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger if there are insufficient votes to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger.

Q: Why is AutoInfo asking that its stockholders approve, on an advisory non-binding basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger?

Rules adopted by the SEC require that AutoInfo provides its stockholders with the opportunity to vote to approve, on an advisory non-binding basis, change of control payments that certain executive officers of AutoInfo will receive upon the consummation of the Merger. The approval of these change of control payments is not a condition to completion of the Merger and the vote with respect to this proposal is advisory only. Accordingly, the vote will not be binding on AutoInfo or the Board.

Q: What vote is required to approve each proposal?

Proposal #1: Approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger, requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of AutoInfo Common Stock.

Proposal #2: Approval, on a non-binding, advisory basis, of change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote thereon.

Proposal #3: Approval of the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger if there are insufficient votes to approve, adopt and ratify the Merger Agreement and the transactions contemplated thereunder, including the Merger, requires the affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote thereon.

Q: Who can vote at the Special Meeting?

All of our holders of AutoInfo Common Stock of record as of the close of business on [**], 2013, the record date for the Special Meeting, are entitled to receive notice of, and to vote at, the Special Meeting. Each holder of AutoInfo Common Stock is entitled to cast one vote on each matter properly brought before the Special Meeting for each share of AutoInfo Common Stock that such holder owned as of the record date.

Q: What is a quorum?

A majority of the shares of AutoInfo Common Stock outstanding at the close of business on the record date and entitled to vote at the meeting, present in person or represented by proxy, at the Special Meeting constitutes a quorum for the purposes of the Special Meeting. An abstention, but not a broker non-vote, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the Special Meeting.

Q: How do I vote?

A: If you are a stockholder of record as of the record date, you may have your shares of AutoInfo Common Stock voted on matters presented at the Special Meeting in any of the following ways:

- in person — you may attend the Special Meeting and cast your vote there;
- by proxy — stockholders of record can choose to vote by proxy by signing and dating the proxy card you receive and returning it in the accompanying pre-paid reply envelope;
- over the Internet — the website for Internet voting is identified on your proxy card; or

by using a toll-free telephone number noted on your proxy card.

If you are a beneficial owner, please refer to the instructions provided by your bank, broker, trustee or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the Special Meeting, you must provide a legal proxy from your bank, broker, trustee or other nominee.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of AutoInfo Common Stock, and to confirm that your voting instructions have been properly recorded, when voting over the Internet or by telephone. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Even if you plan to attend the Special Meeting, we request that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying pre-paid reply envelope or submit your proxy by telephone or the Internet prior to the Special Meeting to ensure that your shares of AutoInfo Common Stock will be represented at the Special Meeting if you are unable to attend.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares of AutoInfo Common Stock are registered directly in your name with our transfer agent, American Stock Transfer, you are considered, with respect to those shares of AutoInfo Common Stock, the “stockholder of record.” This proxy statement and your proxy card have been sent directly to you by AutoInfo.

A: If your shares of AutoInfo Common Stock are held through a bank, broker, trustee or other nominee, you are considered the “beneficial owner” of shares of AutoInfo Common Stock held in “street name.” In that case, this proxy statement has been forwarded to you by your bank, broker, trustee or other nominee who is considered, with respect to those shares of AutoInfo Common Stock, the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee how to vote your shares of AutoInfo Common Stock by following their instructions for voting.

Q: If my shares of AutoInfo Common Stock are held in “street name” by my bank, broker, trustee or other nominee, will my bank, broker, trustee or other nominee vote my shares of AutoInfo Common Stock for me?

Your bank, broker, trustee or other nominee will only be permitted to vote your shares of AutoInfo Common Stock if you instruct your bank, broker, trustee or other nominee how to vote. You should follow the procedures provided by your bank, broker, trustee or other nominee regarding the voting of your shares of AutoInfo Common Stock. If you do not instruct your bank, broker, trustee or other nominee to vote your shares of AutoInfo Common Stock, your shares of AutoInfo Common Stock will not be voted and the effect will be the same as a vote “**AGAINST**” approval of the proposal to adopt the Merger Agreement, and your shares of AutoInfo Common Stock will not have an effect on the proposal to adjourn the Special Meeting or the advisory non-binding proposal relating to the change of control payments, regardless of whether or not a quorum is present.

Q: How can I change or revoke my vote?

If you are a stockholder of record, you have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by giving written notice of revocation to our Corporate Secretary, which must be filed with the A: Corporate Secretary by the time the Special Meeting begins, or by voting by ballot at the Special Meeting. Attending the Special Meeting, by itself, is not enough to revoke a proxy. If you are a beneficial owner and wish to revoke your voting instructions, you should follow the instructions provided by your bank, broker, trustee or other nominee.

Q: What is a proxy?

A proxy is your legal designation of another person, referred to as a “proxy,” to vote your shares of stock. The written document describing the matters to be considered and voted on at the Special Meeting is called a “proxy statement.”
A: The document used to designate a proxy to vote your shares of stock is called a “proxy card.” The Board has designated Mr. Wachtel and Mr. Wunderlich, and each of them, with full power of substitution, as proxies for the Special Meeting.

Q: If a stockholder gives a proxy, how are the shares of AutoInfo Common Stock voted?

Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, or your proxies, will vote your shares of AutoInfo Common Stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify that your shares of AutoInfo Common Stock be voted for or against, or abstain from voting on, all, some or none of the specific items of business to come before the Special Meeting.

A:

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted “**FOR**” approval of the proposal to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, and “**FOR**” approval of the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposal to adopt the Merger Agreement.

Q: What happens if I fail to vote or I abstain from voting?

A: If you do not vote, it will be more difficult for us to obtain the vote necessary to adopt the Merger Agreement and approve the transactions contemplated by the Merger Agreement.

You may vote “FOR,” “AGAINST” or “ABSTAIN” on each of the proposals. An abstention, but not a broker non-vote, will be counted for purposes of determining a quorum. However, if you are the stockholder of record, and you fail to vote by proxy or by ballot at the Special Meeting, your shares will not be counted for purposes of determining a quorum. Abstentions, failures to submit a proxy card or vote in person and broker non-votes will be treated in the following manner with respect to determining the votes received for each of the proposals:

an abstention, failure to submit a proxy card or vote in person or a broker non-vote will be treated as a vote “AGAINST” Proposal #1;

an abstention will be treated as a vote “AGAINST” Proposal #2 and a failure to submit a proxy card or vote in person will have no effect on Proposal #2; and

an abstention will be treated as a vote “AGAINST” Proposal #3 and a failure to submit a proxy card or vote in person will have no effect on Proposal #3.

Q: Who will count the votes?

A: A representative of our transfer agent, American Stock Transfer, will count the votes and act as an inspector of election.

Q: What do I do if I receive more than one proxy or set of voting instructions?

If you hold shares of AutoInfo Common Stock in “street name” through a bank, broker, trustee or other nominee and also directly as a record holder or otherwise, you may receive more than one proxy and/or set of voting instructions relating to the Special Meeting.

These should each be voted and/or returned separately in accordance with the instructions provided in this proxy statement in order to ensure that all of your shares of AutoInfo Common Stock are voted.

Q: What happens if I sell my shares of AutoInfo Common Stock before the Special Meeting?

The record date for stockholders entitled to vote at the Special Meeting is earlier than the date of the Special Meeting and the consummation of the Merger. If you transfer your shares of AutoInfo Common Stock after the record date but before the Special Meeting, you will, unless special arrangements are made, retain your right to vote at the Special Meeting but will transfer the right to receive the Merger consideration to the person to whom you transfer your shares.

Q: What happens if I have lost my stock certificate(s)?

You will be sent a letter of transmittal promptly after completion of the Merger describing the procedures that you must follow if you cannot locate your stock certificate(s). This will include an affidavit that you will need to sign attesting to the loss of your certificate. You may also be required to provide a bond in order to cover any potential loss.

Q: Who will solicit and pay the cost of soliciting proxies?

Our directors, officers and employees may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies. We will reimburse banks, brokers, trustees, nominees and other fiduciaries representing beneficial owners of shares of AutoInfo Common Stock for their expenses in forwarding soliciting materials to beneficial owners of AutoInfo Common Stock and in obtaining voting instructions from those owners.

Q: What do I need to do now?

Even if you plan to attend the Special Meeting, after carefully reading and considering the information contained in this proxy statement, including the attached Annexes, please vote promptly to ensure that your shares are represented at the Special Meeting. If you hold your shares of AutoInfo Common Stock in your own name as the stockholder of record, please vote your shares of AutoInfo Common Stock by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-paid reply envelope, using the telephone number printed on your proxy card, or using the Internet voting instructions printed on your proxy card. If you decide to attend the Special Meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you are a beneficial owner, please refer to the instructions provided by your bank, broker, trustee or other nominee to see which of the above choices are available to you.

Q: Should I send in my stock certificates now?

No. You will be sent a letter of transmittal promptly after the completion of the Merger describing how you may exchange your shares of AutoInfo Common Stock for the per share Merger consideration. If your shares of AutoInfo Common Stock are held in “street name” by your bank, broker, trustee or other nominee, you will receive instructions from your bank, broker, trustee or other nominee as to how to effect the surrender of your “street name” shares of AutoInfo Common Stock in exchange for the per share Merger consideration. **Please do NOT return your stock certificate(s) with your proxy.**

Q: Am I entitled to exercise appraisal rights under the DGCL instead of receiving the per share Merger consideration for my shares of AutoInfo Common Stock?

Yes, provided that you comply with all applicable requirements and procedures. As a holder of shares of AutoInfo Common Stock, you are entitled to appraisal rights under the DGCL in connection with the Merger if you take certain actions and meet certain conditions. See the section entitled “Appraisal Rights” beginning on page [**] of

this proxy statement and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex D to this proxy statement.

Q: Who can help answer my other questions?

If you have additional questions about the Merger, need assistance in submitting your proxy or voting your shares A: of AutoInfo Common Stock, or need additional copies of the proxy statement or the enclosed proxy card, please contact _____, by telephone toll-free at _____ or by email at _____.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, contain forward-looking statements that involve numerous risks and uncertainties. The statements contained in this proxy statement that are not purely historical are forward-looking statements within the meaning of Section 21E of the Exchange Act, including, without limitation, statements regarding the expected benefits and closing of the proposed transaction and AutoInfo's expectations, beliefs and intentions. All forward looking statements included in this proxy statement are based on information available to AutoInfo on the date hereof. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings "Summary," "Questions and Answers about the Special Meeting and the Merger," "Proposal #1 — The Merger," "Opinion of Stephens, Financial Advisor," "Financing of the Merger," "Regulatory Approvals," and "Litigation Related to the Merger." In some cases, you can identify forward-looking statements by terminology such as "may," "can," "will," "could," "expects," "intends," "anticipates," "believes," "estimates," "projects," or variations of such words, similar expressions, or the negative of these terms or other comparable terminology. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on our results of operations or financial condition. Accordingly, actual results may differ materially and adversely from those expressed in any forward-looking statements. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond our control. In addition to other factors and matters contained or incorporated in this document, these statements are subject to risks, uncertainties, and other factors, including among others:

• the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;

• the inability to complete the Merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions required for the consummation of the Merger;

- failure or delay in consummation of the transaction for other reasons;

that the proposed transaction disrupts current plans and operations and the potential difficulties in employee and agent retention as a result of the Merger;

the effect of the announcement of the Merger on our customer relationships, operating results and business generally;

- the diversion of our management's attention from our ongoing business concerns;

the outcome of any legal proceedings that may be instituted against AutoInfo and/or others relating to the Merger Agreement;

- limitations placed on our ability to operate the business by the Merger Agreement;
- the amounts of the costs, fees, expenses and charges related to the Merger;

- changes in laws or regulations;
- changes in the financial or credit markets or economic conditions generally;

and other risks as are mentioned in reports filed by AutoInfo with the SEC from time to time, including our most recent filing on Form 10-K. See “Where You Can Find More Information” beginning on page [**] of this proxy statement. We do not undertake any obligation to publicly release any revision to any forward-looking statements contained in this proxy statement to reflect events, changes and circumstances occurring after the date of this proxy statement or to reflect the occurrence of unanticipated events. Caution should be taken that these factors could cause the actual results to differ from those stated or implied in this proxy statement.

PARTIES TO THE MERGER

AutoInfo, Inc.

6413 Congress Avenue

Suite #260

Boca Raton, Florida 33487

Tel:

AutoInfo, Inc., which we refer to herein as AutoInfo, a Delaware corporation, is headquartered in Boca Raton, Florida and is a non-asset based transportation services company, providing transportation capacity and related transportation services to shippers throughout the United States and Canada. Shares of AutoInfo Common Stock are currently quoted on the OTCBB under the symbol “AUTO”.

AutoInfo Holdings, LLC

525 Okeechobee Boulevard, Suite 1050

West Palm Beach, FL 33401

Tel: (561) 727-2000

AutoInfo Holdings, LLC, which we refer to herein as Parent, is a Delaware limited liability company and was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions

contemplated by the Merger Agreement. Parent has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the Merger Agreement. Parent is a majority-owned subsidiary of Comvest Investment Partners IV, LP, one of the investment funds managed by Comvest Partners, a private equity firm with over \$1.3 billion of assets under management. Comvest Partners' personnel include seasoned, senior level operating executives who partner with managers and owners of companies to operationally improve businesses and create long-term value. Since 2000, Comvest Partners has invested more than \$1.6 billion of capital in over 110 public and private companies. Under the terms of the Merger Agreement, upon consummation of the proposed Merger, AutoInfo will be a wholly-owned subsidiary of Parent.

AutoInfo Acquisition Corp.

525 Okeechobee Boulevard, Suite 1050

West Palm Beach, FL 33401

Tel: (561) 727-2000

AutoInfo Acquisition Corp., which we refer to herein as the Merger Sub, a Delaware corporation and a wholly-owned subsidiary of Parent, was organized solely for the purpose of entering into the Merger Agreement and consummating the transactions contemplated by the Merger Agreement. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the Merger Agreement. Under the terms of the Merger Agreement, Merger Sub will merge with and

into AutoInfo, with AutoInfo continuing as the surviving corporation, and the separate corporate existence of Merger Sub shall thereupon cease.

THE SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by the Board for use at the Special Meeting to be held on [**], 2013 at 9:00 A.M. Eastern Time, at The Embassy Suites Hotel, 661 Northwest 53rd Street, Boca Raton, Florida 33487, or at any adjournment or postponement thereof. At the Special Meeting, holders of AutoInfo Common Stock will be asked to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, and to approve the proposal to adjourn the Special Meeting, if necessary or appropriate, for the purpose of soliciting additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposal to approve adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger. Our stockholders will also be asked to consider and vote to approve, solely on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo.

Our stockholders must approve the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, for the Merger to occur. If our stockholders fail to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Merger will not occur. A copy of the Merger Agreement is attached as Annex A to this proxy statement, which we encourage you to read carefully in its entirety.

Record Date and Quorum

We have fixed the close of business on [**], 2013 as the record date for the Special Meeting, and only holders of record of AutoInfo Common Stock on the record date are entitled to vote at the Special Meeting. You are entitled to receive notice of, and to vote at, the Special Meeting if you owned shares of AutoInfo Common Stock at the close of business on the record date. On the record date, there were _____ shares of AutoInfo Common Stock outstanding and entitled to vote. Each share of AutoInfo Common Stock entitles its holder to one vote on all matters properly coming before the Special Meeting.

A majority of the shares of AutoInfo Common Stock outstanding at the close of business on the record date and entitled to vote at the meeting, present in person or represented by proxy, at the Special Meeting constitutes a quorum for the purposes of the Special Meeting. An abstention, but not a broker non-vote, will be counted for purposes of determining a quorum. Shares of AutoInfo Common Stock represented at the Special Meeting but not voted, including shares of AutoInfo Common Stock for which a stockholder directs an “abstention” from voting, will be counted for purposes of establishing a quorum. A quorum is necessary to transact business at the Special Meeting. Once a share of AutoInfo Common Stock is represented at the Special Meeting, it will be counted for the purpose of determining a quorum at the Special Meeting and any adjournment of the Special Meeting. However, if a new record date is set for the adjourned Special Meeting, then a new quorum will have to be established. In the event that a quorum is not present at the Special Meeting, it is expected that the Special Meeting will be adjourned or postponed to solicit additional proxies.

Attendance

You are entitled to attend the Special Meeting only if you were a holder of AutoInfo Common Stock as of the close of business on [**], 2013, which we refer to as the record date, or hold a valid proxy for the Special Meeting. Since seating is limited, admission to the Special Meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a bank, broker, trustee or other nominee (i.e., in “street name”), you should provide proof of beneficial

ownership as of the record date, such as your most recent account statement prior to the record date, a copy of the voting instruction card provided by your bank, broker, trustee or other nominee, or similar evidence of ownership.

Vote Required

The votes required for each proposal are as follows:

Proposal #1. The affirmative vote, in person or by proxy, of the holders of a majority of the outstanding shares of AutoInfo Common Stock is required to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger. The required vote on Proposal #1 is based on the number of outstanding shares—not the number of shares actually voted. The failure of any AutoInfo stockholder to cause its shares to be voted (i.e., not submitting a proxy and not voting in person) and any abstention from voting by an AutoInfo stockholder will have the same effect as a vote against Proposal #1. Likewise, broker non-votes will have the same effect as voting against Proposal #1. Broker non-votes occur when a beneficial owner holding shares in “street name” does not instruct the broker, bank, trustee or other nominee that is the record owner of such stockholder’s shares on how to vote those shares on a particular proposal, and the broker, bank, trustee or other nominee does not have discretionary voting power with respect to such proposal. Consequently, the failure of a beneficial owner to provide voting instructions to its broker, bank, trustee or other nominee will have the same effect as a vote against Proposal 1. Pursuant to the Voting Agreement, approximately 22.3% of the shares of AutoInfo Common Stock outstanding as of the record date for the Special Meeting are committed to be voted in favor of Proposal #1. The approval of Proposal #1 will therefore require that approximately an additional 27.8% of the shares of AutoInfo Common Stock outstanding as for the record date for the Special Meeting are voted in favor of Proposal #1.

Proposal #2. The affirmative vote, in person or by proxy, of the holders of a majority of the shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote on the matter is required to approve, on a non-binding, advisory basis, change of control payments that certain executive officers of AutoInfo will receive in connection with the Merger under their existing employment agreements with AutoInfo. The required vote on Proposal #2 is based on the number of shares present and entitled to vote on the matter—not the number of outstanding shares. However, while the Board intends to consider the vote resulting from this proposal, the vote is advisory only and therefore not binding on AutoInfo, and, if the Merger Agreement is approved by AutoInfo stockholders and the Merger is consummated, the compensation will be payable even if Proposal #2 is not approved. Brokers, banks, trustees and other nominees do not have discretionary authority with respect to Proposal #2; however, broker non-votes or the failure to otherwise submit a proxy will not affect the outcome of Proposal #2. Abstentions from voting on Proposal #2 will have the same effect as a vote against Proposal #2.

Proposal #3. The affirmative vote, in person or by proxy, of the holders of a majority of the shares of AutoInfo Common Stock present, in person or by proxy, at the Special Meeting and entitled to vote on the matter is required to approve any adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies in favor of

the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, if there are insufficient votes to approve, adopt and ratify the Merger Agreement and the transactions contemplated thereunder, including the Merger. The required vote on Proposal #3 is based on the number of shares present and entitled to vote on the matter—not the number of outstanding shares. Abstentions from voting will therefore have the same effect as a vote against Proposal #3. Brokers, banks, trustees and other nominees do not have discretionary authority to vote on Proposal #3 and therefore will not be able to vote on Proposal #3 absent instructions from the beneficial owner. Accordingly, broker non-votes or the failure to otherwise submit a proxy will have no effect on the outcome of Proposal #3.

Other Matters of Business

At this time, AutoInfo is not aware of any other matters that will be presented for a vote at the Special Meeting. If any other matters properly come before the Special Meeting, the proxies will have the discretion to vote upon such

matters in accordance with their best judgment. To the extent we receive proper notice of a stockholder's intent to bring a matter before the Special Meeting, we will in advance of the Special Meeting advise stockholders as to how the proxies intend to vote on such matter.

How to Vote

If your shares of AutoInfo Common Stock are registered directly in your name with our transfer agent, American Stock Transfer, you are considered, with respect to those shares of AutoInfo Common Stock, the "stockholder of record." This proxy statement and proxy card have been sent directly to you by AutoInfo.

AutoInfo stockholders of record may submit a proxy in one of three ways or in person at the Special Meeting:

Internet: AutoInfo stockholders may submit their proxy over the Internet by going to www.voteproxy.com and following the on-screen instructions. Internet proxy submission is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on _____, 2013. Stockholders will be given an opportunity to confirm that their voting instructions have been properly recorded. AutoInfo stockholders who submit a proxy this way should NOT send in their proxy card.

Telephone: AutoInfo stockholders may submit their proxy by calling _____. Telephone proxy submission is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on _____, 2013. Easy-to-follow voice prompts will guide stockholders and allow them to confirm that their instructions have been properly recorded. AutoInfo stockholders who submit a proxy this way should NOT send in their proxy card.

Mail: AutoInfo stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy statement/prospectus. AutoInfo stockholders who submit a proxy this way should mail the proxy card early enough so that it is received before the date of the Special Meeting

In Person: AutoInfo stockholders may vote in person at the Special Meeting or by sending a representative with an acceptable proxy that has been signed and dated. AutoInfo will provide a ballot for voting at the Special Meeting. Attendance at the Special Meeting will not, in and of itself, constitute a vote or a revocation of a prior proxy, however.

Edgar Filing: AUTOINFO INC - Form PREM14A

AutoInfo stockholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the Special Meeting according to the choice specified, if any. Executed but uninstructed proxies (i.e., proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of the Board.

AutoInfo stockholders who hold their shares beneficially in “street name” and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals #1, #2 and #3. AutoInfo stockholders who hold their shares beneficially and wish to vote in person at the Special Meeting must obtain proxies issued in their own names (known as a “legal proxy”).

]If you have any questions or need assistance voting your shares, please contact _____ by telephone toll-free at _____ or by email at _____.]

Revocation of Proxies

AutoInfo stockholders of record may change their proxy at any time before their shares are voted at the AutoInfo Special Meeting in any of the following ways:

· sending a written notice of revocation to AutoInfo's principal executive offices at 6413 Congress Avenue, Suite #260, Boca Raton, Florida 33487, Attention: William I. Wunderlich, Corporate Secretary, which must be received before their shares are voted at the Special Meeting;

· properly submitting a new proxy card, which must be received before their shares are voted at the Special Meeting (in which case only the later-submitted proxy is counted and the earlier proxy is revoked);

· submitting a proxy via Internet or by telephone at a later date (in which case only the later-submitted proxy is counted and the earlier proxy is revoked); or

· attending the Special Meeting and voting by ballot in person. Attendance at the Special Meeting will not, in and of itself, constitute a vote or revocation of a prior proxy, however.

AutoInfo's beneficial owners may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

Adjournments and Postponements

Although it is not currently expected, the Special Meeting may be adjourned or postponed for the purpose of soliciting additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposal to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger. Other than an announcement to be made at the Special Meeting of the time, date and place of an adjourned meeting, any adjournment may be made without notice (if the adjournment is not for more than 30 days and a new record date has not been fixed). Any adjournment or postponement of the Special Meeting for the purpose of soliciting additional proxies will allow AutoInfo's stockholders who have already sent in their proxies to revoke them at any time prior to their use at the Special Meeting as adjourned or postponed.

Anticipated Date of Completion of the Merger

We are working towards completing the Merger as soon as possible. Assuming timely satisfaction or waiver of conditions to the Merger Agreement, we anticipate that the Merger will be completed in the second quarter of calendar 2013. If our stockholders vote to approve the proposal to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Merger will become effective as promptly as practicable following the satisfaction or waiver of the other conditions to the Merger Agreement. See the sections entitled “The Merger Agreement — Closing” and “The Merger Agreement — Effective Time” beginning on page [**] of this proxy statement.

Rights of Stockholders Who Seek Appraisal

Stockholders are entitled to appraisal rights under the DGCL in connection with the Merger. This means that you are entitled to have the fair value of your shares of AutoInfo Common Stock determined by the Delaware Court of Chancery and to receive cash payment based on that valuation instead of receiving the per share Merger consideration. The ultimate amount you receive in an appraisal proceeding may be less than, equal to or more than the amount you would have received under the Merger Agreement.

To exercise your appraisal rights, you must submit a written demand for appraisal to AutoInfo before the vote is taken on the proposal to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, and you must not vote in favor of the proposal to adopt the Merger Agreement, and the transactions contemplated thereunder, including the Merger. Your failure to follow exactly the procedures specified under the DGCL may result in the loss of your appraisal rights. See the section entitled “Appraisal Rights” beginning on

page [**]of this proxy statement and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex D to this proxy statement. If you hold your shares of AutoInfo Common Stock through a bank, broker, trustee or other nominee and you wish to exercise appraisal rights, you should consult with your bank, broker, trustee or other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee. In view of the complexity of the procedures specified under the DGCL, stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors.

Questions and Additional Information

If you have more questions about the Merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please contact _____ by telephone toll-free at _____ or by email at _____.

THE MERGER (PROPOSAL #1)

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this proxy statement as Annex A. You should read the entire Merger Agreement carefully as it is the legal document that governs the Merger.

The Merger Agreement provides that Merger Sub will merge with and into AutoInfo, with AutoInfo continuing as the surviving corporation, and the separate corporate existence of Merger Sub shall thereupon cease. As a result of the Merger, AutoInfo will cease to be a publicly-traded company. You will not own any shares of the capital stock of the surviving corporation (other than Mr. Wachtel, Mr. Williams and Mr. Weiss pursuant to the Rollover Agreement).

Merger Consideration

In the Merger, each outstanding share of AutoInfo Common Stock (except for certain shares held by AutoInfo, Parent or Merger Sub and shares held by stockholders who have properly exercised appraisal rights) will be converted into the right to receive the per share Merger consideration of \$1.05 in cash, without interest, less any applicable withholding taxes.

Background of the Merger

The Board and senior management periodically review AutoInfo's long-term strategic plan with the goal of maximizing stockholder value. As part of this ongoing process, the Board and senior management periodically review strategic alternatives that may be available to AutoInfo.

During a regularly scheduled Board meeting in the first quarter of 2011, the Board engaged in a general discussion regarding AutoInfo's financial results, budget, business, and financial prospects for the balance of the 2011 fiscal year. The Board discussed AutoInfo's market value relative to the market value of comparable companies within the agent based, non-asset or asset-light industry. The Board concluded AutoInfo's market valuation, which had changed little over the preceding several years, did not accurately reflect AutoInfo's financial and operational results. The Board further concluded industry research analysts were not focusing on AutoInfo and AutoInfo was not well positioned to attract the interest of institutional investors, due to its relative size, stock price, and lack of listing on a national exchange. The Board expressed concern over the general lack of liquidity for holders of AutoInfo Common Stock, the disparity between the inherent value of AutoInfo versus the market value of AutoInfo, and the general lack of interest in AutoInfo from the investment community. The Board determined it to be in the interest of AutoInfo's stockholders to commence an organized exploration of strategic options in an effort to enhance stockholder value, including a potential sale of AutoInfo.

On March 31, 2011, the price per share of AutoInfo Common Stock closed at \$0.70.

During July 2011, the Board requested that Stephens, an investment bank with substantial expertise in the transportation industry, deliver to AutoInfo a summary market analysis of AutoInfo. On July 29, 2011, Stephens delivered a report (the “Stephens Report”), which indicated that the performance of AutoInfo Common Stock lagged behind many of its peers within the transportation sector and comparable companies in such sector with higher revenues and net income received market valuations at a higher multiple than their smaller peers, including AutoInfo. The Stephens Report generally set forth a number of strategic options for AutoInfo, including organic growth opportunities, acquisitions, a change of control transaction and stockholder distributions. The Board reviewed and discussed the market analysis and each strategic option set forth in the Stephens Report.

In August 2011, Mr. Patterson, an independent Director and Chairman of the Board’s Audit Committee, met with AutoInfo’s senior management team (namely, Mr. Wachtel, Mr. Wunderlich and Mr. Williams) to discuss in detail the analysis received from Stephens and the strategic alternatives set forth in the Stephens Report. The parties discussed the possibility of a sale of AutoInfo to a financial or strategic buyer, and the related potential structure, effect on AutoInfo’s operations, and value to AutoInfo’s stockholders. Messrs. Wachtel, Wunderlich and Williams expressed unequivocal support of the Board’s effort to pursue additional value for AutoInfo’s stockholders through a strategic transaction.

Moreover in August 2011, the Board met telephonically and discussed further the Stephens Report and the meetings between Mr. Patterson and AutoInfo’s senior management team. The Board resolved to explore, on a confidential basis, the possibility of the sale of AutoInfo. The Board identified three companies that were actively engaged in acquisitions within AutoInfo’s industry, and directed Mr. Patterson and Mr. Wachtel to initiate contact with such identified acquirors.

In August 2011, Mr. Patterson initiated contact with an industry competitor, to which we refer as “Party A”, though an acquaintance on Party A’s Board of Directors. The contact later advised Mr. Patterson that the Chairman of Party A’s Board of Directors was interested in speaking with Mr. Patterson regarding a strategic partnership between the two companies. Mr. Patterson and Party A’s Chairman of the Board of Directors held a series of telephonic meetings in October 2011 and November 2011. During these discussions Party A’s Chairman of the Board of Directors advised Mr. Patterson that AutoInfo’s market valuation was fairly accurate, Party A was involved in a series of internal business initiatives which would prevent immediate consideration of a strategic partnership with AutoInfo, and Party A might be willing to consider a future acquisition of AutoInfo at a price per share in the range of AutoInfo’s then current market price (subject to diligence). Mr. Patterson and Party A’s Chairman of the Board of Directors agreed to cease further discussions at that time.

During September 2011, Mr. Patterson and Mr. Wachtel held discussions with representatives of a potential strategic buyer, to which we refer as “Party B”. Thereafter, representatives of Party B held additional discussions with members

of AutoInfo's senior management team. Party B expressed an interest in merging with AutoInfo in a stated effort to capitalize on the synergies between the two companies and to take advantage of the higher market multiples generally realized by larger companies in the segment. Party B ultimately presented the Board with a nonbinding indication of interest outlining a proposed acquisition of all of AutoInfo's equity in exchange for a combination of cash and common stock of Party B. After a thorough consideration of Party B's indication of interest, the Board concluded that Party B was not an ideal merger candidate for AutoInfo for a number of reasons, including, but not limited to, the dilution of AutoInfo's stockholders, the lack of a developed market for Party B's common stock and related liquidity concerns, and the difference in Party B's growth potential versus AutoInfo's growth potential.

During October 2011, an affiliate of an institutional investor of AutoInfo facilitated a meeting between Mr. Patterson and a representative of a potential financial buyer, to which we refer as "Party C". Following the introductory conversation, Mr. Patterson introduced the Party C representative to Mr. Wachtel, who explained in detail AutoInfo's operations and business philosophy. Shortly thereafter, additional meetings were held between Mr. Wachtel and the Party C representative, to discuss the specific terms of a possible investment in, or acquisition of,

AutoInfo by Party C. In December 2011, the Party C representative contacted Mr. Patterson to advise that Party C's investment committee had determined to terminate discussions with AutoInfo and to focus on other target companies within the transportation industry.

Between September 1, 2011 and November 30, 2011, the price per share of AutoInfo Common Stock ranged between \$0.50 and \$0.70.

At a regularly scheduled Board meeting on December 14, 2011, Mr. Patterson and Mr. Wachtel informed the Board of the results of their discussions with Party A, Party B and Party C. The Board discussed AutoInfo's financial performance, business initiatives, financial metrics, projections, and market valuation, as well as the trading market for, and liquidity of, AutoInfo Common Stock. The Board resolved to have preliminary discussions with investment banking firms to determine if strategic alternatives were available to AutoInfo that would provide more value to AutoInfo's stockholders. The Board formed a Strategic Initiatives Committee (the "SIC") to interview investment banks and make a recommendation to the Board. Mr. Patterson and Mr. Wachtel were appointed members of the SIC, with Mr. Patterson serving as its Chairman.

Immediately after the December 14, 2011 Board meeting adjourned, the SIC held an initial meeting to discuss the strategy and approach of the SIC to achieve its mandate.

Over the next 30 days, the SIC interviewed and held discussions with representatives of four investment banking firms, including Stephens, each of which had extensive experience and expertise in the transportation and logistics industry. Each investment bank sought to act as a financial advisor to the Board and AutoInfo and presented their respective analysis of AutoInfo's business and market outlook, industry positioning, and potential strategic planning and alternatives. Each investment bank discussed AutoInfo's financial and operational performance, and valuation and stock price challenges despite AutoInfo's track record of revenue and profit growth, as well as their respective knowledge of AutoInfo's business sector. Each investment bank presented a variety of strategic alternatives to the SIC, including the sale of AutoInfo, an equity and/or debt financing, and strategic acquisitions. The investment banks discussed possible outcomes and responded to questions and concerns of the SIC.

On January 21, 2012, the SIC held a telephonic meeting, and after considering the presentations made by each investment bank, including their respective qualifications, reputation, experience, and expertise, the SIC resolved to recommend to the Board that Stephens be engaged by AutoInfo to advise AutoInfo on strategic alternatives. On January 23, 2012, the Board executed an advisory agreement with Stephens.

Over the next two weeks, the Board and the SIC communicated several times to discuss the potential risks and benefits involved in the execution of AutoInfo's business plan as an independent company, the strategic alternatives

available to AutoInfo, and the process of identifying parties interested in engaging in a strategic transaction with AutoInfo. As a result, it was determined that the Board, through Stephens, would conduct a controlled process with the goal of effecting a sale of AutoInfo.

During February 2012, Stephens conducted due diligence on AutoInfo, conducted multiple interviews with AutoInfo's senior management team, established an electronic data site populated with AutoInfo due diligence materials, and prepared and finalized AutoInfo's Confidential Information Memorandum (the "CIM") and a list of potential buyers.

In March 2012, the Board, AutoInfo's senior management, and Stephens held a meeting to review and approve the CIM, to discuss the potential list of buyers, as well as to discuss due diligence related matters, deal process and strategy, and the potential timing of a transaction.

On March 31, 2012, the price per share of AutoInfo Common Stock closed at \$0.77.

Over the ensuing couple of months, Stephens contacted 164 potential acquirors of AutoInfo, including 115 financial buyers and 49 strategic buyers. The Board and Stephens negotiated and entered into nondisclosure agreements with 71 potential acquirors, which agreements contained customary restrictions on the disclosure and use of confidential information, and standstill provisions restricting the prospective acquirors' ability to purchase AutoInfo's securities or engage in other takeover activities without AutoInfo's consent. Upon execution of the nondisclosure agreement, the prospective acquirors were given the CIM and information on the sale process.

By mid-June 2012, Stephens had received 10 indications of interest ("IOI's") from potential acquirors of AutoInfo, with prices ranging from \$0.90 to \$1.36 per share of AutoInfo Common Stock. Each IOI was subject to certain stated assumptions and to further due diligence of AutoInfo and its business and operations.

AutoInfo's senior management and Stephens conducted management presentations with nine of the ten potential acquirors that submitted IOI's. The potential acquirors were granted access to AutoInfo's electronic data site.

On June 28, 2012, at a meeting of the Board, the directors discussed the status of the process being conducted by Stephens on AutoInfo's behalf and reviewed and discussed the related IOI's. It was determined that it would be beneficial for the Board to form the Special Committee for the purposes of overseeing the process and handling the logistics of exploring potential strategic alternatives. The Board established the Special Committee and appointed Mr. Patterson (who was elected Chairman of the Special Committee), Mr. Einselen, and Mr. Robertson, each of whom was an independent non-employee director of AutoInfo. The Special Committee was charged with reviewing and evaluating potential strategic transactions, including remaining an independent company, and authorized to negotiate on behalf of the Board and AutoInfo, and, if appropriate, to make a recommendation to the Board with respect to the sale of AutoInfo. The Special Committee was also authorized to engage outside advisors, including investment bankers, attorneys, auditors, and consultants, as it deemed necessary to perform its obligations and responsibilities.

Immediately after the June 28, 2012 Board meeting adjourned, the Special Committee held an initial meeting to discuss the formation of the Special Committee and its objective. Thereafter, the Special Committee interviewed Roetzel & Andress LPA ("R&A") to serve as outside independent legal counsel to the Special Committee. The Special Committee assessed R&A's experience and expertise and engaged R&A in connection with the potential sale of AutoInfo.

On June 29, 2012, the price per share of AutoInfo Common Stock closed at \$0.85.

By July 1, 2012, AutoInfo, through its advisor, Stephens, had received from two potential strategic and three potential financial acquirors that had previously submitted IOI's, three written letters of intent ("LOI's") and two verbal indications expressing interest in acquiring AutoInfo. The prices submitted in the LOI's ranged from \$0.85 to \$1.30 per share of

AutoInfo Common Stock.

On July 2, 2012, at a meeting of the Special Committee attended by Stephens and R&A, Stephens updated the Special Committee on the status of the process being conducted by Stephens and presented a summary of the three LOI's and the two verbal indications, including an analysis of total consideration payable to AutoInfo's stockholders, transaction multiples and premiums, key valuation and financing terms, key process terms, key legal terms, and sources and uses of the transaction consideration. A discussion ensued regarding the process timeline and feedback received regarding the management presentations and ongoing due diligence regarding AutoInfo and its business and operations. R&A counseled and advised the Special Committee regarding its fiduciary duties. The Special Committee members evaluated the LOI's and AutoInfo's option to continue as an independent publicly-traded company, and the Special Committee members asked questions of, and received answers from, R&A and Stephens. The Special Committee determined that it was appropriate to continue the strategic process and directed Stephens to

engage in negotiations with the potential acquirors that submitted LOI's in an effort to persuade each acquiror to increase their respective stated price per share of AutoInfo Common Stock.

During the following weeks, the potential acquirors conducted due diligence on AutoInfo and its business and operations, and Stephens held negotiations with each acquiror in an effort to persuade such acquirer to increase the price per share of AutoInfo Common Stock proposed in their respective LOI's.

On July 5, 2012, at a meeting of the Special Committee attended by Stephens and R&A, Stephens updated the Special Committee on its negotiations with each of the three potential acquirors and the final terms of their LOI's. After discussion, the Special Committee concluded the offer of one of the potential acquirors, to which we refer as "Party D", represented the highest and best offer. The Special Committee presented its recommendation to the Board and, by unanimous vote, the Board agreed to pursue a transaction with Party D.

On August 14, 2012, AutoInfo entered into an LOI with Party D. The LOI provided for Party D's purchase of all outstanding shares of AutoInfo Common Stock for a price of \$1.30 per share and a forty-five day exclusivity period, during which period, Party D would continue its due diligence investigation of AutoInfo and its business and operations, and AutoInfo and Party D would negotiate definitive transaction documents.

Over the next 30 days Party D conducted due diligence on AutoInfo and its business and operations.

On September 14, 2012, Stephens notified the Special Committee that Party D had elected not to proceed with the transactions set forth in its LOI, and, as a result, AutoInfo and Party D entered into a letter agreement terminating the LOI, the exclusivity period set forth therein, and all negotiations with respect to such transactions.

The Special Committee directed Stephens to contact the other parties that submitted LOI's and to solicit LOI's from other potential acquirors that had expressed interest in AutoInfo subsequent to AutoInfo entering into the exclusivity period with Party D.

Over the next several weeks Stephens approached those potential acquirors that during the last several months had expressed interest in pursuing an acquisition of AutoInfo. Subsequent to reaching out to the remaining parties, Stephens received two written LOI's and two verbal IOI's with prices ranging from \$1.00 to \$1.26 per share of AutoInfo Common Stock.

On November 12, 2012, at a meeting of the Special Committee attended by Stephens and R&A, Stephens updated the Special Committee on its negotiations with the four potential acquirors and the terms of their LOI's. After discussion, the Special Committee concluded the offer submitted by Comvest Investment Partners Holdings, LLC ("Comvest"), represented the highest and best offer. The Special Committee presented its recommendation to the Board and, by unanimous vote, the Board resolved to pursue a transaction with Comvest, and entered into an LOI with Comvest. The Comvest LOI provided for the purchase of all of the outstanding shares of AutoInfo Common Stock at a price of \$1.26 per share, and a 30 day exclusivity period, with an automatic extension of 15 days provided Comvest had completed its business due diligence and was in good faith working towards signing definitive documentation related to closing the proposed transactions.

On November 12, 2012, the price per share of AutoInfo Common Stock closed at \$0.79.

On November 14, 2012, the Special Committee, AutoInfo's senior management, R&A, and Stephens participated in a conference call to discuss the transaction process and timeline related to the Comvest LOI.

On November 19, 2012: (i) R&A held an introductory conference call with McDermott Will & Emory, LLP (“MWE”), counsel for Comvest, and R&A and MWE determined that MWE would prepare and circulate an initial draft of the Merger Agreement; and (ii) Comvest representatives traveled to Jacksonville, Florida to meet with Mr. Williams.

On November 28, 2012, MWE presented: (i) R&A with the initial draft the Merger Agreement; and (ii) Mr. Wachtel and Mr. Williams with initial drafts of their respective amended and restated employment agreement. The Special Committee instructed each employee to review the proposed amended and restated employment agreement with their own legal counsel and to discuss questions and comments directly with Comvest.

On November 30, 2012, the price per share of AutoInfo Common Stock closed at \$0.82.

On December 2, 2012, Mr. Patterson, acting as the Chairman, and on behalf, of the Special Committee, R&A, and Stephens discussed the terms and conditions of the draft Merger Agreement and agreed upon proposed revisions to the Merger Agreement. R&A prepared a revised draft of the Merger Agreement incorporating R&A’s, Mr. Patterson’s and Stephens’ collective comments, and on December 3, 2012 distributed the revised draft of the Merger Agreement to the Board and Morse, Zelnick, Rose & Lander, LLP, AutoInfo’s corporate and securities counsel (“MZRL”).

On December 5, 2012, the Board met telephonically to discuss the revised draft of the Merger Agreement, and R&A presented the terms and conditions of the revised draft of the Merger Agreement, focusing on the conditions to closing, termination events, breakup fees, expense reimbursement, and no-shop provisions. R&A and MZRL responded to questions from the Board regarding the revised draft of the Merger Agreement and the process to effectuate a closing of the Merger.

On December 12, 2012: (i) R&A presented the Special Committee’s initial comments on the revised draft of the Merger Agreement to MWE, and MWE updated R&A on the status of its legal due diligence investigation of AutoInfo; and (ii) Comvest presented the Special Committee with a written update on the status of its due diligence investigation related to AutoInfo and its business and operations. In connection with Comvest’s due diligence investigation of AutoInfo and its business and operations, Comvest had engaged outside consultants to conduct diligence on AutoInfo’s information technology systems, insurance, benefits plans, and accounting and tax matters. Also, Comvest requested that AutoInfo schedule a series of calls with AutoInfo’s agents and customers, and identified a number of commercial banks to negotiate a post-closing loan facility for AutoInfo.

On December 26, 2012, MWE presented R&A with a revised draft of the Merger Agreement, and notified R&A that based on the diligence conducted to date, Comvest would be contacting Stephens to discuss the purchase price for AutoInfo.

On December 27, 2012, Mr. Patterson, acting as the Chairman, and on behalf, of the Special Committee, R&A, and Stephens met telephonically and reviewed the revised draft of the Merger Agreement, and R&A explained the proposed revisions that had been accepted by Comvest and the remaining outstanding issues. It was agreed at this meeting that additional revisions would not be sent to MWE until Comvest had disclosed to Stephens its position on AutoInfo's price per share for AutoInfo Common Stock.

On December 28, 2012, Comvest notified Stephens that, based upon Comvest's due diligence investigation of AutoInfo and its business and operations, Comvest expected to adjust AutoInfo's price per share for AutoInfo Common Stock. The parties discussed the results of Comvest's due diligence and established a timeline for AutoInfo to respond to such findings.

On December 31, 2012, the price per share of AutoInfo Common Stock closed at \$0.94.

On January 3, 2013, Messrs. Wachtel, Wunderlich, and Williams, and Stephens, met with Comvest to discuss the status of Comvest's due diligence and to respond to the results of Comvest's due diligence investigation.

On January 9, 2013, Comvest advised Stephens that it was seeking to reduce the price per share of AutoInfo Common Stock to \$0.96.

On January 10, 2013 and January 11, 2013, the Special Committee discussed Comvest's proposal with AutoInfo's senior management, Stephens and R&A. As a result of the foregoing discussions, the Special Committee resolved to counter with a price per share of AutoInfo Common Stock of \$1.15, which Stephens communicated to Comvest.

On January 16, 2013, Comvest informed AutoInfo that it intended to purchase representations and warranties insurance with respect to breaches of AutoInfo's representations and warranties set forth in the Merger Agreement.

On January 17, 2013, Mr. Wachtel offered to establish a \$500,000 indemnity escrow pursuant to the Indemnification Agreement.

On January 18, 2013, subject to negotiation of the definitive Merger Agreement, Comvest and the Special Committee agreed to a price per share of AutoInfo Common Stock of \$1.06.

On January 27, 2013, Comvest notified Stephens that based upon an increase in the amount of AutoInfo indebtedness in the fourth quarter of 2012, AutoInfo's equity value had decreased and the price per share of AutoInfo Common Stock would need to be adjusted accordingly. The Special Committee, Stephens and AutoInfo's senior management prepared and delivered to Comvest, an analysis demonstrating that the increase in indebtedness during the fourth quarter of 2012 was related primarily to growth in AutoInfo's business and related operations.

On January 31, 2013, the price per share of AutoInfo Common Stock closed at \$0.92.

Over the next several weeks: (i) Comvest continued its due diligence investigation of AutoInfo and its business and operations; (ii) AutoInfo's senior management and R&A prepared AutoInfo's disclosure schedules to the Merger Agreement; and (iii) the Special Committee and R&A, on the one hand, and Comvest and MWE, on the other hand, continued to negotiate the terms and conditions of the Merger Agreement.

On February 19, 2013, Comvest notified Stephens that Comvest had concluded its due diligence investigation of AutoInfo and its business and operations, and based upon new due diligence findings, Comvest was prepared to submit an offer of \$1.00 per share of AutoInfo Common Stock.

Over the next several days, R&A and Mr. Patterson, acting as the Chairman, and on behalf, of the Special Committee, negotiated the following terms and conditions of the Merger Agreement with MWE and Comvest: (i) AutoInfo agreed to add a limited termination right for Comvest in the event of certain legal proceedings; (ii) Comvest agreed to modify the closing conditions to provide that AutoInfo's representations and warranties would be subject a material adverse effect "bring down" standard, with certain exceptions; (iii) certain closing conditions were eliminated; (iv) the break-up fee was capped at \$1.5 million and the expenses reimbursement was capped at \$1.25 million; and (v) additional exceptions were added to the definition of material adverse effect.

On February 24, 2013, Mr. Patterson, acting as the Chairman, and on behalf, of the Special Committee and Stephens held a telephonic meeting with Comvest representatives. During the call, in an effort to resolve all open issues between AutoInfo and Comvest, Mr. Patterson proposed (i) a final price of \$1.05 per share of AutoInfo Common Stock, (ii) a cap on AutoInfo's indebtedness of \$22 million, AutoInfo's funded indebtedness of \$15 million and AutoInfo's transaction expenses of \$5 million (iii) AutoInfo would support Mr. Wachtel's decision to enter into the

Indemnification Agreement with Comvest for breaches of AutoInfo's representations and warranties under the Merger Agreement, whereby \$500,000 of Parent's equity interests to be issued to Mr. Wachtel pursuant to the Rollover Agreement would be held in escrow and Mr. Wachtel would be responsible for 50% of any damages incurred by Comvest arising from breaches of AutoInfo's representations and warranties, subject to a \$100,000 deductible and an indemnity cap of \$500,000, any of which claims can be satisfied (at the election of Mr. Wachtel) in cash or set off against such equity interests.

On February 25, 2013, Comvest advised Mr. Patterson that Comvest was willing to proceed with its proposed transaction based on the terms and conditions presented during the February 24, 2013 telephone call.

On February 25, 2013, the price per share of AutoInfo Common Stock closed at \$0.90.

Between February 25, 2013 and February 28, 2013: (i) the Special Committee and R&A, on the one hand, and Comvest and MWE, on the other hand, finalized the Merger Agreement; (ii) AutoInfo's senior management team, Stephens, R&A and MZRL finalized AutoInfo's disclosure schedules to the Merger Agreement; and (iii) all ancillary agreements to be executed contemporaneously with the Merger Agreement were finalized.

On February 28, 2013, at a telephonic meeting of the Special Committee (with all committee members in attendance) at which Stephens and R&A were present, R&A explained the fiduciary duties of the members of the Special Committee and the principal terms and conditions of the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Voting Agreement, the amended and restated employment agreements with Mr. Wachtel and Mr. Williams, the Rollover Agreement and the Indemnification Agreement. The Special Committee discussed the advantages and disadvantages of the proposed transaction, including those set forth in the "Reasons for the Merger; Recommendation of the Board" section on page [**] of this proxy statement. Stephens then reviewed its financial analysis relating to the price of \$1.05 per share of AutoInfo Common Stock. At the request of the Special Committee, Stephens delivered its written opinion and explained that, as of the date of such written opinion and based upon and subject to various assumptions and limitations set forth in its written opinion, the price of \$1.05 per share of AutoInfo Common Stock to be received by holders of the shares of AutoInfo Common Stock (other than Comvest and its directors, officers and affiliates and the directors, officers, managers and affiliates of AutoInfo) was fair, from a financial point of view, to such holders. The Special Committee asked Stephens questions, and received answers, concerning Stephens' analysis and written opinion. The Special Committee further considered the terms and conditions of the proposed Merger, including the Merger Agreement and the transactions contemplated thereunder. After extensive discussion and deliberation, the Special Committee unanimously approved a recommendation to the Board that the Board vote for the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.

Immediately after the approval by the Special Committee, a telephonic meeting of the Board was convened (with all Board members in attendance), at which Stephens, R&A, MZRL, Mr. Wunderlich and Mr. Williams were present.

R&A explained the fiduciary duties of the members of the Board and the principal terms and conditions of the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Voting Agreement, the amended and restated employment agreements with Mr. Wachtel and Mr. Williams, the Rollover Agreement and the Indemnification Agreement. The Board discussed the advantages and disadvantages of the proposed transaction, including those set forth in the “Reasons for the Merger; Recommendation of the Board” section on page [**] of this proxy statement. Stephens then reviewed its financial analysis relating to the price of \$1.05 per share of AutoInfo Common Stock and provided its written opinion and explained that, as of the date of such written opinion and based upon and subject to various assumptions and limitations set forth in its written opinion the price of \$1.05 per share of AutoInfo Common Stock to be received by holders of the shares of AutoInfo Common Stock (other than Comvest and its directors, officers and affiliates and the directors, officers, managers and affiliates of AutoInfo) was fair, from a financial point of view, to such holders. The Board asked questions, and received answers, concerning Stephens’ analysis and written opinion. The Board then further considered the terms and conditions of the Merger Agreement and the transactions contemplated thereunder, including the Merger. After further evaluation and discussion of the considerations set forth above, and of Stephens written opinion, it was determined that the Merger Agreement and

the transactions contemplated thereunder, including the Merger and the price of \$1.05 per share of AutoInfo Common Stock, was fair to, and in the best interests of, AutoInfo's stockholders. The Board then unanimously approved the Merger Agreement and the transactions contemplated thereunder, including the Merger, and voted to recommend to AutoInfo's stockholders that they vote to approve the Merger Agreement and the transactions contemplated thereunder, including the Merger.

On February 28, 2013, after the Board meeting adjourned, AutoInfo and Comvest executed the Merger Agreement.

On February 28, 2013, the price per share of AutoInfo Common Stock closed at \$0.98.

AutoInfo issued a press release announcing the Merger Agreement on March 1, 2013.

Reasons for the Merger; Recommendation of the Special Committee and the Board

Special Committee

The Special Committee, consisting solely of non-employee independent directors and acting with the advice and assistance of the legal and financial advisors retained by the Special Committee, evaluated and negotiated the acquisition proposal by Parent, including the terms and conditions of the Merger Agreement. The Special Committee: (i) determined that the Merger consideration, the Merger Agreement and the Merger are advisable and fair to and in the best interests of AutoInfo and its stockholders (except for shares held by Parent and its directors, officers and affiliates and the directors, officers, managers and affiliates of AutoInfo); and (ii) recommended to the Board that the Board vote for the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.

In the course of reaching its determination, the Special Committee considered the following factors and potential benefits of the Merger, each of which the members of the Special Committee believed supported its decision:

the current and historical market prices of AutoInfo Common Stock and the fact that the price of \$1.05 per share of AutoInfo Common Stock represented a premium of approximately 7% to the closing price of AutoInfo Common Stock on February 28, 2013, the last trading day prior to the public announcement of the Merger Agreement and a premium of approximately 22% to the average price for the six month prior to February 28, 2013;

at no time in the twenty-four months prior to the execution and announcement of the Merger Agreement has the market price of AutoInfo Common Stock been equal to or greater than \$1.00 per share;

the prospect that the following factors negatively affecting the our stock price would continue to negatively affect the our stock price in the future:

· limited market liquidity;

· AutoInfo Common Stock not being listed on a national exchange;

· the concentration of holdings of AutoInfo Common Stock;

· no industry analyst coverage;

- a low market capitalization relative to its publicly-traded peer group; and
- given our size, the costs of being a public company outweighing the benefits of being a public company;
- the Special Committee's understanding of the business, operations, financial condition, earnings and prospects of AutoInfo, including our prospects on a stand-alone basis including:
 - the execution of an organic growth strategy based on increasing the size of our agent network;
 - the possible execution of an acquisition strategy with its related execution and operational risks; and
- unusual or non-recurring changes to historic operations that may not occur in future operations;

the possible alternatives to the sale of AutoInfo, including continuing to operate AutoInfo on a stand-alone basis, and the significant risks and uncertainties associated with such alternatives, including the risks associated with our ability to achieve revenue growth and maintain margins and profitability at acceptable levels, compared to the certainty of realizing in cash a fair value for the our stockholders through the Merger;

- the terms of the Merger Agreement and the related agreements, including:
 - the limited number and nature of the conditions to Parent's obligation to consummate the Merger;

our ability, under certain circumstances specified in the Merger Agreement, at any time prior to the time our stockholders adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, to consider and respond to written takeover proposals or provide non-public information to or engage in discussions or negotiations with the person making such proposals if the Board, prior to taking any such actions, determines in good faith after consultation with financial advisors and legal counsel that (i) failure to take action would violate the directors' fiduciary duties to AutoInfo's stockholders, and (ii) the takeover proposal either constitutes a superior proposal or could reasonably be expected to result in a superior proposal;

our ability, under certain circumstances specified in the Merger Agreement, to terminate the Merger Agreement in order to accept a superior proposal, subject to paying Parent a termination fee of \$1.5 million (and reimbursement of Parent's expenses up to \$1.25 million);

the Board's ability, under certain circumstances specified in the Merger Agreement, to withhold, withdraw, qualify or modify its recommendation that our stockholders vote to adopt the Merger Agreement, subject to Parent's subsequent right to terminate the Merger Agreement and our subsequent obligation to pay a termination fee of \$1.5 million (and reimbursement of Parent's expenses up to \$1.25 million);

the fact that the consummation of the Merger is not conditioned on Parent's ability to secure debt financing or equity financing in order to pay the Merger consideration; and

the fact that the termination date of August 27, 2013 under the Merger Agreement allows for sufficient time to complete the Merger;

the fact that the Merger consideration is all cash, allowing our stockholders to immediately realize a fair value for their investment, while also providing the stockholders certainty of value for their shares of AutoInfo Common Stock, while avoiding long-term business risk;

the financial presentation of Stephens, including its written opinion to the Special Committee dated February 28, 2013, to the effect that, as of that date and based upon and subject to the factors and assumptions set forth in such written opinion, the \$1.05 per share in cash to be received by the holders of outstanding shares of AutoInfo Common Stock pursuant to the Merger Agreement was fair from a financial point of view to our public stockholders (see the section entitled "Opinion of Stephens, Financial Advisor," beginning on page [**] of this proxy statement);

the availability of appraisal rights to holders of AutoInfo Common Stock who comply with all of the required procedures under the DGCL, which allows holders of AutoInfo Common Stock to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery and to receive cash payment based on that valuation instead of receiving the per share Merger consideration provided under the Merger Agreement (which fair value may be less than, greater than, or equal to the per share Merger consideration provided under the Merger Agreement);

the fact that, under the supervision of the Special Committee, Stephens contacted 164 parties that might be interested in acquiring AutoInfo to solicit their interest in acquiring AutoInfo, and of the 164 parties, none submitted either a non-binding or a binding proposal that the Special Committee deemed superior to the proposed Merger terms;

the fact that the negotiations of the transaction with Parent, including the Merger Agreement and the Merger, were conducted under the oversight of the Special Committee, which:

is comprised solely of independent directors who are not employees of AutoInfo and who have no material financial interest in the Merger that is different from that of our stockholders;

retained and received advice and assistance from the financial and legal advisors retained by the Special Committee in evaluating, negotiating and recommending the terms of the Merger Agreement; and

was delegated the power and authority to review and evaluate, participate in the negotiations of, and make recommendations to the Board with respect to a transaction or any alternative thereto.

- the fact that the Merger is subject to the approval of our stockholders.

The Special Committee also considered the following variety of risks and other potentially negative factors (among others) concerning the Merger Agreement and the transactions contemplated thereunder, including the Merger:

the current uncertain state of the economy and general uncertainty surrounding forecasted economic conditions in both the near-term and the long-term;

- the risks and costs to AutoInfo if the Merger does not close, including the diversion of management

and employee/agent attention, potential employee/agent attrition and the potential effect on our business and our relationships with agents and customers;

the risk of a material decline in our share price or damage to our relationships with our agents and customers if the Merger does not close;

the fact that our stockholders will not participate in any future earnings or growth of AutoInfo and will not benefit from any appreciation in value of AutoInfo, including any appreciation in value that could be realized as a result of acquisitions or improvements to AutoInfo's operations (other than Mr. Wachtel, Mr. Williams and Mr. Weiss pursuant to the Rollover Agreement);

the requirement that we pay Parent a termination fee of \$1.5 million (and reimbursement of Parent's expenses up to \$1.25 million) if we enter into a definitive agreement as the result of a superior proposal, which may discourage other potential bidders from making a competing bid to acquire us;

the restrictions on the conduct of our business prior to the completion of the Merger, requiring us to conduct our business only in the ordinary course, subject to specific limitations, which may delay or prevent us from undertaking business opportunities that may arise pending completion of the Merger;

the fact that certain of our directors and executive officers have financial interests in the Merger that are different from, or in addition to, those of our stockholders generally (see the section entitled "The Merger — Interests of Certain Persons in the Merger" beginning on page [**] of this proxy statement);

the fact that the closing of the Merger is conditioned upon there being demands for appraisal from not more than 5% of the outstanding shares of AutoInfo Common Stock;

the fact that, even if the Merger is not completed we will be required to pay our legal and accounting fees, a portion of the investment banking fees to Stephens, and other miscellaneous fees;

the fact that, for U.S. federal income tax purposes, the transaction would be taxable to our stockholders that are U.S. holders; and

the fact that, while we expect that the Merger will be consummated, there can be no assurance that all conditions to the parties' obligations to complete the Merger Agreement will be satisfied, and, as a result, the Merger may not be consummated.

This discussion summarizes the material factors considered by the Special Committee in its consideration of the Merger but is not meant to be an exhaustive list of the factors considered by the Special Committee. After considering these factors, the Special Committee concluded that the positive factors relating to the Merger Agreement and the Merger significantly outweighed the potential negative factors. In view of the wide variety of factors considered by the Special Committee, and the complexity of these matters, the Special Committee did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Special Committee may have assigned different weights to various factors. As a result, the Special Committee unanimously determined that the Merger consideration, the Merger Agreement and the transactions contemplated thereunder, including the Merger, are advisable and fair to, and in the best interests of, AutoInfo and its stockholders and recommended to the Board that the Board vote for the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.

Board of Directors

The Board has concluded, based on, among other things: (i) the unanimous recommendation of the Special Committee; (ii) the historical and projected financial condition, results of operations and cash flows of AutoInfo and AutoInfo's current and projected liquidity position; (iii) the current and future prospects for AutoInfo's businesses; (iv) the written presentations by Stephens to the Special Committee and the Board of its fairness opinion as to the fairness of the Merger consideration to be received pursuant to the Merger Agreement by the holders of AutoInfo Common Stock (except for shares held by Parent and its directors, officers and affiliates and the directors, officers, managers and affiliates of AutoInfo) from a financial point of view; (v) the efforts of Stephens and management to investigate other alternatives to the Merger Agreement and the Merger; (f) the recent trading prices of, and volume of trading in, AutoInfo Common Stock; and (g) the terms of the Merger Agreement (including, without limitation, the provisions thereof that permit the Board to consider unsolicited bona fide, written takeover proposals and to accept a superior proposal and the termination fee and expense reimbursement payable by AutoInfo relating thereto, the payment by AutoInfo of the termination fees and expense reimbursement to Parent in the event AutoInfo commits a breach of the Merger Agreement that results in the termination of the Merger Agreement by Parent, and the likely timing of the Merger), that the transactions contemplated by the Merger Agreement (including the Merger) are advisable and fair to, and in the best interests of, AutoInfo and its stockholders and represent the best alternative for AutoInfo's stockholders.

The foregoing discussion summarizes the material factors considered by the Board in its consideration of the Merger. In view of the wide variety of factors considered by the Board, and the complexity of these matters, the Board did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Board may have assigned different weights to various factors. The Board, based upon a recommendation from the Special Committee, unanimously approved and adopted the Merger Agreement and the transactions contemplated thereunder, including the Merger.

The Board recommended that the Merger Agreement be submitted to the stockholders of AutoInfo for approval and adoption at the Special Meeting and recommended that the stockholders of AutoInfo vote for the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger. **The Board recommends that you vote "FOR" the approval and adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger.**

Opinion of Stephens, Financial Advisor

Stephens was retained as a financial advisor in January 2012 to assist the Special Committee and the Board in analyzing potential strategic alternatives, including such alternatives that could lead to a possible sale of AutoInfo. As part of its engagement, at the request of the Special Committee, Stephens provided its written opinion as to the

fairness, from a financial point of view, to AutoInfo's public stockholders of the \$1.05 per share cash consideration to be received by AutoInfo's public stockholders in the Merger pursuant to the Merger Agreement. For the purposes of Stephens' opinion, the "public stockholders" of AutoInfo means the holders of outstanding shares of AutoInfo Common Stock, (except for shares held by Parent and its directors, officers and affiliates and the directors, officers, managers and affiliates of AutoInfo). On February 28, 2013, Stephens delivered its opinion and explained to the Special Committee and the Board and subsequently confirmed in a written opinion, dated February 28, 2013, that, as of that date and based upon and subject to the assumptions, procedures, factors, limitations and qualifications stated in its written opinion, the \$1.05 per share cash consideration to be received by AutoInfo's public stockholders was fair, from a financial point of view, to the public stockholders.

Stephens provided the opinion described above for the information and assistance of the Special Committee and the Board in connection with its consideration of the approval of the Merger Agreement. The terms of the Merger Agreement, including the amount and form of the consideration payable pursuant to the Merger Agreement to AutoInfo's public stockholders, were determined through negotiations between AutoInfo and Parent, and were approved by the Board. Stephens did not recommend the amount or form of consideration payable pursuant to the

Merger Agreement. Stephens has consented to the inclusion within the proxy statement of its opinion and the description of its opinion appearing under this subheading “Opinion of Stephens, Financial Advisor.” The full text of the written opinion of Stephens, dated February 28, 2013, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this proxy statement.

Stephens’ opinion does not address the merits of the underlying decision by AutoInfo to enter into the Merger Agreement, the merits of the Merger as compared to other alternatives potentially available to AutoInfo or the relative effects of any alternative transaction in which AutoInfo might engage, nor is the opinion intended to be a recommendation to any person as to how to vote on the proposal to adopt the Merger Agreement. In addition, except as explicitly set forth in Stephens’ opinion, Stephens was not asked to address, and Stephens’ opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of AutoInfo other than the public stockholders. Stephens was not asked to express any opinion, and does not express any opinion, as to the fairness of the amount or nature of the compensation to any of AutoInfo’s officers, directors or employees, or to any group of such officers, directors or employees, relative to the compensation to other stockholders of AutoInfo. Stephens’ fairness opinion committee approved and authorized the issuance of Stephens’ opinion.

In connection with its opinion, Stephens has:

- reviewed and analyzed certain publicly available financial statements and reports regarding AutoInfo;
- reviewed and analyzed certain internal financial statements and other financial and operating data (including financial forecasts for fiscal years 2012-2016) concerning AutoInfo prepared by the management of AutoInfo;
- reviewed the reported prices and trading activity for the Common Stock of AutoInfo;
- compared the financial performance of AutoInfo and the prices and trading activity of the Common Stock with that of certain other publicly-traded companies that we deemed relevant and their securities;
- reviewed the financial terms, to the extent publicly available, of certain other transactions that we deemed relevant;
- reviewed the forecasted potential future cash flows of AutoInfo;
- reviewed the Merger Agreement and related documents;

- discussed with management of AutoInfo the operations of and future business prospects for AutoInfo;

assisted the Special Committee with its deliberations regarding the material terms of the Merger and negotiations with the Parent; and

- performed such other analyses and provided such other services as Stephens deemed appropriate.

In rendering its opinion, Stephens relied on the accuracy and completeness of the information and financial data provided to it by AutoInfo and of the other information reviewed by it in connection with the preparation of its written opinion, and Stephens' opinion is based upon such information. Stephens has not assumed any responsibility for independent verification of the accuracy or completeness of any of such information or financial data. The management of AutoInfo has assured Stephens that they are not aware of any relevant information that has been omitted or remains undisclosed to Stephens. Stephens has not assumed any responsibility for making or undertaking an independent evaluation or appraisal of any of the assets or liabilities of AutoInfo or Parent, and it has not been furnished with any such evaluations or appraisals; nor has it evaluated the solvency or fair value of AutoInfo or Parent under any laws relating to bankruptcy, insolvency or similar matters. Stephens has not assumed any obligation to conduct any physical inspection of the properties or facilities of AutoInfo. With respect to the financial forecasts for

fiscal 2012-2016 prepared by the management of AutoInfo, Stephens has assumed they have been reasonably prepared and reflected the best currently available estimates and judgments of the management of AutoInfo as to the future financial performance of AutoInfo. Stephens' written opinion is necessarily based upon market, economic, and other conditions as they existed and could be evaluated, and on the information made available to Stephens, as of the date of its opinion. Stephens has also assumed that the representations and warranties contained in the Merger Agreement and all related documents are true, correct and complete in all material respects.

The following is a summary of the material financial analyses performed and material factors considered by Stephens in connection with its opinion. Stephens performed certain procedures, including each of the financial analyses described below, and reviewed with the Special Committee the assumptions upon which the analyses were based, as well as other factors. Although the summary does not purport to describe all of the analyses performed or factors considered by Stephens in this regard, it does set forth those considered by Stephens to be material in arriving at its written opinion. The order of the summaries of analyses described does not represent the relative importance or weight given to those analyses by Stephens. It should be noted that in arriving at its opinion, Stephens did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Stephens believes that its analysis must be considered as a whole and that considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

Premium Analysis. Stephens analyzed the consideration to be received by holders of the Common Stock pursuant to the Merger Agreement in relation to the closing price of the Common Stock on February 28, 2013, the closing prices of the Common Stock one-day, one week and one month prior and the volume-weighted average closing prices of the Common Stock for the 30-day, 90-day and 180-day periods ended February 28, 2013. This analysis

indicated that the price per share to be paid to the holders of shares of the Common Stock pursuant to the Merger Agreement represented a premium of:

- 7.1% based on the closing stock price on February 28, 2013 of \$0.98 per share

20.7% based on the day-prior closing price of \$0.87 per share

16.7% based on the week-prior closing price of \$0.90 per share

14.1% based on the month-prior closing price of \$0.92 per share

16.4% based on the 30-day volume-weighted average closing price of \$0.90 per share

- 15.2% based on the 60-day volume-weighted average closing price of \$0.91 per share
- 15.7% based on the 90-day volume-weighted average closing price of \$0.91 per share
- 21.0% based on the 180-day volume-weighted average closing price of \$0.87 per share
- 6.1% based on the 52-week high closing price of \$0.99 per share (1/2/13)
- 52.2% based on the 52-week low closing price of \$0.69 per share (5/25/12)

Implied Transaction Multiples. Stephens calculated select implied transaction multiples for AutoInfo based upon the Merger and financial information provided by AutoInfo's management. Stephens calculated an implied equity value by multiplying \$1.05 by the aggregate number of shares of the Common Stock on a fully diluted basis (including stock options on a net exercise basis). Stephens then calculated an implied enterprise value based on the implied equity value plus indebtedness, which we refer to as Enterprise Value. As used within the description of Stephens' financial analyses, "EBITDA" means earnings before interest, taxes, depreciation and amortization, "EPS" means earnings per share and "LTM" means last twelve months.

The results of these analyses are summarized in the table below:

	Company Multiple (Based on \$1.05 Offer Price)	
Enterprise Value to:		
2012E EBITDA Estimate	6.4	x
2013E EBITDA Estimate	4.7	x

Comparable Companies Analysis. Stephens analyzed the public market statistics of certain other transportation companies deemed relevant by Stephens and examined various trading statistics and information relating to those companies. Stephens selected the companies below because their businesses and operating profiles are reasonably similar to AutoInfo. No selected company identified below is identical to AutoInfo. A complete analysis involves complex considerations and qualitative judgments concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading values of those selected companies. Mathematical analysis (such as determining the mean or the median) is not in itself a meaningful method of using selected company data. In choosing relevant companies to analyze, Stephens selected the following companies:

- C. H. Robinson Worldwide, Inc.
- Echo Global Logistics, Inc.
- Expeditors International of Washington, Inc.
- Forward Air Corp.
- Hub Group Inc.
- J.B. Hunt Transport Services Inc.
- Landstar System Inc.
- Roadrunner Transportation Systems Inc.

- Universal Truckload Services Inc.

- UTi Worldwide Inc.

Stephens examined the historical market trading multiples of the selected companies compared to those of AutoInfo, including the average market trading multiples of Enterprise Value to LTM EBITDA and of price to LTM EPS for the 2-year and 5-year periods ending February 28, 2013. Stephens noted the historical disparity between the market trading multiples of the selected companies and AutoInfo.

The results of these analyses are summarized in the table below:

	Selected Companies Mean		Company		Percent Discount of Company to Selected Companies Mean	
Enterprise Value to:						
LTM EBITDA Multiple — 2 Year Average	11.2	x	6.1	x	(45.1)%
LTM EBITDA Multiple — 5 Year Average	11.0	x	7.3	x	(33.4)%
Price to:						
LTM EPS — 2 Year Average	20.8	x	7.2	x	(65.6)%
LTM EPS — 5 Year Average	24.9	x	8.2	x	(66.9)%

In addition, Stephens examined the market trading multiples for each company based on the February 28, 2013 closing price and information publicly available at that time, including the multiple of Enterprise Value to LTM EBITDA and of price to LTM EPS. Stephens noted the disparity between the market trading multiples of the selected companies and AutoInfo.

The results of these analyses are summarized in the table below:

	Based on 2/28/13 Closing Price				Percent Discount	
	Selected Companies Mean		Company		of Company to Selected Companies Mean	
Enterprise Value to:						
2012E EBITDA	10.8	x	6.0	x	(44.4)%
2013E EBITDA	9.6	x	4.4	x	(54.2)%
Price to:						
2012E EPS	21.9	x	7.5	x	(65.7)%
2013E EPS	18.9	x	5.4	x	(71.4)5

Based on this data and its understanding of the relative operating, financial and trading characteristics of the selected companies and of AutoInfo, Stephens derived a range for the implied value per share of the Common Stock of \$0.69–\$1.46. Stephens noted that the Merger consideration of \$1.05 per share for the Common Stock was within this range.

Comparable Transactions Analysis. Stephens reviewed the financial terms of selected logistics services acquisition transactions deemed relevant by Stephens announced since January 1, 2002 with Enterprise Values below \$75 million. The following transactions were reviewed by Stephens (in each case, the first named company was the acquiror and the second named company was the acquired company and the transaction date is noted parenthetically):

- XPO Logistics / Turbo Logistics, Inc. (10/25/12)
- Radiant Logistics / Isla International (12/1/11)
- Eos Partners, L.P. / BeavEx Incorporated (11/21/11)

Roadrunner Transportation Systems, Inc. / M. Bruenger Trucking Co., Inc. (5/31/11)

Radiant Logistics / DBA Distribution Services, Inc. (4/6/11)

- Trucking Investment Co. Inc. / US 1 Industries (2/18/11)
- Roadrunner Transportation Systems, Inc. / Morgan Southern, Inc. (2/3/11)
- Toll Global Forwarding / Summit Logistics (2/1/10)
- Mainfreight Ltd. / Target Logistics, Inc. (10/31/07)

Velocity Express Corporation / CD&L, Inc. (8/18/06)

Wheels Group / Clipper Exxpress (6/15/06)

Universal Truckload Services, Inc. / AFA Enterprises, Inc. (8/8/04)

PBB Global Logistics Income Fund / Clarke Inc. — Logistics Division (7/5/04)

American Capital Strategies / Roadrunner (7/30/03)

Stephens considered these selected logistics services acquisition transactions to be reasonably similar, but not identical, to the Merger. A complete analysis involves complex considerations and qualitative judgments concerning differences in the selected transactions and other factors that could affect the transaction values in those selected transactions to which the Merger is being compared. Mathematical analysis (such as determining the mean or the median) is not in itself a meaningful method of using selected transaction data.

For the selected transactions listed above, Stephens used publicly available financial information to determine the multiple of Enterprise Value to LTM EBITDA for each transaction.

	Company (Based on \$1.05 Offer Price)	Median Selected Transactions
Enterprise Value to: LTM EBITDA	6.4	x 5.3

Based on this data, its understanding of the relative operating and financial characteristics of the target company and of AutoInfo, and its understanding of the market, economic and other conditions as they existed as of the date of the selected transactions and of its opinion, Stephens derived an implied value range of approximately \$0.66–\$1.27 per share of the Common Stock. Stephens noted that the Merger consideration of \$1.05 per share for AutoInfo Common Stock was within this range.

Discounted Cash Flow Analysis. Stephens performed a discounted cash flow analysis on AutoInfo using projections developed by management for fiscal years 2012–2016. The projections included assumptions, among others, of revenue increasing at a compound annual growth rate of 20.0% from fiscal year 2012 to 2016 and EBITDA margins expanding from 2.9% in fiscal year 2012 to 3.6% in 2016. Utilizing these projections, Stephens calculated a range of implied price per share based upon the discounted net present value of the sum of the projected stream of unlevered free cash flows for the years ending December 31, 2013 to December 31, 2016 and a projected terminal value at December 31, 2016. Stephens considered discount rates ranging from 18.0% to 20.0% (based on a weighted average cost of capital analysis) and EBITDA exit multiples ranging from 5.0x–7.0x. The weighted average cost of capital was determined by the sum of (a) the market value of equity as a percentage of the total market value of AutoInfo’s capital multiplied by AutoInfo’s estimated cost of equity, and (b) the market value of debt as a percentage of the total market value of AutoInfo’s capital, multiplied by AutoInfo’s estimated after-tax market cost of debt. AutoInfo’s estimated cost of equity was calculated using the Capital Asset Pricing Model which took into account the risk free rate, AutoInfo’s beta, betas of other relevant companies, and applicable risk premiums. Utilizing the ranges of discount rates and exit multiples, Stephens derived an implied valuation range of \$1.01–\$1.62. Stephens noted that the Merger consideration of \$1.05 per share for the Common Stock was within this range.

Leveraged Buyout Analysis. Stephens performed a leveraged buyout analysis on AutoInfo using projections developed by management for fiscal years 2012–2016. This analysis calculates current values for AutoInfo based on the value that a hypothetical new equity investor would be willing to pay for AutoInfo in order to generate acceptable internal rates of return. Based on a range of target internal rates of return of 27.5% to 32.5% for the hypothetical equity investor, leverage of 4.1x 2012E EBITDA and a four-year EBITDA exit multiple range of 5.0x – 7.0x, the analysis

yielded values for the Common Stock of \$0.84–\$1.22. Stephens noted that the Merger consideration of \$1.05 per share for the Common Stock was within this range.

Premiums Paid Analysis. Stephens performed a premiums paid analysis based upon the premiums paid in 317 precedent public Merger and acquisition transactions. The transactions utilized within the analysis were completed or announced between January 1, 2008 and December 31, 2012 and involved U.S. targets with transaction value less than \$200 million. In the premiums paid analysis, Stephens analyzed the premiums paid based on (i) the closing stock price of the target one day prior to announcement of the transaction; (ii) the closing stock price of the target seven days prior to announcement of the transaction; (iii) the closing stock price of the target thirty days prior to announcement of the transaction; and (iv) the closing stock price of the target ninety days prior to announcement of the transaction. The medians for the one day, seven day, thirty day and ninety day premiums were 42.9%, 46.0%, 51.5%, and 44.9%, respectively. In addition, Stephens calculated the percentage distributions of premiums from <0% to >100% in 10% increments. The results of this analysis are set forth below:

Premium	Percent of Transactions			
	1 Day	7 Day	30 Day	90 Day
>100%	10.7 %	12.9 %	16.7 %	15.1 %
90.0% – 100.0%	4.7 %	2.8 %	3.5 %	1.6 %
80.0% – 90.0%	3.5 %	5.7 %	5.4 %	4.7 %
70.0% – 80.0%	6.9 %	7.9 %	9.1 %	6.6 %
60.0% – 70.0%	7.3 %	6.9 %	6.3 %	6.9 %
50.0% – 60.0%	10.7 %	7.9 %	10.1 %	8.8 %
40.0% – 50.0%	9.8 %	10.7 %	9.1 %	9.8 %
30.0% – 40.0%	11.7 %	13.2 %	9.5 %	9.1 %
20.0% – 30.0%	12.0 %	9.8 %	9.8 %	8.8 %
10.0% – 20.0%	9.1 %	8.5 %	7.6 %	7.9 %
0.0% – 10.0%	6.9 %	6.6 %	4.4 %	5.0 %
<0%	6.6 %	6.9 %	8.5 %	15.5 %
	100.0 %	100.0 %	100.0 %	100.0 %

Stephens noted that the Merger consideration of \$1.05 per share represented a premium of 7.1% over the closing share price of AutoInfo on February 28, 2013, a premium of 16.4% over the volume-weighted average of the closing share prices of the 30 days ended February 28, 2013 and a premium of 15.7% over the volume-weighted average of the closing share prices of the 90 days ended February 28, 2013.

Historical Trading Analysis. Stephens analyzed the historical daily closing prices per share of the Common Stock for the one-year period ending February 28, 2013. Stephens noted that during this period, the 52-week low (reached on May 25, 2012) and 52-week high (reached on January 2, 2013) closing prices per share of the Common Stock were

\$0.69 and \$0.99, respectively. Stephens further noted that the Merger consideration of \$1.05 per share for the Common Stock was above the 52-week range for the closing prices per share of the Common Stock for the one-year period ended February 28, 2013.

As part of Stephens' investment banking business, Stephens regularly issues fairness opinions and is continually engaged in the valuation of companies and their securities in connection with business reorganizations, private placements, negotiated underwritings, mergers and acquisitions and valuations for estate, corporate and other purposes. Stephens expects to pursue future investment banking services assignments from participants in the Merger. In the ordinary course of business, Stephens and its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions as principal or for the accounts of customers, in debt or equity securities or options on securities of AutoInfo or of any other participant in the Merger.

Fee Arrangements

AutoInfo retained Stephens based on its qualifications and expertise and its reputation as a nationally recognized investment banking firm. Pursuant to a letter agreement dated January 21, 2012, a fee of \$200,000 became payable to Stephens upon the delivery of its written opinion. Under the terms of the January 21, 2012 letter agreement, Stephens will be entitled to receive an additional fee of approximately \$0.9 million upon consummation of the Merger. AutoInfo has also agreed to reimburse Stephens for certain of its out-of-pocket expenses (including fees and expenses of its counsel) reasonably incurred by it in connection with its services and will indemnify Stephens against potential liabilities arising out of its engagement, including certain liabilities that could arise in connection with its fairness opinion under U.S. federal securities laws.

Voting Agreement

Under the Voting Agreement, which was entered into simultaneous with the execution of the Merger Agreement, each of Mr. Einselen, Mr. Patterson, Mr. Robertson, Mr. Wachtel, Mr. Weiss, Mr. Williams and Mr. Wunderlich, stockholders and option holders of AutoInfo who are members of management and/or directors of AutoInfo, who we refer to as the Voting Stockholders, agreed to vote all of their shares of AutoInfo Common Stock (representing approximately 22.3% of the outstanding shares of AutoInfo Common Stock as of [**], 2013, the record date established for the Special Meeting): (i) in favor of adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger, (ii) against (a) any proposal made in opposition to adoption of the Merger Agreement or in competition or inconsistent with the Merger or any other transactions contemplated by the Merger Agreement, (b) any takeover proposal, (c) any change in the management or Board (other than as contemplated by the Merger Agreement), and (d) any action or agreement that the Stockholders actually knows, or reasonably expects, would result in a breach of any representation, warranty, covenant or agreement or any other obligation of AutoInfo under the Merger Agreement or of such stockholder under the Voting Agreement. Each of the Voting Stockholders also agreed to irrevocably appoint an officer of Parent as such Voting Stockholder's proxy and attorney-in-fact, with full power of substitution and re-substitution, to cause such stockholder's shares of AutoInfo Common Stock to be voted in favor of the Merger Agreement and the transactions contemplated thereunder, including the Merger. Additionally, the Voting Stockholders agreed, among other things, not to transfer their shares of AutoInfo Common Stock, subject to certain exceptions. The Voting Agreement will terminate upon the earliest to occur of the completion of the Merger, or the termination of the Merger Agreement in accordance with its terms.

The vote of the Voting Stockholders is not sufficient under Delaware law to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, without the approval of any other stockholders of AutoInfo. A copy of the Voting Agreement is attached to this proxy statement as Annex B. See the section entitled “Voting Agreement.” beginning on page [**] of this proxy statement.

Litigation Relating to the Merger

As of the date of this proxy statement, we are not aware of any litigation relating to the Merger.

Financing of the Merger

We anticipate that the total amount of funds necessary to complete the Merger will be approximately \$60.2 million, in the aggregate, comprised of:

• approximately \$38.9 million to pay our stockholders (and holders of options) the amounts due to them under the Merger Agreement;

• approximately \$14.2 million to retire debt in connections with the transactions contemplated by the Merger Agreement; and

- approximately (i) \$4.7 million of AutoInfo transaction fees and expenses, including change of control payments, and (ii) \$2.4 million for other miscellaneous fees and expenses.

These payments are expected to be funded by Parent from its cash on hand and committed availability under its credit facilities.

Interests of Certain Persons in the Merger

In considering the recommendation of the Board that you vote to approve and adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger, you should be aware that certain of our directors and executive officers have financial interests in the Merger that are different from, or in addition to, those of our stockholders generally. The Board was aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and the Merger, and in recommending that the Merger Agreement and the transactions contemplated thereunder, including the Merger, be approved and adopted by the stockholders of AutoInfo. For the purposes of all of the agreements and plans described below, the completion of the transactions contemplated by the Merger Agreement will constitute a change of control.

Equity Compensation and Incentive Awards

At the effective time of the Merger, each outstanding option to purchase shares of AutoInfo Common Stock that is outstanding and unexercised as of immediately prior to the effective time of the Merger, whether vested or unvested, will automatically vest and be converted into the right to receive a cash payment equal to the number of shares of

AutoInfo Common Stock subject to such option multiplied by the amount (if any) by which \$1.05 exceeds the exercise price per share of such option, less any applicable withholding taxes.

The following table sets forth, as of [**], 2013, the equity compensation award holdings of AutoInfo's directors and executive officers and the gross value of such holdings assuming the Merger is completed:

	Number of Shares Subject to Vested Stock Options	Cash Consideration to be Received for Vested Stock Options	Number of Shares Subject to Unvested Stock Options	Cash Consideration to be Received for Unvested Stock Options	Cash Consideration to be Received for All Stock Options
Peter C. Einselen	402,500	\$ 194,825	120,000	\$ 34,800	\$ 229,625
Mark K. Patterson	196,667	69,133	353,333	105,017	174,150
Thomas C. Robertson	380,000	176,200	120,000	34,800	211,000
Harry Wachtel	200,000	58,000	300,000	87,000	145,000
Mark Weiss	80,000	23,300	120,000	34,800	58,000
Michael P. Williams	490,000	328,300	360,000	97,200	425,500
William I. Wunderlich	120,000	34,800	180,000	52,200	87,000

Change of Control Payments

Under their respective employment agreements with AutoInfo dated February 7, 2011, in the event of a change of control, each of Mr. Wachtel, Mr. Williams Mr. Wunderlich shall receive a lump-sum cash payment equal to one and one-half times their respective base salary plus one and one-half times their respective average annual bonus for the two fiscal years preceding the change of control. The Merger will constitute a change of control which is defined as a sale of all or substantially all of our assets, a consolidation or Merger in which AutoInfo is not the surviving entity and in which our stockholders before the transaction do not own more than 50% of the combined voting power after the transaction, or a tender offer, Merger, consolidation, sale of assets or contested election or any combination of the foregoing transactions in which the persons who were our directors immediately before the transaction cease to constitute a majority of the board of AutoInfo or any successor company. Accordingly, upon the consummation of the Merger, Messrs. Wachtel, Williams and Wunderlich will be entitled to receive change of control payments in the amount of \$1,060,000, \$694,000 and \$947,000, respectively.

Employment Arrangements with the Surviving Corporation

On February 28, 2013, simultaneous with the execution of the Merger Agreement, Mr. Wachtel and Mr. Williams entered into amended and restated employment agreements with AutoInfo that will become effective upon the consummation of the Merger.

Mr. Wachtel's amended and restated employment agreement provides for his part-time services as Chairman of the Board of AutoInfo for a two-year term of employment at an annual salary that is not less than \$100,000. Upon his termination or resignation under certain circumstances, he shall be entitled to payment of any amounts that remain due for the balance of the employment term and the payment or reimbursement of all premiums for medical benefits elected during such period. The employment agreement contains customary restrictive covenants applicable to Mr. Wachtel with respect to non-competition, non-solicitation, non-disparagement, and non-disclosure, and provides for Mr. Wachtel's participation in any of our then existing employee and executive benefit plans or programs, including health insurance on substantially the same terms and conditions as other senior executives and employees of AutoInfo after the closing of the transactions contemplated under the Merger Agreement.

Mr. Williams' amended and restated employment agreement provides for his full-time services as Chief Executive Officer of AutoInfo at an annual salary that is not less than \$318,000 (other than across the board reduction of base salaries of similarly situated employees of AutoInfo, which reductions shall not at any time reduce Mr.

Williams' base salary below \$270,300). Mr. Williams shall also be eligible to receive an annual bonus of \$100,000 upon the achievement by AutoInfo of annual performance criteria established by the Board. In the event of Mr. Williams' termination or resignation under certain circumstances, he shall be entitled to a payment of his base salary, benefits, and reimbursement of expenses through the termination date and payment of his base salary and reimbursement of all premiums for medical benefits elected during the 12 month period following the termination date. The employment agreement also contains customary restrictive covenants applicable to Mr. Williams with respect to non-competition, non-solicitation, non-disparagement, and non-disclosure and provides for Mr. Williams' participation in any of our then existing employee and executive benefit plans or programs, including health insurance on substantially the same terms and conditions as other senior executives and employees of AutoInfo after the closing of the transactions contemplated under the Merger Agreement.

Management Exchange and Rollover Agreement

As a condition to Parent entering into the Merger Agreement, on February 28, 2013, each of Mr. Wachtel, Mr. Weiss and Mr. Williams, each an executive officer of AutoInfo, entered into the Rollover Agreement with Parent pursuant to which each such executive officer agreed, upon the consummation of the Merger, to contribute AutoInfo Common Stock, or Merger consideration otherwise due and payable on account of options to purchase AutoInfo Common Stock owned by such executive officer, to Parent in exchange for equity interests in Parent. See the section entitled "Management Exchange and Rollover Agreement" beginning on page [**] of this proxy statement.

Indemnification and Insurance

Parent has agreed to, and has agreed to cause AutoInfo and the surviving corporation to, for six years after the effective date of the Merger, indemnify the individuals who at or prior to the effective date of the Merger were directors or officers of AutoInfo, who we collectively refer to as the "indemnitees", with respect to all acts or omissions by them in their capacities as such at any time prior to the effective date of the Merger, to the fullest extent: (i) required by the our charter documents (including employees to the extent indemnified thereunder) as in effect on February 28, 2013; and (ii) permitted under applicable Law (including employees to the extent indemnification is permitted thereunder). An indemnitee shall notify AutoInfo in writing promptly upon learning of any claim, action, suit, proceeding, investigation or other matter in respect of which such indemnification may be sought. In the event of any such claim, action, suit, proceeding or investigation: (i) each indemnitee will be entitled to advancement of reasonable expenses incurred in the defense of any claim, action, suit, proceeding or investigation from AutoInfo within ten business days of receipt by AutoInfo from the indemnitee of a reasonably detailed request therefor; provided that any person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification; and (ii) neither Parent nor AutoInfo shall settle, compromise or consent to the entry of any judgment in any proceeding or threatened action, suit, proceeding, investigation or claim (and in which indemnification could be sought by such indemnitee hereunder), unless such settlement, compromise or consent includes an unconditional release of such indemnitee from all liability arising out of such action, suit, proceeding, investigation or claim or such indemnitee otherwise consents. Notwithstanding anything to the contrary, in no event shall AutoInfo be liable for any settlement or compromise effected without its

written consent. Each of AutoInfo and the indemnitees shall cooperate in the defense of any claim, action, suit, Proceeding or investigation and shall furnish or cause to be furnished records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith. Further, the indemnification agreements, if any, in existence on February 28, 2013 (and as may be amended prior to the closing upon approval (in writing) by Parent) with any of the directors, officers or employees of AutoInfo shall continue in full force and effect in accordance with their terms following the consummation of the Merger.

Parent has further agreed that prior to the closing of the Merger, Parent shall purchase for the benefit of AutoInfo's directors and officers, as of February 28, 2013 and as of the effective date of the Merger, an insurance and indemnification tail policy, which we refer to as the D&O Tail Policy, that provides coverage for a period of six years from and after the effective date of the Merger for events occurring prior to the effective date of the Merger that is substantially equivalent to and in any event not less favorable in the aggregate than AutoInfo's existing policy or, if

substantially equivalent insurance coverage is unavailable, the best available coverage; provided that Parent shall not be required to purchase the D&O Tail Policy if such policy exceeds 300% of the last annual premium paid prior to February 28, 2013, in which event, Parent shall purchase the most advantageous policy of directors' and officers' insurance obtainable for a total annual premium equal to such base amount.

Special Committee Fees

In accordance with the resolutions of the Board, each member of the Special Committee received as compensation a fee in the amount of \$8,000, whether or not the Merger occurs. In addition, Mr. Patterson received an incremental fee in the amount of \$12,000 for serving as chairperson of the Special Committee.

Accounting Treatment

The Merger will be accounted for as a "purchase transaction" for financial accounting purposes.

Material U.S. Federal Income Tax Consequences of the Merger

The following is a summary of the material U.S. federal income tax consequences of the Merger to U.S. holders (as defined below) whose shares of AutoInfo Common Stock are converted into the right to receive cash in the Merger. This summary does not purport to consider all aspects of U.S. federal income taxation that might be relevant to our stockholders. For purposes of this discussion, we use the term "U.S. holder" to mean a beneficial owner of shares of AutoInfo Common Stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;

a trust that (i) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

- an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds Common Stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. A partner of a partnership holding Common Stock should consult the partner's tax advisor regarding the U.S. federal income tax consequences of the Merger to such partner.

This discussion is based upon the Internal Revenue Code of 1986, as amended, which we refer to in this proxy statement as the Code, and Treasury regulations, Internal Revenue Service rulings and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or different interpretations. The discussion applies only to beneficial owners who hold shares of AutoInfo Common Stock as capital assets within the meaning of Section 1221 of the Code, and does not apply to shares of AutoInfo Common Stock received in connection with the exercise of employee stock options or otherwise as compensation, stockholders who hold an equity interest, actually or constructively, in Parent or the surviving corporation after the Merger, stockholders who validly exercise their rights under the DGCL to object to the Merger or to certain types of beneficial owners who may be subject to special rules (such as insurance companies, banks, tax-exempt organizations, financial institutions, broker-dealers, partnerships, S corporations or other pass-through entities, mutual funds, traders in securities who elect the mark-to-market method of accounting, stockholders subject to the alternative minimum tax, stockholders that have a functional

currency other than the U.S. dollar or stockholders who hold Common Stock as part of a hedge, straddle, constructive sale or conversion transaction). This discussion also does not address the U.S. tax consequences to any stockholder who, for U.S. federal income tax purposes, is a non-resident alien individual, foreign corporation, foreign partnership or foreign estate or trust, and does not address the receipt of cash in connection with the cancellation of options to purchase shares of AutoInfo Common Stock or any other matters relating to equity compensation or benefit plans. This discussion does not address any aspect of state, local, foreign, estate or gift tax laws.

Exchange of Shares of AutoInfo Common Stock for Cash Pursuant to the Merger Agreement

The exchange of shares of AutoInfo Common Stock for cash in the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder whose shares of AutoInfo Common Stock are converted into the right to receive cash in the Merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received with respect to such shares (determined before the deduction of any applicable withholding taxes) and the U.S. holder's adjusted tax basis in such shares. A U.S. holder's adjusted tax basis will generally equal the price the U.S. holder paid for such shares. Gain or loss will be determined separately for each block of shares of AutoInfo Common Stock (i.e., shares of AutoInfo Common Stock acquired at the same cost in a single transaction). Such gain or loss will be long-term capital gain or loss provided that the U.S. holder's holding period for such shares of AutoInfo Common Stock is more than 12 months at the time of the completion of the Merger. A 3.8% Medicare tax imposed on the "net investment income" of U.S. holders that are individuals, estates and trusts with taxable income in excess of certain thresholds. Net investment income includes, among other things, gain on the disposition of the Common Stock.

Backup Withholding and Information Reporting

Backup withholding of tax may apply to cash payments to which a non-corporate U.S. holder is entitled under the Merger Agreement, unless the U.S. holder or other payee provides a taxpayer identification number, certifies that such number is correct, and otherwise complies with the backup withholding rules. Each of our U.S. holders should complete and sign, under penalty of perjury, the Substitute Form W-9 included as part of the letter of transmittal that will be sent promptly after the completion of the Merger (but in no event more than five business days thereafter) and return it to the paying agent, in order to provide the information and certification necessary to avoid backup withholding, unless an exemption applies and is established in a manner satisfactory to the paying agent.

Backup withholding is not an additional tax. Any amounts withheld from cash payments to a U.S. holder pursuant to the Merger under the backup withholding rules will be allowable as a refund or a credit against such U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Cash payments made pursuant to the Merger will also be subject to information reporting unless an exemption applies.

The U.S. federal income tax consequences described above are not intended to constitute a complete description of all tax consequences relating to the Merger. Because individual circumstances may differ, each stockholder should consult the stockholder's tax advisor regarding the applicability of the rules discussed above to the stockholder and the particular tax effects to the stockholder of the Merger in light of such stockholder's particular circumstances, the application of federal, state, local and foreign tax laws, and, if applicable, the tax consequences of the receipt of cash in connection with the cancellation of options, including the transactions described in this proxy statement relating to outstanding stock options.

THE MERGER AGREEMENT

*The following summary describes the material terms of the Merger Agreement but does not purport to describe all of the terms of the Merger Agreement. This summary of the Merger Agreement is qualified by reference to the full text of the Merger Agreement, a copy of which is attached as Annex A, and is incorporated by reference into, this proxy statement. The Merger Agreement has been included to provide you with information regarding its terms. We encourage you to read the Merger Agreement carefully and in its entirety because it is the legal document that governs the Merger. It is not intended to provide you with any factual information about us. Such information can be found elsewhere in this proxy statement and in the public filings we make with the SEC, as described in the section entitled, “Where You Can Find More Information,” beginning on page [**] of this proxy statement.*

The Merger

The Merger Agreement provides that Merger Sub will merge with and into AutoInfo, with AutoInfo continuing as the surviving corporation and doing business following the Merger, and the separate corporate existence of Merger Sub shall thereupon cease.

Closing

The closing of the Merger will take place no later than the third business day following the date on which the conditions to the closing of the Merger (described in the section entitled “The Merger Agreement — Conditions to the Merger” beginning on page [**] of this proxy statement) have been satisfied or waived (other than the conditions that by their nature are to be satisfied at the closing of the Merger, but subject to the fulfillment or waiver of those conditions), unless another date is agreed to in writing by Parent and AutoInfo.

Effective Time

The effective time of the Merger will occur upon the filing of a certificate of Merger with the Secretary of State of the State of Delaware (or at such later date as we and Parent may agree and specify in the certificate of Merger).

Directors and Officers of Surviving Corporation

The Board of Directors of the surviving corporation will, from and after the effective time of the Merger, consist of the directors of Merger Sub until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal. The officers of AutoInfo at the effective time of the Merger will, from and after the effective time of the Merger, be the officers of the surviving corporation until their successors have been duly appointed and qualified or until their earlier death, resignation or removal.

Organizational Documents of Surviving Corporation

The certificate of incorporation of the surviving corporation will be in the form of the certificate of incorporation of Merger Sub (except with respect to the name of AutoInfo), until amended in accordance with its terms or by applicable law. The bylaws of the surviving corporation will be in the form of the bylaws of Merger Sub (except with respect to the name of AutoInfo) until amended in accordance with the Merger Agreement or by applicable law.

Effect of the Merger on the Capital Stock of the Parties

At the effective time of the Merger:

each issued and outstanding share of capital stock of Merger Sub will become one share of Common Stock of the surviving corporation;

any shares of AutoInfo Common Stock that are owned by us as treasury stock or by Parent or Merger Sub will be canceled and no consideration will be delivered in exchange for those shares; and

each issued and outstanding share of AutoInfo Common Stock (other than those canceled as above and shares of AutoInfo Common Stock of stockholders who have properly exercised appraisal rights) will be converted into the right to receive \$1.05 in cash, as per share Merger consideration, without interest and less any applicable withholding taxes.

Shares of AutoInfo Common Stock owned by stockholders who have perfected and not withdrawn a demand for, or lost the right to, appraisal rights under the DGCL will be cancelled without payment of the per share Merger consideration. Such stockholders will instead be entitled to the appraisal rights provided under the DGCL as described in the section entitled "Appraisal Rights" beginning on page [**] of this proxy statement.

Exchange and Payment Procedures

As soon as practicable following the effective time of the Merger, Parent will deposit, or will cause to be deposited, with the paying agent a cash amount necessary for the paying agent to make payment of the aggregate per share Merger consideration to the holders of shares of AutoInfo Common Stock.

Promptly after the effective time of the Merger, each record holder of shares of AutoInfo Common Stock will be sent a letter of transmittal and instructions describing how the stockholder may exchange his, her or its shares of AutoInfo Common Stock for the per share Merger consideration promptly after the completion of the Merger.

You should not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.

You will not be entitled to receive the per share Merger consideration until you deliver a duly completed and validly executed letter of transmittal to the paying agent. If your shares are certificated, you must also surrender your stock certificate or certificates to the paying agent along with your letter of transmittal.

No interest will be paid or accrued on the cash payable as the per share Merger consideration. Parent, the surviving corporation and the paying agent will be entitled to deduct and withhold any applicable taxes from the per share Merger consideration. Any amount that is withheld and paid over to the appropriate taxing authority will be deemed to have been paid to the person with regard to whom it is withheld.

From and after the effective time of the Merger, there will be no transfers on our stock transfer books of shares of AutoInfo Common Stock that were outstanding immediately prior to the closing date of the Merger. If, after the effective time of the Merger, any person presents to the surviving corporation any certificates for any reason, such certificates must be cancelled and exchanged for the per share Merger consideration as provided above to the extent that the per share Merger consideration has not already been paid in respect of the shares of AutoInfo Common Stock represented by such certificates.

Any portion of the per share Merger consideration deposited with the paying agent that remains unclaimed by former record holders of AutoInfo Common Stock twelve months after the effective time of the Merger will upon request of Parent, be delivered to the surviving corporation. Record holders of AutoInfo Common Stock who have not complied with the above-described exchange and payment procedures will thereafter only look to the surviving corporation for payment of the per share Merger consideration. None of the surviving corporation, Parent or the paying agent will be liable to any person for any cash delivered to a public official pursuant to any applicable abandoned property, escheat or other similar laws.

If you have lost a certificate, or if it has been stolen or destroyed, then before you will be entitled to receive the per share Merger consideration, you must make an affidavit of the loss, theft or destruction, and if required by Parent, post a bond in an amount sufficient to provide a full indemnity against any claim that may be made against it with respect to such certificate. These procedures will be described in the letter of transmittal that you will receive, which you should read carefully in its entirety.

AutoInfo Stock Options

At the effective time of the Merger, each outstanding option will be cancelled and terminated and converted into the right to receive cash equal to the excess, if any, of the per share Merger consideration over the exercise price payable in respect of each share of AutoInfo Common Stock issuable under such option.

Representations and Warranties

We made customary representations and warranties in the Merger Agreement that are subject, in some cases, to specified exceptions and qualifications contained in the Merger Agreement, in the disclosure schedules to the Merger Agreement or, subject to certain exception, in certain documents filed with the SEC. These representations and warranties relate to, among other things:

- corporate matters, including our due organization, existence, good standing and requisite corporate power;
- our capitalization;

our corporate power and authority to execute, and consummate the transactions under, the Merger Agreement, and the enforceability of the Merger Agreement against us;

the approval and declaration of the advisability of the Merger Agreement and the transactions contemplated thereunder, including the Merger, by the Board, the determination that the Merger Agreement and the transactions contemplated thereunder, including the Merger are advisable and fair to, and in the best interests of, us and our stockholders and the resolution to recommend that our stockholders adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger;

- the absence of violations of, or conflicts with, our governing documents, applicable law and certain agreements as a result of our entering into and performing our obligations under the Merger Agreement;

the vote of our stockholders required to adopt the Merger Agreement and approve the transactions contemplated by the Merger Agreement;

- required governmental consents, approvals and filings;

the timely filing of required reports and other filings with the SEC since January 1, 2008, material compliance of our filings with securities laws and our financial statements with accounting standards, and maintenance of internal controls;

the absence of (i) claims regarding our accounting practices and securities laws, and (ii) employee reports of violations of laws;

the absence of certain undisclosed liabilities;

good and marketable title to our assets;

the conduct of our business in the ordinary course of business consistent with past practice and the absence of any material adverse effect since September 30, 2012;

the absence of any pending or threatened investigation, legal or administrative proceeding or action that would reasonably be expected to have a material adverse effect on AutoInfo;

compliance with applicable laws and possession of required licenses and permits;

payments due to, and rights of employees upon a change of control of AutoInfo;

tax matters;

- employee benefits matters;

labor and employment matters;

environmental, health and safety matters;

material contracts and the absence of any default under any material contract;

real property, including title to, or leasehold interests in, real property;

intellectual property;

insurance;

business continuity;

customers, suppliers and sales agents;

restrictions on business activities;

product and service warranties;

product liability;

indebtedness;

the receipt of an opinion from Stephens;

the absence of certain unlawful payments;

51

the absence of any undisclosed broker's or advisor fees;

the absence of the applicability of antitakeover statutes to the Merger;

ethical business practices;

capital expenditures and investments;

affiliate transaction; and

the absence of untrue statements of material fact or omissions of material fact in information contained in certain documents.

Many of our representations and warranties made in the Merger Agreement are qualified by a material adverse effect standard. For purposes of the Merger Agreement, "material adverse effect" means any change, condition, effect, event, occurrence, state of facts, circumstance, or development that is either individually or in the aggregate with any other any change, condition, effect, event, occurrence, state of facts, circumstance, or development materially adverse to the business, properties, assets, liabilities (contingent or otherwise), operations, condition (financial or otherwise), or results of operations of AutoInfo, and its subsidiaries, taken as a whole; provided, however, that none of the following will constitute a material adverse effect:

any change generally affecting the economy, financial markets or political, economic or regulatory conditions in the United States or any other geographic region in which AutoInfo conducts business, to the extent AutoInfo and its subsidiaries are not materially and disproportionately affected thereby;

changes in the industries in which AutoInfo and its subsidiaries operate, to the extent AutoInfo and its subsidiaries are not materially and disproportionately affected thereby;

any change attributable to the execution, announcement, pendency or consummation of the transactions contemplated by the Merger Agreement;

any change arising from or relating to compliance with the terms of the Merger Agreement, or action taken, or failure to act, to which Parent has consented;

acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity or any material worsening of such conditions

threatened or existing as of February 28, 2013, to the extent that AutoInfo, and its subsidiaries are not materially and disproportionately affected thereby;

any changes arising from any action required to be taken under any law after February 28, 2013, to the extent that AutoInfo and its subsidiaries are not materially and disproportionately affected thereby;

changes in generally accepted accounting principles in the U.S., which we refer to as "GAAP", after February 28, 2013;

any failure by AutoInfo to meet any published or internally prepared estimates of revenue or earnings for any period ending on or after February 28, 2013; or

any change directly related, and attributed, to certain items specified by AutoInfo in its disclosure schedules to the Merger Agreement.

"Material adverse effect" also means any change, condition, effect, event, occurrence, state of facts, circumstance, or development that any change, event, occurrence or effect which would reasonably be expected to materially impair AutoInfo's and its subsidiaries' ability to perform their respective obligations under the Merger Agreement or consummate the transactions contemplated by the Merger Agreement.

The Merger Agreement also contains customary representations and warranties made by Parent and Merger Sub that are subject, in some cases, to specified exceptions and qualifications contained in the Merger Agreement. The representations and warranties of Parent and Merger Sub relate to, among other things:

• corporate matters, including their due organization, existence and good standing;

• their corporate power and authority to execute, and consummate the transactions under, the Merger Agreement, and the enforceability of the Merger Agreement against them;

- the absence of violations of, or conflicts with, their governing documents, applicable law and certain agreements as a result of entering into and performing their obligations under the Merger Agreement;

• required consents, approvals and filings;

• the absence of untrue statements of material fact or omissions of material fact in information provided for certain filings;

• the ownership and operations of Merger Sub;

- sufficiency of funds to consummate the Merger; and

• the absence of any undisclosed broker's or advisor's fees.

Subject to the Indemnification Agreement, the representations and warranties in the Merger Agreement of each of AutoInfo, Parent and Merger Sub will terminate upon the consummation of the Merger or the termination of the Merger Agreement pursuant to its terms, except that any provision in the Merger Agreement which contemplates performance after the effective time of the Merger will survive indefinitely, including certain provisions regarding exchange of stock certificates, indemnification and insurance, fees and expenses and employee matters.

Stockholders' Meeting

We agreed to establish a record date for, call, give notice of, convene and hold a meeting of our stockholders for the purpose of obtaining stockholder approval of the Merger Agreement and the transactions contemplated thereunder,

including the Merger. Subject to the provisions of the Merger Agreement described in the section entitled “The Merger Agreement — No Solicitation of Takeover Proposals” beginning on page [**] of this proxy statement, the Board will recommend that our stockholders vote to adopt the Merger Agreement and the transactions contemplated thereunder, including the Merger. We may adjourn or postpone the stockholders’ meeting to the extent necessary to ensure that any required supplement or amendment to this proxy statement is provided to our stockholders or, if as of the time for which the stockholders’ meeting is originally scheduled there are insufficient shares of AutoInfo Common Stock represented to constitute a quorum necessary to conduct business at such meeting.

Conduct of Our Business Pending the Merger

Under the Merger Agreement, we have agreed that, subject to certain exceptions in the Merger Agreement or as required by applicable law or as contemplated by the disclosure schedules to the Merger Agreement, between February 28, 2013 and the effective time of the Merger, unless Parent gives its written consent, we and our subsidiaries will conduct our business in the ordinary course of business consistent with past practice, comply in all material respects with applicable laws and AutoInfo’s material contracts, and use our commercially reasonable efforts to preserve intact our business organization and the goodwill of those having business relationships with us and retain the services of our present officers and key employees, so that our goodwill and ongoing business will be unimpaired at the effective time of the Merger.

Subject to certain exceptions set forth in the Merger Agreement and the disclosure schedules to the Merger Agreement, between February 28, 2013 and the effective time of the Merger we will not, and we will not permit our subsidiaries to:

subject to certain exceptions, (i) issue (or propose to issue), deliver, hypothecate, sell, grant, dispose of, pledge or otherwise encumber any shares of AutoInfo's capital stock or any securities or rights convertible into, exchangeable or exercisable for, or evidencing the right to subscribe for any shares of its capital stock, (ii) redeem, purchase or otherwise acquire any of its outstanding shares of our capital stock, (iii) declare, set aside for payment or pay any dividends, (iv) adjust, split, combine, subdivide or reclassify any shares of our capital stock, or (v) amend or waive any of its rights under, or accelerate the vesting under, any provision of the AutoInfo's equity plans or any agreement evidencing any outstanding stock option or other right to acquire capital stock of the AutoInfo or any restricted stock purchase agreement or any similar or related contract;

subject to certain exceptions, incur, assume or guarantee any indebtedness;

subject to certain exceptions, sell, transfer, license, lease, mortgage or encumber any of its properties or assets;

make any capital expenditure or expenditures which (i) involves the purchase of real property, or (ii) is in excess of \$50,000 individually or \$100,000 in the aggregate;

make acquisitions of the capital stock or assets of any other entity;

subject to certain exceptions, make any investments or loans or advances;

subject to certain exceptions, enter into, terminate or amend any material contract or enter into or extend the term or scope of any contract that purports to restrict AutoInfo, or any of its subsidiaries, from engaging in any line of business or in any geographic area;

subject to certain exceptions, increase the compensation or benefits of any of AutoInfo's directors, officers or employees or enter into, establish, amend or terminate any employment, consulting, retention, change of control, collective bargaining, bonus or other incentive compensation, profit sharing, health or other welfare, stock option or other equity (or equity-based), pension, retirement, vacation, severance, deferred compensation or other compensation or benefit plan, policy, agreement, trust, fund or arrangement with, for or in respect of, any stockholder, director, officer, other employee, consultant or affiliate;

subject to certain exceptions, make, revoke or change any material election concerning taxes or tax returns, file any amended tax return, enter into any closing agreement with respect to taxes, settle or compromise any material tax claim or assessment or surrender any right to claim a refund of taxes or obtain any tax ruling, or waive or extend the

statute of limitations in respect of any tax;

• make any changes in financial or tax accounting methods, principles or practices (or change an annual accounting period), except insofar as may be required by a change in GAAP, applicable law or AutoInfo's auditors;

• subject to certain exceptions, amend the certificate of incorporation (or other organizational and governing documents) of AutoInfo or any of its subsidiaries;

• subject to certain exceptions, authorize, recommend, propose, or announce an intention to adopt, or adopt a plan or agreement of complete or partial liquidation, dissolution, restructuring, recapitalization, Merger, consolidation or other reorganization (other than the transactions contemplated by the Merger Agreement);

54

pay, discharge, settle or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction in accordance with their terms of liabilities, claims or obligations reflected or reserved against in the most recent consolidated financial statements (or the notes thereto) of AutoInfo included in its SEC filings or incurred subsequent to September 30, 2012 in the ordinary course of business;

subject to certain exceptions, issue any broadly distributed communication of a general nature to employees (including general communications relating to benefits and compensation) or customers without the prior approval of Parent;

settle or compromise any litigation, proceeding or investigation material to AutoInfo and its subsidiaries taken as a whole; or

agree, in writing or otherwise, to take any of the foregoing actions.

No Solicitation of Takeover Proposals

From and after the date of the Merger Agreement, we and our representatives agreed to cease and cause to be terminated any discussions or negotiations with any persons that were ongoing with respect to any takeover proposal and with any persons who made or indicated an intention to make a takeover proposal and request that such persons promptly return or destroy all confidential information concerning AutoInfo and our subsidiaries. From and after date of the Merger Agreement until the effective time of the Merger or, if earlier, the termination of the Merger Agreement, we and our representatives may not, directly or indirectly:

- solicit, initiate, willfully or intentionally cause, willfully or intentionally facilitate or willfully or intentionally encourage (including by way of furnishing information) any inquiries, proposals, offers or other efforts or attempts that constitute, or may reasonably be expected to lead to, any takeover proposal;

participate in any discussions or negotiations with, or otherwise cooperate with or assist or participate in, or facilitate any such inquiries, proposals, offers, discussions or negotiations with, any third party regarding, or may reasonably be expected to lead to, any takeover proposal; or

enter into any agreement related to any takeover proposal.

Notwithstanding the foregoing, if the Board receives an unsolicited, bona fide written takeover proposal made after February 28, 2013 in circumstances not involving a breach of the Merger Agreement or any standstill agreement, and the Board (upon receipt of a recommendation by the Special Committee) reasonably determines in good faith that

such takeover proposal constitutes or would reasonably be expected to lead to a superior proposal and with respect to which the Board determines in good faith, after consulting with and receiving the advice of outside counsel and its independent financial advisors, that the taking of such action is necessary in order for the Board to comply with its fiduciary duties to AutoInfo's stockholders under Delaware law, then AutoInfo may, at any time prior to obtaining stockholder approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger, and after providing Parent not less than twenty four (24) hours written notice of its intention to take such actions:

furnish information with respect to AutoInfo to the person making such takeover proposal, but only after such person enters into a customary confidentiality agreement with AutoInfo (which confidentiality agreement must be no less favorable to AutoInfo (*i.e.*, no less restrictive with respect to the conduct of such person) than the confidentiality agreement between AutoInfo and

Parent), provided that, (i) such confidentiality agreement may not include any provision calling for an exclusive right to negotiate with AutoInfo and (ii) AutoInfo advises Parent of all such non-public information delivered to such Person concurrently with its delivery to such Person and, concurrently with its delivery to such person, AutoInfo delivers to Parent all such information not previously provided to Parent; and

participate in discussions and negotiations with such person or its representatives regarding such takeover proposal.

Following the date of the Merger Agreement, we must advise Parent (orally and in writing) no later than twenty four hours after receipt, if any proposal, offer, inquiry or other contact is received by, any information is requested from, or any discussions or negotiations are sought to be initiated or continued with, AutoInfo or any of its representatives in respect of any takeover proposal, and shall, in any such notice to Parent, indicate the identity of the person making such proposal, offer, inquiry or other contact and the terms and conditions of any proposals or offers or the nature of any inquiries or contacts (and shall include with such notice copies of any written materials received from, provided to, or on behalf of such Person relating to such proposal, offer, inquiry or request), and thereafter shall promptly keep Parent fully informed of all material developments affecting the status and terms of any such proposals, offers, inquiries or requests (and AutoInfo shall provide Parent with copies of any additional written materials received that relate to such proposals, offers, inquiries or requests) and of the status of any such discussions or negotiations.

Except as permitted by the Merger Agreement, neither the Board nor the Special Committee (nor any other committee) may: (i)(a) withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to Parent, the Board's recommendation to stockholders to approve the Merger Agreement and the transactions contemplated thereunder, including the Merger, which we refer to as the "Company Board Recommendation", or the approval or declaration of advisability by the Board of the Merger Agreement and the transactions contemplated by the Merger Agreement (including the Merger) or (b) approve or recommend, or propose publicly to approve or recommend, any takeover proposal (any action described in this clause (i) we refer to as a "Company Adverse Recommendation Change"); (ii) authorize, cause, permit, approve or recommend, or propose publicly to authorize, cause, permit, approve or recommend, or cause or authorize AutoInfo or any of its subsidiaries to enter into, any letter of intent, agreement in principle, memorandum of understanding, or option, Merger, acquisition, purchase, joint venture or other similar agreement related to any takeover proposal (other than a permitted confidentiality agreement), which we refer to as the "definitive acquisition agreement"; or (iii) except as contemplated by the Merger Agreement, take any action which would allow any person other than Parent or Merger Sub to acquire beneficial ownership of 20% or more of the shares of AutoInfo Common Stock. Notwithstanding the foregoing and so long as AutoInfo is in compliance with its obligations under the Merger Agreement, at any time prior to obtaining the stockholder approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger, the Board (acting upon receipt of a recommendation by the Special Committee) may withdraw or modify AutoInfo Board Recommendation in response to a superior proposal, approve or recommend a takeover proposal, enter into a definitive acquisition agreement, or permit a person to acquire beneficial ownership of 20% or more of the shares of AutoInfo Common Stock if the Board determines in good faith, after consulting with, and receiving advice from, outside counsel and its independent financial advisor, that the failure to make such withdrawal, approval, modification or recommendation, or take such action, would constitute a breach by the Board of its fiduciary duties to AutoInfo's stockholders under Delaware law; provided, that prior to taking any action with respect to a superior proposal:

we must provide at least five business days' prior written notice to Parent of our intention to effect a change of the Board's recommendation specifying the terms and conditions of any such superior proposal, including the identity of the person making such superior proposal;

we must provide a copy to Parent of the relevant proposed transaction agreements with the party making such proposal;

prior to taking any such action, we must negotiate during the five business day notice period with Parent in good faith (to the extent Parent desires to negotiate) to enable Parent to revise the terms of the Merger Agreement such that it would cause such superior proposal not to constitute a superior proposal;

The Board must have considered in good faith any changes to the Merger Agreement proposed in writing by Parent and must have determined that the superior proposal would still constitute a superior proposal if such changes were given effect; and

we must deliver to Parent any amendment to the financial terms or other material terms of a superior proposal and, in such case, provide Parent an additional five business days' prior written notice and comply with the provisions above.

Except to the extent provided in certain provisions of the Merger Agreement, nothing in the provisions of the Merger Agreement relating to takeover proposals prevents us from complying with our disclosure obligations under U.S. federal or state law with regard to a takeover proposal, including taking and disclosing to our stockholders a position contemplated by Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A under the Exchange Act.

For purposes of the Merger Agreement, "takeover proposal" means any inquiry, proposal or offer from any person or group, relating to any: (i) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of assets of AutoInfo and its subsidiaries (including securities of subsidiaries) equal to 20% or more of AutoInfo's and its subsidiaries' consolidated assets or to which 20% or more of AutoInfo's revenues or earnings on a consolidated basis are attributable; (ii) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of 20% or more of any class of equity securities of AutoInfo; (iii) tender offer or exchange offer that if consummated would result in any person or group (as defined in Section 13(d) of the Exchange Act) beneficially owning 20% or more of any class of equity securities of AutoInfo; or (iv) Merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving AutoInfo or any of its subsidiaries; in each case, other than the transactions contemplated by the Merger Agreement.

For purposes of the Merger Agreement, "superior proposal" means a bona fide written proposal or offer, obtained after February 28, 2013 and not in breach of the Merger Agreement or any standstill agreement, to acquire, directly or indirectly, for consideration consisting of cash and/or securities, all of the equity securities of AutoInfo or all or substantially all of the assets of AutoInfo and its subsidiaries on a consolidated basis, made by a third party, and which is otherwise on terms and conditions which the Board (acting upon receipt of a recommendation by the Special Committee) determines in its good faith and reasonable judgment (after consultation with a financial advisor of national reputation and AutoInfo's outside counsel) to be more favorable to AutoInfo's stockholders from a financial point of view than the Merger and the other transactions contemplated by the Merger Agreement, taking into account at the time of determination any changes to the terms of the Merger Agreement that as of that time had been proposed by Parent in writing and the ability of the person making such proposal to consummate the transactions contemplated by such proposal or offer (based upon, among other things, the availability of financing and the expectation of obtaining required approvals).

Agreement to Use Reasonable Best Efforts

We and Parent will cooperate and use our respective reasonable best efforts to promptly take or cause to be taken all actions and do or cause to be done all things necessary, proper or advisable to cause the conditions to closing to be satisfied and to consummate the Merger and the other transactions contemplated by the Merger Agreement in the most expeditious manner practicable and to prepare and file promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and obtain all approvals, consents, , registrations, permits, authorizations and other confirmations from any governmental authority or third party necessary, proper and advisable to consummate the transactions contemplated by the Merger Agreement.

We also agreed, subject to certain exceptions, to use our reasonable best efforts to:

take all action necessary to ensure that no state takeover statute applies to the Merger; and

if any state takeover statute becomes applicable to the Merger, ensure that the Merger may be consummated as promptly as practicable on the terms contemplated by the Merger Agreement.

Indebtedness and Company Transaction Expenses

As of February 28, 2013 and on the closing date and at the time the Merger is effected, AutoInfo shall not have: (i) indebtedness (in the aggregate) in excess of \$22 million; and (ii) funded indebtedness (in the aggregate) in excess of \$15 million, in each case including the amount of any payments and penalties due or that will become due on any such indebtedness.

During the period from February 28, 2013 until the time the Merger is effected, AutoInfo shall not have transaction expenses (in the aggregate) in excess of \$5 million.

For the purposes of the Merger Agreement, “indebtedness“ means: (i) any obligation of AutoInfo and its subsidiaries for borrowed money, including, but not limited to (a) any obligation or liabilities incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business, (b) the face amount of all letters of credit issued for the account of AutoInfo or its subsidiaries and all drafts drawn thereunder, (c) obligations incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business secured by liens, (d) capitalized lease obligations, and (e) all guarantees of AutoInfo or its subsidiaries; (ii) accounts payable of AutoInfo and its subsidiaries that have not been paid within sixty (60) days of their due date and are not being contested; (iii) annual employee bonus obligations that are not accrued on AutoInfo’s consolidated financial statements; (iv) extraordinary liabilities or obligations (including unpaid accrued annual bonuses, retention bonuses, pension payments not in the ordinary course of business, accrued but unpaid income taxes, accrued but unpaid legal and other professional fees, and undisclosed or contingent liabilities); and (v) any fees, costs, expenses or obligations incurred in connection with the consummation of the transactions contemplated by the Merger Agreement which are not otherwise treated as or deemed to be company transaction expenses (with the exception of any fees and expenses related to litigation related to or arising out of the transactions contemplated by the Merger Agreement).

For the purposes of the Merger Agreement, “funded indebtedness” means any indebtedness that has been funded or financed by a third party to, or for the benefit of, AutoInfo.

For the purposes of the Merger Agreement, “transaction expenses” means: (i) any reasonable out-of-pocket costs and expenses including, the reasonable fees and expenses of attorneys (with the exception of any fees and expenses related to litigation related to or arising out of the transactions contemplated by the Merger Agreement), accountants, consultants, financial advisors, finders, brokers, and investment bankers, incurred by AutoInfo and its subsidiaries in connection with the entering into the Merger Agreement; (ii) any other costs and expenses directly related to or arising out of the execution, delivery or performance by AutoInfo or its subsidiaries of the Merger Agreement or the consummation by AutoInfo or its subsidiaries of the transactions contemplated by the Merger Agreement; (iii) costs, expenses and other amounts in connection with obtaining required consents and permits required pursuant to Merger Agreement; and (iv) change of control bonuses paid to Mr. Wachtel, Mr. Williams and Mr. Wunderlich.

Other Covenants and Agreements

Public Announcements

The parties agreed that the initial press release with respect to the execution of the Merger Agreement would be a joint press release to be agreed upon by Parent and AutoInfo. AutoInfo and Parent agreed not to issue any further public announcement with respect to *the* Merger without the prior consent of the other party, except as required by applicable law or rule or regulation as determined in the good faith judgment of the party proposing to make such public announcement.

Access to Information; Confidentiality

We agreed to give Parent and its representatives reasonable access during normal business hours to our properties, books, contracts, commitments, records, correspondence, officers, employees, accountants, counsel, financial advisors and other representatives. We also agreed to furnish to Parent a copy of each report filed pursuant to securities laws, communications received from the SEC and all other information concerning our business, properties and personnel as Parent reasonably requests. Parent will hold information received from us pursuant to this covenant in confidence.

Notification of Certain Matters

We and Parent agreed to give prompt notice to the other of: (i) notices or communications received from governmental authorities in connection with the Merger or from any person or entity alleging that its consent is required for the Merger; (ii) proceedings commenced or threatened relating to the transactions contemplated under the Merger Agreement, including the Merger; (iii) the discovery of facts or circumstances that would make any representation or warranty that is qualified as to materiality or material adverse effect to be untrue and that is not so qualified to be untrue in any material respect; and (iv) any material failure of that party to comply with any covenant or agreement under the Merger Agreement. However, the parties agreed that the delivery of any notice pursuant to this covenant will not cure a breach of other provisions of the Merger Agreement or limit the remedies available to the party receiving notice.

Indemnification; Directors' and Officers' Insurance

Parent has agreed to, and has agreed to cause AutoInfo and the surviving corporation to, for six years after the effective date of the Merger, indemnify the individuals who at or prior to the effective date of the Merger were directors or officers of AutoInfo, who we individually refer to as an indemnitee and collectively refer to as the indemnitees, with respect to all acts or omissions by them in their capacities as such at any time prior to the effective date of the Merger, to the fullest extent: (i) required by the our charter documents (including employees to the extent indemnified thereunder) as in effect on February 28, 2013; and (ii) permitted under applicable Law (including employees to the extent indemnification is permitted thereunder). An indemnitee shall notify AutoInfo in writing promptly upon learning of any claim, action, suit, proceeding, investigation or other matter in respect of which such indemnification may be sought. In the event of any such claim, action, suit, proceeding or investigation: (i) each indemnitee will be entitled to advancement of reasonable expenses incurred in the defense of any claim, action, suit, proceeding or investigation from AutoInfo within ten business days of receipt by AutoInfo from the indemnitee of a reasonably detailed request therefor; provided that any person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification; and (ii) neither Parent nor AutoInfo shall settle, compromise or consent to the entry of any judgment in any proceeding or threatened action, suit, proceeding, investigation or claim (and in which indemnification could be sought by such indemnitee hereunder), unless such settlement, compromise or consent includes an unconditional release of such indemnitee from all liability arising out of such action, suit, proceeding, investigation or claim or such indemnitee otherwise consents. However, in no event shall AutoInfo be liable for any settlement or compromise effected without its written consent. Each of AutoInfo and the indemnitees shall cooperate in the defense of any

claim, action, suit, Proceeding or investigation and shall furnish or cause to be furnished records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith. Further, the indemnification agreements, if any, in existence on February 28, 2013 (and as may be amended prior to the closing upon approval (in writing) by Parent) with any of the directors, officers or employees of AutoInfo shall continue in full force and effect in accordance with their terms following the consummation of the Merger.

Parent has further agreed that prior to the closing of the Merger, Parent shall purchase for the benefit of AutoInfo's directors and officers, as of February 28, 2013 and as of the effective date of the Merger, an insurance and indemnification tail policy, which we refer to as the D&O Tail Policy, that provides coverage for a period of six years from and after the effective date of the Merger for events occurring prior to the effective date of the Merger that is substantially equivalent to and in any event not less favorable in the aggregate than AutoInfo's existing policy or, if substantially equivalent insurance coverage is unavailable, the best available coverage; provided that Parent shall not be required to purchase the D&O Tail Policy if such policy exceeds 300% of the last annual premium paid prior to February 28, 2013, in which event, Parent shall purchase the most advantageous policy of directors' and officers' insurance obtainable for a total annual premium equal to such base amount.

The present and former directors and officers of AutoInfo will have the right to enforce the provisions of the Merger Agreement relating to their indemnification. If Parent or the surviving corporation assigns, transfer or conveys all of its properties and assets to any person, then proper provision must be made so that the successors and assigns of Parent and the surviving corporation assume all of the above indemnity obligations. If any action is made against any of our former directors or officers on or prior to the sixth anniversary of the effective time of the Merger, the above indemnity provisions will continue in effect until the final disposition of the action.

Securityholder Litigation

We agreed to give Parent the opportunity to participate in the defense or settlement of any securityholder litigation against us and/or our directors relating to the Merger and not to settle that securityholder litigation without Parent's consent, which consent will not be unreasonably withheld or delayed.

Fees and Expenses

Except as otherwise specified in the Merger Agreement, all fees and expenses incurred in connection with the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement will be paid by the party incurring the fees or expenses, whether or not the Merger and the other transactions contemplated by the Merger Agreement are consummated.

Conditions to the Merger

The respective obligations of AutoInfo, Parent and Merger Sub to effect the Merger are subject to the satisfaction (or waiver, if permissible under applicable law) of the following conditions:

the approval of the adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger, by holders of a majority of the outstanding shares of AutoInfo Common Stock; and

no Restraint shall be in effect preventing, restraining or rendering illegal the consummation of the Merger.

The obligations of Parent and Merger Sub to effect the Merger are also subject to the satisfaction (or waiver, if permissible under applicable law) of the following additional conditions:

our representations and warranties set forth in the Merger Agreement regarding: (i) organization, standing and corporate power; (ii) capitalization (with certain exceptions); (iii) authority, noncontravention and voting requirements; (iv) brokers and other advisors; and (v) state takeover statutes must be true and correct in all material respects as February 28, 2013 and the date of the closing of the Merger as if made on and as of such date (or, if given as of a specific date, at and as of such date) and all other representations and warranties that we have made in the Merger Agreement must be true and correct as of February 28, 2013 and the date of the closing of the Merger as if made on and as of such date (or, if given as of a specific date, at and as of such date), except where the failure to be true and correct, individually or in the aggregate, would not constitute a material adverse effect, in each instance disregarding all qualifications and exceptions relating to materiality;

AutoInfo shall have performed in all material respects its obligations under the Merger Agreement at or prior to the date of the closing of the Merger, except that AutoInfo's obligations with respect to indebtedness and transaction expenses shall have been performed in all respect;

all certain consents required to consummate the Merger and the transactions contemplated by the Merger Agreement shall have been obtained;

there shall not be a material adverse effect with respect to AutoInfo;

all the transactions contemplated by Rollover Agreement shall have closed simultaneous with the closing of the Merger;

Parent shall have received resignation letters from each of the members of the boards of directors of AutoInfo and its subsidiaries, effective as of the effective time of the Merger; and

our stockholders have not exercised appraisal rights under the DGCL in respect of more than 5% of the outstanding shares of AutoInfo Common Stock.

Our obligation to effect the Merger is subject to the satisfaction (or waiver, if permissible under applicable law) of the following additional conditions:

all the representations and warranties of Parent and Merger Sub set forth in the Merger Agreement regarding: (i) organization, standing and corporate power; (ii) authority and noncontravention; and (iii) brokers and other advisors must be true and correct in all material respects as of February 28, 2013 and the date of the closing of the Merger as if made on and as of such date (or, if given as of a specific date, at and as of such date), and all other representations and

warranties of Parent of Merger Sub set forth in the Merger Agreement must be true and correct as of February 28, 2013 and the date of the closing of the Merger as if made on and as of such date (or, if given as of a specific date, at and as of such date), except where the failure to be true and correct, individually or in the aggregate, would not constitute a material adverse effect, in each instance disregarding all qualifications and exceptions relating to materiality; and

• Parent and Merger Sub shall have performed in all material respects all obligations under the Merger Agreement at or prior to the date of the closing of the Merger.

Termination

We and Parent may, by mutual written consent, terminate the Merger Agreement and abandon the Merger at any time prior to the effective time of the Merger.

The Merger Agreement may also be terminated and the Merger abandoned at any time prior to the effective time of the Merger as follows:

by either AutoInfo or Parent, if:

the Merger has not been consummated on or before August 27, 2013 (but this right to terminate will not be available to a party if the failure to consummate the Merger on or prior to August 27 2013 was primarily due to the failure of such party to perform any of its obligations under the Merger Agreement);

a Restraint has become final and nonappealable (but this right to terminate will not be available to a party if the issuance of the Restraint was primarily due to the failure of such party to perform its obligations under the Merger Agreement); or

our stockholders' meeting has been held and completed and our stockholders have not adopted the Merger Agreement and the transactions contemplated thereunder, including the Merger, at such meeting or any adjournment or postponement of such meeting.

by the Parent, if:

we shall have breached or failed to perform in any material respects any of our covenants or agreements set forth in the Merger Agreement or if any of our representations or warranties set forth in the Merger Agreement shall fail to be materially true, which breach or failure to perform (i) would give rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (ii) cannot be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure; or

there shall have occurred a material adverse effect with respect to AutoInfo, which material adverse effect (i) would give rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (ii) cannot be cured by AutoInfo within 30 days following receipt of written notice from Parent; or

the Board (or the Special Committee) (i) withdraws or modifies (or publicly proposes to do so), in a manner adverse to Parent, the AutoInfo recommendation, or (ii) adopts, approves or recommends (or publicly proposes to do so) a takeover proposal, and (iii) fails to reaffirm the AutoInfo recommendation at least five days prior to the Special Meeting after receipt of written notice from Parent that it do so if such request is made following the public announcement of a takeover proposal; or.

there are any actions, lawsuits, litigations, arbitrations, or claims against AutoInfo that (i) are not related to the Merger or AutoInfo's business operations, (ii) are materially adverse to AutoInfo, and (iii) are not resolved on or before the earlier of (a) 60 days of the commencement of such action, lawsuit, litigation, arbitration, or claim, or (b) August 27, 2013.

by AutoInfo, if:

Parent or Merger Sub shall have breached or failed to perform in any material respects any

of its covenants or other agreements set forth in the Merger Agreement or if any of its representations or warranties set forth in the Merger Agreement shall fail to be materially true, which breach or failure to perform (i) would give rise to a failure of the condition to AutoInfo's obligation to close the Merger, and (ii) cannot be cured by Parent within thirty days following receipt of written notice from AutoInfo of such breach or failure; or

at any time prior to the adoption of the Merger Agreement by our stockholders, in order to concurrently enter into an agreement with respect to a superior proposal that constitutes a superior proposal, if (i) AutoInfo has complied with its obligations described in the section entitled "The Merger Agreement — No Solicitation of Takeover Proposals" beginning on page [**] of this proxy statement, and (ii) prior to or concurrently with such termination, we pay Parent the termination fee and expense reimbursement discussed in the section entitled "The Merger Agreement — Termination Fees — AutoInfo Termination Fee" beginning on page [**] of this proxy statement.

Effect of Termination

If the Merger Agreement is terminated, the terminating party must give written notice to the other parties. Upon such notice, the Merger Agreement will become null and void, except for certain provisions, including the provision discussed in the section entitled "The Merger Agreement — Termination Fees and Expense Reimbursement" below. Upon termination, the parties will have no liability, except they may be liable for termination fees, and nothing will relieve any party from liability for fraud in connection with, or any willful breach of, the Merger Agreement.

Termination Fees and Expense Reimbursement

AutoInfo Termination Fee

Upon the occurrence of the following events we will be obligated to pay Parent a termination fee in the amount of \$1.5 million:

either AutoInfo or Parent shall have terminated the Merger Agreement as a result of the Merger not having been consummated on or before August 27, 2013 and AutoInfo shall have entered into a definitive agreement with respect to, or consummates, a transaction contemplated by any takeover proposal within 270 days following such termination date;

a takeover proposal has been made, proposed or communicated after February 28, 2013 (whether or not conditional or withdrawn) and thereafter (i) the Merger Agreement is terminated by AutoInfo or Parent due to the failure of our

stockholders to adopt the Merger Agreement at the stockholders' meeting, and (ii) within 270 days following such termination date, we enter into a definitive agreement with respect to, or consummate a takeover proposal;

Parent shall have terminated the Merger Agreement due to (i) our willful breach or willful failure to perform in any material respect any of our representations, warranties, covenants or other agreements in the Merger Agreement, which willful breach or willful failure to perform (a) related to our obligations with respect to the preparation of the proxy statement and the holding of the stockholders' meeting, (b) gave rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (c) could not be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure, or (ii) the occurrence of a material adverse effect with respect to AutoInfo caused by AutoInfo's willful breach of the Merger Agreement, which material adverse effect (a) related to our obligations with respect to the preparation of the proxy statement and the holding of the stockholders' meeting, (b) gave rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (b) could

not be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure; or

a takeover proposal has been made, proposed or communicated after February 28, 2013 (whether or not conditional or withdrawn) and thereafter Parent shall have terminated the Merger Agreement due to (i) our willful breach or willful failure to perform in any material respect any of our representations, warranties, covenants or other agreements in the Merger Agreement (other than related to our obligations with respect to the preparation of the proxy statement and the holding of the stockholders' meeting), which willful breach or willful failure to perform (a) gave rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (b) could not be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure, or (ii) the occurrence of a material adverse effect with respect to AutoInfo, caused by AutoInfo's willful breach of the Merger Agreement, (other than related to our obligations with respect to the preparation of the proxy statement and the holding of the stockholders' meeting), which material adverse effect (a) gave rise to a failure of the condition to Parent's and Merger Sub's obligation to close the Merger, and (b) could not be cured by AutoInfo within thirty days following receipt of written notice from Parent of such breach or failure, and within 270 days following such termination date, we enter into a definitive agreement with respect to, or consummate, a takeover proposal; or

Parent shall have terminated the Merger Agreement in circumstances where the Board (or the Special Committee) (i) withdraws or modifies (or publicly proposes to do so), in a manner adverse to Parent, AutoInfo recommendation, or (ii) adopts, approves or recommends (or publicly proposes to do so) a takeover proposal, and (iii) fails to reaffirm AutoInfo recommendation at least five days prior to the Special Meeting after receipt of written notice from Parent that it do so if such request is made following the public announcement of a takeover proposal; or

AutoInfo shall have terminated the Merger Agreement in connection with its entry into a definitive agreement in connection with a superior proposal.

Parent Termination Fee

Upon the termination of the Merger Agreement by AutoInfo in the event that Parent or Merger Sub shall have breached or failed to perform in any material respect any of its covenants or other agreements set forth in the Merger Agreement or if any representations or warranty of Parent or Merger Sub set forth in the Merger Agreement shall fail to be materially true, which failure to perform or breach gave rise to a failure of the condition to AutoInfo's obligation to close the Merger and was not cured by the Parent or Merger Sub within thirty days following receipt of written notice from AutoInfo of such breach or failure, Parent and Merger Sub may be obligated to pay to us a termination fee equal to \$1.5 million.

Expense Reimbursement

If the Merger Agreement is terminated in certain circumstances, including those events described under “The Merger Agreement — Termination” beginning on page [**] of this proxy statement, AutoInfo will be obligated to reimburse Parent for cost and expenses incurred in connection with the proposed transaction up to \$1.25 million.

No Survival; Wachtel Indemnification

Except as otherwise provided for in the Merger Agreement, all representations, warranties and agreements contained in the Merger agreement shall terminate at the effective time of the Merger, and Parent will, following the

closing, of the Merger, have no recourse against AutoInfo or its stockholders for any breaches thereof. However, simultaneous with the execution of the Merger Agreement, Parent and Mr. Wachtel entered the Indemnification Agreement, whereby \$500,000 of Parent's equity interests to be issued to Mr. Wachtel pursuant to the Rollover Agreement would be held in escrow and Mr. Wachtel would be responsible for 50% of any damages incurred by Parent and Merger Sub arising from such breaches of AutoInfo's representations and warranties, subject to a \$100,000 deductible and an indemnity cap of \$500,000, any of which claims can be satisfied (at the election of Mr. Wachtel) in cash or set off against such equity interests.

Amendment or Supplement

At any time prior to the effective time of the Merger, the parties to the Merger Agreement may amend or supplement the Merger Agreement, whether before or after the stockholder approval, by written agreement of the parties and by action of their respective boards of directors. However, following stockholder approval, the parties may not amend the provisions of the Merger Agreement in any manner which would require further approval by our stockholders under applicable law without such approval.

Specific Performance

Each of the parties to the Merger Agreement is entitled to specifically enforce the terms of the Merger Agreement and each party has agreed that irreparable damage would occur in the event that any of the provisions of the Merger Agreement were not performed in accordance with its specific terms or were otherwise breached and that monetary damages would not provide an adequate remedy in such event. Each party has accordingly agreed that the other parties shall be entitled to an injunction or injunctions to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement in any court of the United States or any state having jurisdiction without bond or security being required; provided that in the event AutoInfo, on the one hand, or Parent and/or Merger Sub, on the other hand, successfully enforces their respective rights and remedies in accordance with its specific performance rights under the Merger Agreement, such specific enforcement shall be such party's exclusive remedy and such party shall not be entitled to any other relief including the payment of termination fees or expense reimbursement otherwise provided for in the Merger Agreement.

COMVEST GUARANTY

As a condition to AutoInfo entering into the Merger Agreement, Comvest Investment Partners IV, L.P., the majority equity holder of Parent, entered into a limited guaranty pursuant to which it guaranteed any and all obligations owing by Parent and Merger Sub to AutoInfo under the Merger Agreement.

MANAGEMENT EXCHANGE AND ROLLOVER AGREEMENT

As a condition to Parent entering into the Merger Agreement, on February 28, 2013 each of Mr. Wachtel, Mr. Weiss and Mr. Williams entered into the Rollover Agreement with Parent pursuant to which:

Mr. Wachtel and Mr. Weiss have agreed, effective at the closing, to contribute 476,190 and 226,209 shares of AutoInfo Common Stock, owned by them respectively, to Parent in exchange for 500,000 and 237,520 common units in Parent, respectively. The shares of AutoInfo Common Stock to be contributed and the Parent common units to be received are of equal value (\$500,000 and \$237,520, respectively); and

Mr. Williams has agreed to forego and forfeit \$425,000 of cash payments otherwise due and payable to him pursuant to the transactions contemplated under the Merger Agreement upon the cancellation of

AutoInfo stock options owned by him in exchange for 425,000 profit interest units of Parent (valued at \$425,000).

The equity interests in Parent to be acquired pursuant to the Rollover Agreement will be subject to restrictions on transfer and other customary terms and provisions set forth in the LLC Agreement. Additionally, each of Mr. Wachtel and Mr. Williams has agreed to be bound by restrictive covenants contained therein, including with respect to non-competition, non-solicitation, non-disparagement, and non-disclosure. Upon the consummation of the transactions contemplated by the Rollover Agreement and the Merger, Mr. Wachtel, Mr. Williams and Mr. Weiss will collectively hold less than 5% of the outstanding limited liability company interests in Parent.

VOTING AGREEMENT

As a condition to Parent entering into the Merger Agreement, on February 28 2013 each of Mr. Einselen, Mr. Patterson, Mr. Robertson, Mr. Wachtel, Mr. Weiss, Mr. Williams, and Mr. Wunderlich, each a stockholder and/or option holder of AutoInfo who are members of the AutoInfo's management and/or members of the Board, who we collectively refer to as, the "Voting Stockholders", entered into the Voting Agreement. The following summary describes certain material provisions of the Voting Agreement and is qualified in its entirety by reference to the Voting Agreement, a copy of the form of which is attached to this proxy statement as Annex B and which is incorporated by reference into this proxy statement. This summary does not purport to be complete and may not contain all of the information about the Voting Agreement that may be important to you. We encourage you to read the Voting Agreement carefully and in its entirety.

Agreement to Vote and Irrevocable Proxy

Under the Voting Agreement, the Voting Stockholders agreed to vote all of their shares of AutoInfo Common Stock (representing approximately 22.3% of the outstanding shares of AutoInfo Common Stock as of [**], 2013, the record date established for the Special Meeting): (i) in favor of adoption of the Merger Agreement and the transactions contemplated thereunder, including the Merger; and (ii) against (a) any proposal made in opposition to adoption of the Merger Agreement or in competition or inconsistent with the Merger or any other transactions contemplated by the Merger Agreement, (b) any takeover proposal, (c) any change in the management or the Board (other than as contemplated by the Merger Agreement), and (d) any action or agreement that the Stockholders actually knows, or reasonably expects, would result in a breach of any representation, warranty, covenant or agreement or any other obligation of AutoInfo under the Merger Agreement or of such stockholder under the Voting Agreement. In addition, each of the Voting Stockholders agreed to irrevocably appoint an officer of Parent as such Voting Stockholder's proxy and attorney-in-fact, with full power of substitution and re-substitution, to cause such stockholder's shares of Common Stock to be voted in favor of the Merger Agreement and the Merger.

Transfer Restrictions

A Voting Stockholder will not, during the term of the Voting Agreement: (i) sell or otherwise transfer any of the covered shares (including, but not limited to, any covered shares that such Voting Stockholder has the right to vote due to any agreement, proxy or other similar right) or any economic, voting or other direct or indirect interest therein; or (ii) grant a proxy or enter into any voting agreement concerning any of the covered shares (except as contemplated by the Voting Agreement).

Termination

The Voting Agreement shall remain in effect until the earliest to occur of: (i) the closing; (ii) the date of termination of the Merger Agreement in accordance with its terms; (iii) the parties to the Voting Agreement agree in writing to its termination; or (iv) August 27, 2013, if the closing has not occurred by such date.

of Shares or Units of Stock that Have Not Vested⁽¹⁾

Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽²⁾

Name

Exercisable

Unexercisable

(a)

(b)

(c)

(d)

(e)

(f)

(g)

Charles N. Funk

—

—

\$

—

—

12,500

\$

310,375

Kevin E. Kramer

—

—

\$

—

—

6,450

\$

160,154

Barry S. Ray

—

—

\$

—

—

8,000

\$

198,640

Mitchell W. Cook

—

—

\$

—

—

2,550

\$
63,317

James M. Cantrell

—

—

\$
—

—

4,475

\$
111,114

David E. Lindstrom

—

—

\$
—

—

2,000

\$
49,660

(1) The table below shows the remaining vesting schedule for unvested restricted stock units granted on February 15, 2015.

Name	2/15/2019
Charles N. Funk	1,250
James M. Cantrell	375

The table below shows the remaining vesting schedule for unvested restricted stock units granted on February 15, 2016.

Name	2/15/2019	2/15/2020
Charles N. Funk	1,250	1,250
Mitchell W. Cook	125	125
James M. Cantrell	375	375

The table below shows the remaining vesting schedule for unvested restricted stock units granted on November 15, 2016.

Name	11/15/2019	11/15/2020
Kevin E. Kramer	500	500

The table below shows the remaining vesting schedule for unvested restricted stock units granted on February 15, 2017.

Name	2/15/2019	2/15/2020	2/15/2021
Charles N. Funk	1,250	1,250	1,250
Kevin E. Kramer	750	750	750
Mitchell W. Cook	100	100	100
James M. Cantrell	450	450	450

The table below shows the remaining vesting schedule for unvested restricted stock units granted on February 15, 2018.

Name	2/15/2019	2/15/2020	2/15/2021	2/15/2022
Charles N. Funk	1,250	1,250	1,250	1,250
Kevin E. Kramer	800	800	800	800
Mitchell W. Cook	500	500	500	500
James M. Cantrell	500	500	500	500
David E. Lindstrom	500	500	500	500

The table below shows the remaining vesting schedule for unvested restricted stock units granted on June 15, 2018.

Name	6/15/2019	6/15/2020	6/15/2021	6/15/2022
Barry S. Ray	2,000	2,000	500	500

Table of Contents

The table below shows the remaining vesting schedule for unvested restricted stock units granted on November 15, 2018.

Name	11/15/2019	11/15/2020
Barry S. Ray	1,500	1,500

(2) The market value of shares is based on a closing stock price of \$24.83 on December 31, 2018.

Option Exercises and Stock Vested in 2018

The following table sets forth information concerning the exercise of options in 2018 by each NEO:

Name	Option Awards		Stock Awards	
	# of Shares Acquired	Value Realized Upon Exercise (\$)	# of Shares Acquired	Value Realized on Vesting (\$)
(a)	(b)	(c)	(d)	(e)
Charles N. Funk	3,500	\$ 50,645	5,000	\$ 154,350
Kevin E. Kramer	—	—	1,250	37,998
Barry S. Ray	—	—	—	—
Mitchell W. Cook	—	—	475	14,368
James M. Cantrell	—	—	1,325	40,903
David E. Lindstrom	—	—	—	—

Nonqualified Deferred Compensation Table

The following table sets forth information concerning the benefits under the Company's supplemental retirement agreements at December 31, 2018, to which each NEO is entitled.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY ⁽¹⁾ (\$)	Aggregate Earnings in Last FY ⁽²⁾ (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE ⁽³⁾ (\$)
(a)	(b)	(c)	(d)	(e)	(f)
Charles N. Funk	\$ 60,000	\$ 6,727	\$ 23,550	\$ —	\$ 422,572
Kevin E. Kramer	—	—	—	—	—
Barry S. Ray	—	—	—	—	—
Mitchell W. Cook	—	20,000	—	—	80,000
James M. Cantrell	22,220	—	2,439	—	58,366
David E. Lindstrom	—	—	—	—	—

(1) The "Registrant Contributions in Last FY" column is also reported in the "All Other Compensation" column of the Summary Compensation Table for the fiscal year 2018.

(2) The "Aggregate Earnings in Last FY" column includes above-market interest also reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table for fiscal 2018. The above-market interest amount for Mr. Funk is \$1,711.

(3) The "Aggregate Balance at Last FYE" column includes above-market interest also reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table for fiscal years 2017 and 2016. The above-market interest amounts for Mr. Funk for fiscal years 2017 and 2016 were \$1,543 and \$1,386, respectively.

Potential Payments Upon Termination or Change in Control

The following table sets forth information concerning potential payments and benefits under our compensation programs and benefit plans, including individual employment agreements, to which the NEOs would be entitled upon

a termination of employment as of December 31, 2018. Except for payments and benefits provided by the employment agreements, all payments and benefits provided to any NEO upon termination of employment are the same as the payments and benefits provided to other eligible employees of MidWestOne Financial. For purposes of estimating the value of certain equity awards we have assumed a price per share of our common stock of \$24.83, which was the closing price of our stock on December 31, 2018, the last trading day of the year.

Table of Contents

	Cash Severance Payments	Equity Incentive Plan ⁽¹⁾	SERP	
Charles N. Funk				
Involuntary Termination ⁽²⁾	\$ 546,250	\$ —	—\$2,033	⁽³⁾
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	1,461,220	310,375	2,033	⁽³⁾
Disability, Retirement or Change in Control ⁽⁴⁾	—	310,375	2,033	⁽³⁾
Death	—	310,375	2,083	⁽⁵⁾
Kevin E. Kramer				
Involuntary Termination ⁽²⁾	\$ 330,000	\$ —	—	
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	840,840	160,154	—	
Death, Disability, Retirement or Change in Control ⁽⁴⁾	—	160,154	—	
Barry S. Ray				
Involuntary Termination ⁽²⁾	\$ 280,000	\$ —	—	
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	673,324	198,640	—	
Death, Disability, Retirement or Change in Control ⁽⁴⁾	—	198,640	—	
Mitchell W. Cook				
Involuntary Termination ⁽²⁾	\$ 107,250	\$ —	—\$60,000	⁽⁶⁾
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	144,069	63,317	60,000	⁽⁶⁾
Retirement or Change in Control ⁽⁴⁾	—	63,317	60,000	⁽⁶⁾
Death or Disability	—	63,317	60,000	⁽⁷⁾
James M. Cantrell				
Involuntary Termination ⁽²⁾	\$ 222,200	\$ —	—	
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	602,386	11,114	—	
Disability, Retirement or Change in Control ⁽⁴⁾	—	11,114	—	
David E. Lindstrom				
Involuntary Termination ⁽²⁾	\$ —	\$ —	—	
Involuntary Termination in Connection with Change in Control ⁽⁴⁾	353,138	49,660	—	
Disability, Retirement or Change in Control ⁽⁴⁾	—	49,660	—	

This column reflects the value of unvested restricted stock unit awards that would vest (a) upon the executive's death or disability, (b) in connection with the executive's normal retirement (where approved by the Compensation Committee), or (c) in connection with a change in control if either the awards were not assumed and continued by the surviving organization or the executive had an Involuntary Termination.

"Involuntary Termination" refers to a voluntary resignation by the executive for "good reason" or an involuntary termination by MidWestOne Financial other than for "cause" either of which occurs other than in connection with a change in control.

The amount reflected here is the reduced "early retirement" monthly benefit that would be paid to Mr. Funk in a series of 180 installments if his employment with the Company terminated other than for "cause" as of December 31, 2018.

The employment agreements with our named executive officers include a provision that will limit the amount of payments or benefits received by an NEO in connection with a change in control to \$1.00 less than the amount that would result in the application of an excise tax under applicable provisions of sections 280G and 4999 of the Internal Revenue Code.

The amount reflected here is the "normal retirement" monthly benefit that would be paid to Mr. Funk's estate in a series of 180 installments if his employment with the Company terminated due to his death as of December 31, 2018.

The amount reflected here would be paid to Mr. Cook upon a termination of employment during 2018 other than a termination by the Company for "cause" or Mr. Cook's death or disability. The amount would be paid in quarterly installments commencing the calendar quarter following termination and continuing for five years.

The amount reflected here would be paid to Mr. Cook upon a termination of employment during 2018 as a result of (7) his death or disability. The amount would be paid in quarterly installments commencing the calendar quarter following termination and continuing for five years.

Table of Contents

Continued Health, Dental, and Vision Insurance. Pursuant to each applicable agreement, if an NEO terminated employment on December 31, 2018, he would be eligible to participate in our COBRA coverage program at the same monthly cost as would be charged to a continuing employee for comparable coverage. As of December 31, 2018, the incremental monthly cost of the continuing health dental, and vision coverage, based on each executive's current coverage elections, was \$360.70 for Mr. Funk, \$478.80 for Mr. Kramer, \$225.94 for Mr. Ray, \$264.96 for Mr. Cantrell, \$381.92 for Mr. Cook, and \$380.56 for Mr. Lindstrom.

Accrued Pay and Regular Retirement Benefits. The NEOs would be eligible to receive payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include:

• Accrued salary and PTO pay.

Distributions of plan balances under our 401(k) plan and the executive deferred compensation plan. See "Nonqualified Deferred Compensation Table" on page 26 for information on current account balances and an overview of the deferred compensation plan.

Retirement, Death and Disability. Generally speaking, and except as described with respect to the supplemental retirement benefits, a termination of employment due to retirement, death or disability does not entitle the NEOs to any payments or benefits that are not available to other employees. Following a termination due to death or disability, an employee (or his or her estate) shall be entitled to the following:

• All unvested stock options shall become immediately 100% vested and an employee shall have a period of one (1) year following such termination during which to exercise his or her vested stock options.

• Any unvested restricted stock units outstanding at the time of an employee's termination due to death or disability shall become immediately 100% vested upon such termination.

As of the time of a termination of employment due to retirement at or after attaining age 65, all unvested stock options shall become immediately 100% vested.

Employment Agreements - Messrs. Funk, Kramer, Ray, and Cantrell have entered into employment agreements with the Company that are substantially similar in form.

The current term of the employment agreements for Messrs. Funk, Cantrell, and Kramer extends through December 31, 2019. Mr. Ray's employment agreement extends through December 31, 2020. Upon the occurrence of a change in control, the agreements will automatically remain in effect for two years following the change in control and will then terminate.

The employment agreements provide for annual base salaries in place as of the execution of the agreements to be reviewed annually and may be adjusted at the discretion of the board. The agreements provide that the executives will be eligible to receive performance-based annual incentive bonuses, in accordance with MidWestOne Financial's annual incentive plan, and also to receive employee benefits on as favorable a basis as other similarly situated senior executives of MidWestOne Financial. The executives are also permitted to use a Company-provided automobile. The employment agreements provide for severance benefits in the event the executive is terminated by MidWestOne Financial other than for cause or by the executive for good reason ("Termination"). For a Termination during the employment period that does not occur in connection with a change in control of MidWestOne Financial, Mr. Funk would be entitled to receive an amount equal to 125% of his base salary and Messrs. Kramer, Ray, and Cantrell would be entitled to receive an amount equal to 100% of their base salary. For a Termination that occurs within six months before or within 24 months after a change in control of MidWestOne Financial ("Covered Period"), Mr. Funk would be entitled to receive an amount equal to 250% of his base salary plus bonus ("Base Compensation"), Messrs. Kramer, Ray, and Cantrell would be entitled to receive an amount equal to 200% of their Base Compensation. Any severance paid in connection with a Termination during a Covered Period would be paid in a single lump sum.

Following any Termination, whether or not occurring during a Covered Period, the executives and their eligible dependents would also be entitled to continued coverage under the medical, dental, and vision plans of MidWestOne Financial for so long as each was eligible to and did elect COBRA continuation coverage. Each executive would be required to pay an amount for such coverage that is the same as what an active employee pays for such coverage.

Table of Contents

All severance benefits under the employment agreements are contingent upon the executive's execution and non-revocation of a general release and waiver of claims against MidWestOne Financial. Further, all of the employment agreements contain restrictive covenants prohibiting the unauthorized disclosure of confidential information of MidWestOne Financial by the executives during and after their employment with MidWestOne Financial, and prohibiting the executives from competing with MidWestOne Financial and from soliciting its employees or customers during employment and after termination of employment for any reason. The non-competition and non-solicitation provisions apply for a period of 15 months following any termination of employment.

Employment Agreement - Mr. Cook. Mr. Cook is a party to an employment agreement with the Company that became effective on May 11, 2017 and extended through December 31, 2018. Beginning on January 1, 2019, the term of the agreement automatically extends for one-year periods unless either party elects not to renew. Upon the occurrence of a change in control, the agreement will automatically remain in effect for two years and will then terminate.

Mr. Cook's agreement provides for an annual base salary to be reviewed annually and may be adjusted at the discretion of the board with eligibility to receive a performance-based annual incentive bonus and employee benefits on as favorable a basis as other similarly situated senior executives of MidWestOne Financial. Mr. Cook is permitted to use a Company-provided automobile.

The employment agreement also provides for a severance benefit in the event of Mr. Cook's Termination. For a Termination that does not occur in connection with a change in control, Mr. Cook would be entitled to receive an amount equal to 50% of his annual base salary. For a Termination that occurs within a Covered Period, Mr. Cook would be entitled to receive an amount equal to 50% of his base salary plus bonus paid in a single lump sum.

Mr. Cook's agreement also provides him and his eligible dependents, the opportunity to receive continued coverage under the medical, dental, and vision plans of MidWestOne Financial for so long as each was eligible to and did elect COBRA continuation coverage. Like the other NEOs, Mr. Cook would be required to pay an amount for such coverage that is the same as what an active employee pays for such coverage.

Mr. Cook's severance benefit is contingent upon his execution and non-revocation of a general release and waiver of claims against MidWestOne Financial. Further, his employment agreement contains restrictive covenants prohibiting the unauthorized disclosure of confidential information of MidWestOne Financial and prohibiting him from competing with MidWestOne Financial or from soliciting its employees or customers. The duration of the restrictive covenants vary from 45 days to 12 months following a termination of employment.

Change In Control Agreement - Mr. Lindstrom. Mr. Lindstrom is a party to a change in control agreement with the Company which became effective in conjunction with his acceptance of employment in 2018. The agreement provides for the payment of a severance benefit where the executive is terminated by the Company (or a successor) without cause or resigns for good reason within six months prior to or twelve months following a change in control. The severance benefit is equal to one hundred twenty-five percent of the sum of the executive's then-current base salary and the incentive bonus paid for the prior year. Mr. Lindstrom would be permitted to participate in COBRA coverage at the same cost as if he had remained employed by the Company. The agreement also requires the execution of a release of claims prior to the receipt of claims prior to receipt of any severance benefit and also contains a twelve-month non-solicitation provision

DIRECTOR COMPENSATION

The 2018 Director Fee Schedule was approved by the Committee with an effective date of April 1, 2018. Mr. Monson was MidWestOne's Chairman and as such, received a retainer fee of \$6,250 per quarter and \$1,250 for each regular board meeting attended in person. Each non-employee director was paid a retainer fee of \$5,000 per quarter and \$1,250 for each regular board meeting attended. Directors were entitled to \$600 for each Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee meeting attended. The Chair of the Audit Committee was entitled to a retainer of \$1,250 per quarter and \$600 for each meeting. The Chairs of the Compensation and Nominating and Corporate Governance Committees were entitled to a retainer of \$1,000 per quarter and \$250 for each meeting. The Committee approved a grant of 440 restricted stock units in 2018 for all non-executive directors.

None of the directors receives any compensation or payment in connection with his or her service as a director other than compensation received by the Company as set forth below.

29

Table of Contents

The following table shows compensation information for MidWestOne Financial's directors who received director fees in 2018.

Name ⁽¹⁾	Fees		Option Awards (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽³⁾		All Other Compensation (\$) ⁽⁴⁾	Total (\$)
	Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽²⁾		and	Nonqualified Deferred Compensation Earnings ⁽³⁾		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)
Larry D. Albert ⁽⁵⁾	\$ 6,250	\$ 14,564	\$ —	—\$	—\$ 24,450		\$ 45,264
Richard R. Donohue	41,000	14,564	—	8,249	10,600		74,413
Michael A. Hatch ⁽⁶⁾	26,950	14,564	—	—	—		41,514
Nathaniel J. Kaeding ⁽⁷⁾	23,433	14,564	—	—	6,600		44,597
Tracy S. McCormick	40,400	14,564	—	—	9,250		64,214
Kevin W. Monson	31,250	14,564	—	—	10,750		56,564
John M. Morrison ⁽⁸⁾	17,500	14,564	—	—	—		32,064
Richard J. Schwab	38,450	14,564	—	—	11,400		64,414
Ruth E. Stanoch	30,000	14,564	—	—	9,150		53,714
Douglas K. True	37,200	14,564	—	—	9,600		61,364
Kurt R. Weise	27,000	14,564	—	—	9,050		50,614
Stephen L. West ⁽⁹⁾	9,167	—	—	—	2,400		11,567
R. Scott Zaiser	27,600	14,564	—	2,298	9,600		54,062

As our President and Chief Executive Officer, Mr. Funk receives no additional compensation for service on our (1) board of directors. His compensation is included in the Executive Compensation section of this proxy statement found on pages 23 to 29.

The amounts set forth in the "Stock Awards" column reflect the grant date fair value of restricted stock units awarded on May 15, 2018 valued in accordance with FASB ASC Topic 718. For Mr. Morrison, the Compensation (2) Committee approved accelerating the vesting of restricted stock units for his retirement subject to the provisions of the award agreement.

(3) Amounts reported include above-market interest, as determined for purposes of proxy disclosure rules only, accrued under the Director Deferred Fee Plan during the year.

(4) These amounts include fees, if any, for service on the board of directors of MidWestOne Bank.

(5) Mr. Albert joined the board in October 2018.

(6) Mr. Hatch retired from the board in December 2018.

(7) Mr. Kaeding joined the board in April 2018.

(8) Mr. Morrison retired from the board in October 2018

(9) Mr. West retired from the board in April 2018.

The table below summarizes each non-employee director's outstanding equity awards as of December 31, 2018.

Name	Stock Awards	Option Awards	
		Exercisable	Unexercisable
Larry D. Albert	440	—	—
Richard R. Donohue	440	—	—
Michael A. Hatch	440	—	—
Nathaniel J. Kaeding	440	—	—
Tracy S. McCormick	440	—	—
Kevin W. Monson	440	—	—
John M. Morrison	—	—	—

Richard J. Schwab	440	—	—
Ruth E. Stanoch	440	—	—
Douglas K. True	440	—	—
Kurt R. Weise ⁽¹⁾	1,565	—	—
Stephen L. West	—	—	—
R. Scott Zaiser	440	—	—

(1) Amount for Mr. Weise includes outstanding employee equity awards.

Table of Contents

Compensation Committee Interlocks and Insider Participation

As discussed earlier, prior to the annual meeting in 2018, the Compensation Committee of MidWestOne Financial was comprised of Ms. McCormick (Chairperson), Ms. Stanoch and Messrs. West, Hatch, and True. Following the 2018 annual meeting of shareholders, the Compensation Committee of MidWestOne Financial was comprised of Ms. McCormick (Chairperson), Ms. Stanoch, and Messrs. Hatch and True. Mr. West left the committee upon his retirement from the board of directors in April 2018, and Mr. Hatch resigned as a director as of December 31, 2018. Ms. Hauschildt joined the Committee in January 2019. None of these individuals were an officer or employee of MidWestOne Financial or its subsidiaries in 2018, and none of these individuals is a former officer or employee of the organization. In addition, no executive officer served on the board of directors or compensation committee of any other corporation with respect to which any member of our Compensation Committee of the board of directors was engaged as an executive officer

Table of Contents

PROPOSAL 2:

APPROVAL, ON A NON-BINDING, ADVISORY BASIS, OF EXECUTIVE COMPENSATION

As required by Section 14A of the Exchange Act, MidWestOne Financial is conducting a separate shareholder advisory vote to approve the compensation of the registrant's named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules, commonly referred to as a "say-on-pay" vote. MidWestOne Financial currently conducts the "say-on-pay" vote every year.

As described in more detail in the CD&A section of this proxy statement, the overall objectives of MidWestOne Financial's compensation programs have been to align executive officer compensation with the success of meeting long-term strategic operating and financial goals. Shareholders are urged to read carefully the CD&A section of this proxy statement, as well as the Summary Compensation Table and other related compensation tables and narrative disclosure that describe the compensation of our NEOs in 2018. The Compensation Committee and our board of directors believe that the policies and procedures articulated in the CD&A section are effective in implementing our compensation philosophy and achieving our goals, and that the compensation of our NEOs in 2018 reflects and supports these compensation policies and procedures.

The following resolution is submitted for shareholder approval:

"RESOLVED, that MidWestOne Financial Group, Inc.'s shareholders approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the section captioned 'Compensation Discussion and Analysis' and the tabular disclosure and narrative discussion regarding named executive officer compensation under 'Executive Compensation' contained in the Company's proxy statement dated March 8, 2019."

Approval of this resolution requires that the number of votes cast in favor of the resolution at the annual meeting exceed the number of votes cast against it. While this say-on-pay vote is required as provided in Section 14A of the Exchange Act, it is not binding on the Compensation Committee or our board of directors and may not be construed as overruling any decision by the Compensation Committee or our board. However, the Compensation Committee will take into account the outcome of the vote when considering future compensation arrangements.

The board of directors recommends shareholders vote to approve the overall compensation of our NEOs, as described in this proxy statement, by voting "for" this proposal. Proxies properly submitted will be voted "for" this proposal unless shareholders specify otherwise.

Table of Contents

PROPOSAL 3:
 RATIFICATION OF APPOINTMENT OF
 INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders are also being asked to adopt a resolution to ratify the appointment of RSM US LLP as our independent registered public accounting firm for the year ending December 31, 2019. If the appointment of RSM US LLP is not ratified by shareholders, the matter of the appointment of an independent registered public accounting firm will be considered by the Audit Committee and our board of directors. A representative from RSM US LLP is expected to be present at the annual meeting and will have an opportunity to make a statement if he or she so desires, as well as to respond to appropriate questions that may be asked by shareholders.

The board of directors recommends that shareholders vote “for” the proposal to ratify the appointment of RSM US LLP as our independent auditors for the year ending December 31, 2019. Proxies properly submitted will be voted “for” this proposal unless shareholders specify otherwise.

Accountant Fees

During the period covering the fiscal years ended December 31, 2018 and 2017, RSM US LLP performed the following professional services for the Company for which we paid the following amounts.

	2018	2017
Audit Fees ⁽¹⁾	\$461,646	\$439,342
Audit-Related Fees ⁽²⁾	38,912	119,251
Tax Fees ⁽³⁾	72,404	116,099
All Other Fees ⁽⁴⁾	—	1,500
Total Fees	\$572,962	\$676,192

(1) Audit fees consist of fees for professional services provided for the audit of the Company’s annual financial statements and review of financial statements included in the Company’s Quarterly Reports on Form 10-Q, Annual Report on Form 10-K and related proxy statement and services normally provided by the independent auditor in connection with statutory and regulatory filings or

engagements.

Audit-related fees represent assurance and related services that are reasonably

(2) related to the performance of the audit or review of the Company's financial statements.

Tax fees represent fees for professional services related to tax compliance,

(3) preparation of original federal and state tax returns, claims for refunds, tax advice, and tax planning services.

The aggregate other fees billed to the Company by RSM US LLP for the fiscal

(4) year ended December 31, 2017 related to preparation of the Company's 2016 Form 5500.

Audit Committee Pre-Approval Policy

Among other things, the Audit Committee is responsible for appointing, setting compensation for and overseeing the work of the independent registered public accounting firm. The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by its independent auditors, and all such services provided in 2017 and 2018 were approved. These services include audit and audit-related services, tax services, and other services. The Audit Committee may also pre-approve particular services on a case-by-case basis that the committee had not already specifically approved.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock at February 14, 2019, by each director, nominee, and NEO, and by all directors and executive officers of MidWestOne Financial as a group. Beneficial ownership has been determined for this purpose in accordance with Rule 13d-3 under the Exchange Act, under which a person is deemed to be the beneficial owner of securities if he or she has or shares voting power or investment power in respect of such securities or has the right to acquire beneficial ownership of securities within 60 days of February 14, 2019. For purposes of calculating each person's percentage ownership, common stock issuable pursuant to options exercisable and restricted stock unit awards that are unvested but will settle within 60 days are included as outstanding and beneficially owned for that person or group, but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. The address of each person included in the table is 102 South Clinton Street, Iowa City, Iowa 52240.

Name of Individual or Number of Individuals in Group	Amount and Nature of Beneficial Ownership (1)	Percent of Class ⁽²⁾
Directors and Nominees:		
Charles N. Funk	103,110	(3) *
Larry D. Albert	9,189	(4) *
Richard R. Donohue	34,974	(5) *
Janet E. Godwin	—	—
Jennifer L. Hauschildt	—	—
Matthew J. Hayek	1,260	*
Nathaniel J. Kaeding	150	*
Tracy S. McCormick	83,904	*
Kevin W. Monson	82,512	*
Richard J. Schwab	2,400	(6) *
Ruth E. Stanoch	2,600	*
Douglas K. True	2,000	(7) *
Kurt R. Weise	30,300	(8) *
R. Scott Zaiser	11,949	(9) *
Other Named Executive Officers		
Kevin E. Kramer	3,713	(10) *
Barry S. Ray	—	—
James M. Cantrell	11,375	(11) *
Mitchell W. Cook	21,711	(12) *
David E. Lindstrom	—	—
All directors, nominees and executive officers as a group (18 persons)	401,147	3.3 %

* Indicates that the individual or entity owns less than one percent of MidWestOne Financial's common stock.

The information contained in this column is based upon information furnished to us by the persons named above (1) and as shown on our transfer records. The nature of beneficial ownership for shares shown in this column, unless otherwise noted, represents sole voting and investment power.

(2) The total number of shares of common stock issued and outstanding on February 14, 2019, was 12,149,226.

Includes 4,331 shares allocated to his ESOP account, 93,779 shares for which Mr. Funk shares voting and (3) investment power with his spouse, and 5,000 restricted stock unit awards that are unvested but will settle within 60 days of February 14, 2019.

(4) Includes 9,189 shares for which Mr. Albert shares voting and investment power with his spouse.

(5) Includes 20,469 shares owned by Mr. Donohue's spouse.

(6) Includes 2,400 shares held in an IRA for Mr. Schwab.

(7) Includes 1,600 shares for which Mr. True shares voting and investment power with his spouse.

Includes 14,500 shares owned by Mr. Weise's spouse, 14,000 shares held in his revocable trust, 487 shares (8) allocated to his ESOP account, and 375 restricted stock unit awards that are unvested but will settle within 60 days of February 14, 2019.

(9) Includes 121 shares owned by a corporation over which Mr. Zaiser has control. Also includes 9,000 shares pledged for collateral on a loan from MidWestOne Bank.

Table of Contents

Includes 1,000 shares held in his IRA, 815 shares for which Mr. Kramer shares voting and investment power with (10)his spouse, and 1,550 restricted stock unit awards that are unvested but will settle within 60 days of February 14, 2019.

Includes 500 shares held in his IRA and 2,187 shares allocated to his ESOP account. Also includes 6,988 shares (11)for which Mr. Cantrell shares voting and investment power with his spouse and 1,700 restricted stock unit awards that are unvested but will settle within 60 days of February 14, 2019.

Includes 636 shares allocated to his ESOP account. Also includes 20,350 shares for which Mr. Cook shares voting (12)and investment power with his spouse and 725 restricted stock unit awards that are unvested but will settle within 60 days of February 14, 2019.

Other Beneficial Owners

The following table sets forth certain information on each person known to the Company to be the beneficial owner of more than 5% of the Company's common stock.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
John S. Koza 209 Lexington Avenue Iowa City, Iowa 52246	822,400	(2) 6.8 %
Royce & Associates, LP 745 Fifth Avenue New York, New York 10151	616,372	(3) 5.1 %

(1)Based on the total number of shares of common stock issued and outstanding on February 14, 2019, of 12,149,226.

Based on a Schedule 13G filed with the SEC on February 2, 2018. Excludes 60,325 shares owned by Mr. Koza's spouse, over which Mr. Koza disclaims beneficial ownership. Includes 202,840 shares owned by Mr. Koza

(2) individually, and 619,560 shares held in trusts over which Mr. Koza holds sole investment and voting power. Mr.

Koza retired from the Board in April 2014 and now serves as Director Emeritus.

(3)Based on a Schedule 13G filed with the SEC on January 15, 2019.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires that our executive officers, directors and persons who own more than 10% of our common stock file reports of ownership and changes in ownership with the SEC. They are also required to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms and, if appropriate, representations made to us by any reporting person concerning whether a Form 5 was required to be filed for 2018, we are not aware that any of our directors, executive officers or 10% shareholders failed to comply with the filing requirements of Section 16(a) during 2018, except for Mr. Funk, a director and President and Chief Executive Officer of MidWestOne Financial, who filed a late Form 4 with respect to one transaction.

CERTAIN RELATIONSHIPS AND RELATED-PERSON TRANSACTIONS

Our directors and executive officers and their associates were customers of, and had transactions with, MidWestOne Financial and our subsidiaries in the ordinary course of business during 2018. Additional transactions may be expected to take place in the future. All outstanding loans, commitments to loan, transactions in repurchase agreements, certificates of deposit and depository relationships were in the ordinary course of business and were made on substantially the same terms, including interest rates, collateral and repayment terms on the extension of credit, as those prevailing at the time for comparable transactions with other persons not related to MidWestOne Financial or MidWestOne Bank, and did not involve more than the normal risk of collectibility or present other unfavorable

features. All such loans are approved by MidWestOne Bank's board of directors in accordance with bank regulatory requirements. Additionally, the Audit Committee considers other non-lending transactions between a director and MidWestOne Financial, including its subsidiaries, to ensure that such transactions do not affect a director's independence.

Additionally, pursuant to the Audit Committee's written charter, the committee evaluates and pre-approves any non lending, material transaction between MidWestOne Financial and any director or officer. The charter does not provide any thresholds as to when a proposed transaction needs to be pre-approved, but the committee evaluates those proposed transactions that may affect a director's independence or create a perception that the transaction was not fair to MidWestOne Financial or not done at arm's length. Generally, transactions which would not require disclosure in our proxy statement under SEC rules and regulations (without regard to the amount involved) do not require the committee's pre-approval. A director may not participate

Table of Contents

in any discussion or approval by the committee of any related-party transaction with respect to which he or she is a related party, but must provide to the committee all material information reasonably requested concerning the transaction.

In December 2018, Kevin W. Monson, Chairman of the Board of the Company and the Bank, as manager and member of a limited liability company, purchased from the Company a former office building in Iowa City, Iowa, which had been used for overflow office space by the Company, for the amount of \$1.4 million. In accordance with Company policy requirements, the transaction and supporting valuation documentation was reviewed and received pre-approval from the Audit Committee at their meeting on November 13, 2018.

EQUITY COMPENSATION PLAN INFORMATION

The table below sets forth the following information as of December 31, 2018 for: (i) all equity compensation plans previously approved by our shareholders; and (ii) all equity compensation plans not previously approved by our shareholders:

- (a) the number of securities to be issued upon the exercise of outstanding options, warrants and rights;
- (b) the weighted-average exercise price of such outstanding options, warrants and rights; and
- (c) other than securities to be issued upon the exercise of such outstanding options, warrants and rights, the number of securities remaining available for future issuance under the plans.

Additional information regarding stock option plans is presented in Note 15 - Stock Compensation Plans in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2018.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	83,750	\$	— 445,660
Equity compensation plans not approved by securityholders	—	—	—
Total	83,750	\$	— 445,660

- (1) The number of securities to be issued as shown in column (a) represents no outstanding options and 83,750 nonvested restricted stock units. The weighted-average exercise price shown in column (b) reflects only the weighted-average exercise price of the outstanding options and does not take into account the grant date fair value of the outstanding nonvested restricted stock units.

SHAREHOLDER COMMUNICATIONS WITH THE BOARD AND NOMINATION AND PROPOSAL PROCEDURES**General Communications with the Board**

Shareholders may contact MidWestOne Financial's board of directors by contacting the Corporate Secretary at MidWestOne Financial Group, Inc., 102 South Clinton Street, P.O. Box 1700, Iowa City, Iowa 52244-1700 or (319) 356-5800. All communications will be forwarded directly to either the Chairman of the Board, the chairman of the Audit Committee or the Chief Executive Officer, as appropriate, unless they are primarily commercial in nature or

related to an improper or irrelevant topic.

Nominations for Director

In accordance with our bylaws, a shareholder may nominate a director for election to the board at an annual meeting of shareholders by delivering written notice of the proposed director nomination to our Corporate Secretary, at the above address, not less than 60 days nor more than 90 days in advance of the first anniversary date (month and day) of the previous year's annual meeting (which in the case of the 2020 annual meeting of shareholders, will be no earlier than January 19, 2020, and no later than February 18, 2020). Such nominations must include the following information with respect to each nominee: name; age; business and residential address; principal occupation or employment; the class and number of shares of the Company's stock which are beneficially owned by him or her; and any other information relating to him or her that would be required to be disclosed on

Table of Contents

Schedule 13D pursuant to regulations under the Exchange Act and pursuant to Regulation 14A under the Exchange Act. In addition, the following information about the shareholder making the nomination must be included: name and address; name and principal address of any other beneficial shareholders known by him or her to support the shareholder's nominee; and the class and number of shares of MidWestOne Financial's stock which are beneficially owned by all such persons. Our board of directors may reject any nomination by a shareholder, and the proposed nomination will not be accepted if presented at the shareholder meeting, if such nomination is not timely made in accordance with the foregoing requirements.

Other Shareholder Proposals

In accordance with our bylaws, a shareholder may propose other business to be considered at an annual meeting of shareholders by delivering written notice of the proposed business to our Corporate Secretary, at the above address, not less than 60 days nor more than 90 days in advance of the first anniversary date (month and day) of the previous year's annual meeting (which in the case of the 2020 annual meeting of shareholders, will be no earlier than January 19, 2020, and no later than February 18, 2020). Such notice to the Corporate Secretary must include: a brief description of the business desired to be brought before the annual meeting; the reasons for conducting such business at the annual meeting; any material interest in such business of such shareholder; and the beneficial owner, if any, on whose behalf the proposal is made. In addition, the following information about the shareholder making the proposal must be included: name and address of the shareholder and any other beneficial owner on whose behalf the proposal is brought; and the class and number of shares of MidWestOne Financial's capital stock that are owned beneficially and of record by all such persons. Our board of directors may reject any proposal by a shareholder, and the proposal will not be accepted if presented at the shareholder meeting, if such proposal is not timely made in accordance with the foregoing requirements.

For all other shareholder proposals to be considered for inclusion in our proxy statement and form of proxy relating to our annual meeting of shareholders to be held in 2020, shareholder proposals must be received by our Corporate Secretary, at the above address, no later than 120 calendar days before the date our proxy statement was released to shareholders in connection with the 2019 annual shareholders meeting (which will be November 19, 2019), and must otherwise comply with the rules and regulations set forth by the SEC.

ANNUAL REPORT AND FINANCIAL STATEMENTS; OTHER INFORMATION

A copy of our Annual Report on Form 10-K for the year ended December 31, 2018, which includes our financial statements as of and for the year ended December 31, 2018, preceded or accompanies this proxy statement.

If you would like a copy of our corporate governance guidelines, board committee charters or our Code of Business Conduct and Ethics, we will send you one without charge. Please write to:

Mr. Kenneth R. Urmie

Corporate Secretary

MidWestOne Financial Group, Inc.

102 South Clinton St.

P.O. Box 1700

Iowa City, Iowa 52244-1700

* * * * *

ALL SHAREHOLDERS ARE URGED TO SIGN, DATE AND MAIL THEIR PROXIES, VOTE BY TELEPHONE OR VOTE BY INTERNET, AS DESCRIBED IN THE NOTICE, PROMPTLY.

