

iDNA, Inc.
Form DEF 14A
May 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

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

Check the appropriate box:

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

iDNA, Inc.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o 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:

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials:

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

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

June 26, 2008

Dear Fellow Stockholder:

You are most cordially invited to attend the 2008 Annual Meeting of Stockholders of iDNA, Inc. to be held at 10:00 A.M., local time, on Wednesday, July 30, 2008, at the Reed Smith Conference Center, 599 Lexington Avenue, 22nd Floor, New York, New York 10022. If you need more specific details regarding the venue for the meeting, please contact the company by telephone at (212) 644-1400.

The enclosed Notice of Annual Meeting of Stockholders and Proxy Statement on the following pages describe the matters to be presented at the Annual Meeting.

It is important that your shares be represented at the Annual Meeting to assure the presence of a quorum. Whether or not you plan to attend the Annual Meeting, we hope that you will have your shares represented by signing, dating and returning your proxy in the enclosed envelope, which requires no postage if mailed in the United States, *as soon as possible*. Your shares will be voted in accordance with the instructions you have given in your proxy.

Thank you for your continued support.

Sincerely,

/ s / J a m e s J .
McNamara

J a m e s J .
McNamara
*Chairman of the
Board and
Chief Executive
Officer*

iDNA, INC.
415 Madison Avenue, 7th Floor
New York, NY 10017

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On July 30, 2008

Dear Stockholders:

The Annual Meeting of the Stockholders of iDNA, Inc. (“iDNA” or the “Company”) will be held on Wednesday, July 30, 2008, at 10:00 A.M. (EDT), at the ReedSmith Conference Center, 599 Lexington Avenue, 22nd Floor, New York, New York 10022, for the following purposes:

- (1) To elect all directors of the Company to serve until the Annual Meeting of the Stockholders to be held in 2009 and until their successors have been duly elected and qualified;
- (2) Ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2009;
- (3) To consider and act upon a proposal to ratify and approve an amendment to our 2005 Equity Compensation Plan to increase the number of shares issuable thereunder by one million (1,000,000) shares; and
- (4) Transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only stockholders of record at the close of business on June 23, 2008 are entitled to notice of, and to vote at, the Annual Meeting, or any adjournment or adjournments thereof. A complete list of such stockholders will be open to examination by any stockholder during ordinary business hours at our executive offices at 415 Madison Avenue, 7th Floor, New York, NY 10017 for a period of 10 days prior to the Annual Meeting and a copy shall be available for examination at the time and place of the Annual Meeting. The Annual Meeting may be adjourned from time to time without notice other than by announcement to such effect at the Annual Meeting.

It is important that your shares be represented at the Annual Meeting. Your shares cannot be voted unless they are represented by proxy or you make other arrangements to have them represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please fill in, date and sign the enclosed proxy and return it promptly in the enclosed envelope. The prompt return of proxies will ensure a quorum and save us the expense of further solicitation.

By Order of the Board of
Directors,

/s/ Robert V. Cuddihy, Jr.

Robert V. Cuddihy, Jr.
Chief Financial Officer,
Secretary and Treasurer

New York, New York
June 26, 2008

iDNA, INC.
415 Madison Avenue, 7th Floor
New York, NY 10017

PROXY STATEMENT

General

These proxy materials are furnished in connection with the solicitation of proxies by the Board of Directors of iDNA, Inc., a Delaware corporation (the “Company” or “iDNA”), for use at our 2008 Annual Meeting of Stockholders (the “Annual Meeting”), and at any continuation or adjournment thereof. The Annual Meeting will be held on Wednesday, July 30, 2008, at 10:00 A.M. (EDT), at the Reed Smith Conference Center, 599 Lexington Avenue, 22nd Floor, New York, New York 10022.

We maintain principal executive offices at 415 Madison Avenue, 7th Floor, New York, NY 10017. This proxy statement and the accompanying form of proxy are being mailed to stockholders on or about June 26, 2008. Our Annual Report on Form 10-K for the fiscal year ended January 31, 2008, including financial statements for the year ended January 31, 2008, is being mailed to stockholders at the same time.

Stockholders Entitled To Vote

Holders of shares of our common stock of record at the close of business on June 23, 2008 are entitled to notice of, and to vote at, the Annual Meeting and at any and all adjournments or postponements of the Annual Meeting. Each share entitles its owner to one vote. Under Section 216 of the Delaware General Corporation Law and Article II, Section 7 of our Second Amended and Restated By-Laws, the holders of a majority of the shares entitled to vote at the Annual Meeting must be present in person or represented by proxy in order to constitute a quorum for all matters to come before the Annual Meeting. On the record date there were 10,585,864 shares of our common stock outstanding. Our Second Amended and Restated Certificate of Incorporation and Second Amended and Restated By-Laws do not provide for cumulative voting.

Other than the election of directors, which requires a plurality of the votes cast, each matter to be submitted to the stockholders requires the affirmative vote of a majority of the votes cast at the meeting. For purposes of determining the number of votes cast with respect to a particular matter, only those cast “For” or “Against” are included. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

How To Vote

If you are a stockholder of record (i.e., a stockholder who holds shares in one’s own name), you can vote by signing, dating and returning your proxy card in the enclosed postage-paid envelope. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by our Board of Directors.

If your shares are held in “street name” (i.e., in the name of a bank, broker or other holder of record), you will receive instructions from the holder of record that you must follow in order to vote your shares.

Changing Your Vote

You may change your vote at any time before the proxy is exercised. If you voted by mail, you may revoke your proxy at any time before it is voted by executing and delivering a timely and valid later-dated proxy, by voting by ballot at the meeting or by giving written notice to our Secretary. Attendance at the Annual Meeting will not have the effect of revoking a proxy unless you give proper written notice of revocation to the Secretary before the proxy is exercised or you vote by written ballot at the Annual Meeting.

Householding of Proxy Materials

The Securities and Exchange Commission has adopted rules that permit companies and intermediaries (e.g., brokers, banks and nominees) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies and intermediaries.

This year, a number of brokers, banks and nominees with account holders who are iDNA stockholders may be householding our proxy materials. In such circumstances, a single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received by the broker, bank or nominee from one or more of the affected stockholders. We have not initiated householding with respect to the small number of our record holders, because such householding would increase our costs. If, at any time, you would like to receive a separate copy of our proxy statement and annual report, we will promptly send you an additional copy upon written or oral request directed to Robert V. Cuddihy, Jr., Chief Financial Officer, Secretary and Treasurer, at our offices located at 415 Madison Avenue, 7th Floor, New York, NY 10017, telephone (212) 644-1400. If you are a beneficial owner, you can request additional copies of the proxy statement and the Annual Report on Form 10-K for the fiscal year ended January 31, 2008. If your shares are held in “street name,” you can request a change in your householding status by notifying your broker, bank or nominee.

Stockholder Proposals, Director Nominations and Other Information

To be included in our proxy statement and proxy card for the 2009 Annual Meeting of Stockholders, stockholder proposals and director nominations must be received by us on or before February 25, 2009. Proposals and nominations should be directed to the attention of Robert V. Cuddihy, Jr., Chief Financial Officer, Secretary and Treasurer, at our offices located at 415 Madison Avenue, 7th Floor, New York, NY 10017.

In addition, if a stockholder wishes to present a proposal or a director nomination at our 2009 Annual Meeting of Stockholders which is not intended to be included in the proxy statement for that meeting, we must receive written notice of the stockholder proposal or nomination not less than fourteen (14) nor more than fifty (50) days prior to such meeting (such meeting is tentatively projected to be held in July 2009). If we do not receive timely notice of such proposal or nomination, we will retain discretionary authority to vote proxies on such proposal or nomination even if it is not specifically reflected on the proxy card and stockholders have not had an opportunity to vote on the proposal or nomination by proxy.

Stockholder Communication with our Board of Directors

Stockholders who wish to communicate with our Board of Directors may do so by sending written communications addressed to the Board of Directors, iDNA, Inc., c/o Henry Y. L. Toh, Lead Independent Director at 415 Madison Avenue, 7th Floor, New York, NY 10017. This information is also contained on our website at www.idnausa.com. It is our policy that all nominees or directors standing for election at an annual meeting of stockholders attend such annual meeting. All of our directors standing for election attended our 2006 Annual Meeting of Stockholders.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

There were, as of May 29, 2008, approximately 1,205 holders of record and approximately 2,912 beneficial holders of our common stock. The following table sets forth certain information that, unless otherwise noted, is as of June 23, 2008, with respect to holdings of our common stock by: (i) each person known by us to be the beneficial owner of more than 5% of the total number of shares of our common stock outstanding as of such date, based upon currently available Schedules 13D and 13G, and other reports, filed with the Securities and Exchange Commission; (ii) each of our directors, nominees and named executive officers; and (iii) all directors and executive officers as a group.

Name and Address	Number of Shares Beneficially Owned ⁽¹⁾	Percentage Beneficially Owned ⁽²⁾
<i>(i) Beneficial Owners:</i>		
Campus Family 2000 Trust 42 Oak Avenue Tuckahoe, NY 10707	1,883,333 ⁽³⁾	15.1%
<i>(ii) Directors, Nominees and Named Executive Officers:</i>		
James McNamara 415 Madison Avenue, 7 th Floor New York, New York 10017	3,635,075 ⁽⁴⁾	31.7%
John A. Gleason 415 Madison Avenue, 7 th Floor New York, New York 10017	292,500 ⁽⁵⁾	2.7%
Henry Y. L. Toh 415 Madison Avenue, 7 th Floor New York, New York 10017	292,500 ⁽⁵⁾	2.7%
Robert V. Cuddihy, Jr. 415 Madison Avenue, 7 th Floor New York, New York 10017	500,000 ⁽⁶⁾	4.7%
James M. Augur 415 Madison Avenue, 7 th Floor New York, New York 10017	382,500 ⁽⁷⁾	3.6%
Donald Shek 415 Madison Avenue, 7 th Floor New York, New York 10017	82,500 ⁽⁷⁾	0.8%
<i>(iii) All Directors and Executive Officers as a Group (6 persons)</i>	5,185,075 ⁽⁸⁾	42.4%

(1) Pursuant to rules promulgated under Section 13(d) of the Securities Exchange Act of 1934, an individual is considered to beneficially own shares of our common stock if he, she or it directly or indirectly has or shares (i) voting

power, which includes the power to vote or direct the voting of shares; or (ii) investment power, which includes the power to dispose or direct the disposition of the shares. Unless otherwise noted, we believe that all shares listed in the table are owned of record by each individual named as beneficial owner and that such individual has sole voting and dispositive power with respect to the shares of our common stock owned by him, her or it. Such person's percentage ownership is determined by assuming that the options or convertible securities that are held by such person, and which are exercisable within 60 days from June 23, 2008, have been exercised or converted, as the case may be.

(2) Applicable percentage of beneficial ownership is based on 10,585,864 shares of common stock outstanding on June 23, 2008, unless otherwise noted.

(3) Pursuant to the terms of a \$2.8 million convertible promissory note outstanding at June 23, 2008, the holder has the option to convert the note into shares of our common stock at the conversion price of \$1.50 per share for an aggregate of 1,883,333 shares of common stock if fully converted.

(4) Includes 2,760,075 shares of our common stock and 875,000 shares issuable upon exercise of options.

(5) Includes 260,000 shares issuable upon exercise of options.

(6) Includes 150,000 shares issuable upon exercise of options.

(7) Includes 50,000 shares issuable upon exercise of options.

(8) Includes 3,240,075 outstanding shares and an additional 1,645,000 shares issuable upon exercise of options.

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EQUITY COMPENSATION PLAN INFORMATION
(as of January 31, 2008)

The following table provides information about securities authorized for issuance under our equity compensation plans as of January 31, 2008:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders ⁽¹⁾	3,030,784 ⁽²⁾	\$ 0.70	560,068
Equity compensation plans not approved by security holders	—	—	28,000
Total	3,030,784⁽²⁾	\$ 0.70	588,068⁽³⁾

(1) Consists of our following equity compensation plans: 1993 Equity Incentive Plan; 2003 Restricted Stock Plan; and 2005 Equity Compensation Plan.

(2) Consists of 1,548,284 shares subject to outstanding stock options issued under our 1993 Equity Incentive Plan and 1,482,500 shares subject to outstanding stock options issued under our 2005 Equity Compensation Plan.

(3) Consists of 155,068 shares available for issuance under our 1993 Equity Incentive Plan to our officers and employees, 28,000 shares available for issuance under our 2003 Restricted Stock Plan to our employees, and 405,000 shares available for issuance under our 2005 Equity Compensation Plan to our officers, directors, employees, consultants and advisors (not including the additional 1,000,000 shares that may become available for issuance under our 2005 Equity Compensation Plan should Proposal No. 3 be adopted at the Annual Meeting).

**PROPOSAL NO. 1
ELECTION OF DIRECTORS**

Pursuant to our Second Amended and Restated Certificate of Incorporation, each member of our Board of Directors is subject to election on an annual basis — at our annual meeting of stockholders — for a one year term. There are currently five members of our Board of Directors. At the Annual Meeting, all five directors are to be duly elected to hold office until the Annual Meeting of Stockholders to be held in 2009 and until their successors shall have been elected and qualified, or until any such director's earlier death, resignation, or removal. The nominees for election to our Board of Directors are James J. McNamara, John A. Gleason, James M. Augur, Donald Shek, and Henry Y.L. Toh.

The following table sets forth biographical information for the directors of the Company, each of whom has been nominated by the Board of Directors for election at this year's Annual Meeting of Stockholders:

Director Nominees Subject to Election at the Annual Meeting

**Director Nominees for
Terms Ending in 2009**

Present Position, Age and Recent Business Experience

James J. McNamara	James J. McNamara, age 59, has been our Chairman of the Board and Chief Executive Officer since November 2000. Mr. McNamara has been a director of our Company since February 1998 and previously served as our Chairman from April 1998 to November 1999. Mr. McNamara has also been President of Film Management Corporation (a film company) since 1995, and he has been President and Chief Executive Officer of Celebrity Entertainment, Inc. (an entertainment company) since 1992. Mr. McNamara was Chairman of the Board and Chief Executive Officer of Princeton Media Group, Inc. (a magazine publisher) from 1994 to 1998.
James M. Augur	James M. Augur, age 72, has been a director of our Company since May 2004. Mr. Augur has been a commercial and residential architect for over 30 years. Mr. Augur currently serves as a consultant to owners and developers for land planning and architectural services and is the Chairman and President of JMA and Associates since its founding in 1973.
John A. Gleason	John A. Gleason, age 59, has been a director of our Company since April 2000. Mr. Gleason previously served as a director of our Company from February 1998 to September 1999. From 1995 to 1998, Mr. Gleason served on our Dealer Advisory Board, serving as Chairman of such panel from 1996 to 1998. Mr. Gleason has been the President and principal of Automax, Inc., an independent car dealership since 1987. Mr. Gleason has been the President of Auto Place USA Inc., DBA New Franklin, Inc., an automobile finance consulting firm, since 1992, and has been a partner in Runco Properties LLC, a real estate firm, since 2003.
Donald Shek	Donald Shek, age 58, has been a director of our Company since December 2003. Mr. Shek has been a financial consultant in private practice since January 1998. From 1993 to 2002, Mr. Shek was a registered representative for the Financial West Group, an NASD broker/dealer.
Henry Y.L. Toh	Henry Y.L. Toh, age 50, has been a director of our Company since December 1998. Mr. Toh is also a director of four other public companies: (i) C2 Global

Technologies, Inc., an Internet telephone company (since 1992), (ii) Isolagen, Inc., a biotechnology company (since January 2004), (iii) Teletouch Communications, Inc., a retail provider of Internet, cellular and paging services (since December 2001), and (iv) American Surgical Holdings, Inc. (since April 2007). Since August 2005, Mr. Toh has served as a director of Labock Technologies, Inc., and from September 2004 until August 2005, Mr. Toh served as a director of Vaso Active Pharmaceuticals, Inc. Mr. Toh has been the principal officer of Four M. International, Inc. (a private investment entity) and has served as a director and Chief Executive Officer of Amerique Investments since 1992. Mr. Toh was also a director of Bigmar, Inc., a pharmaceutical company, from April 2002 to February 2004. Mr. Toh began his career with KPMG Peat Marwick from 1980 to 1992, where he specialized in international taxation and mergers and acquisitions.

The Corporate Governance and Nominating Committee of our Board of Directors has nominated, and our Board of Directors has ratified the nomination of, each of James J. McNamara, John A. Gleason, James M. Augur, Donald Shek, and Henry Y.L. Toh for election to our Board of Directors at the Annual Meeting, whose terms will expire at the next Annual Meeting of Stockholders (in 2009), if elected at the Annual Meeting.

The Corporate Governance and Nominating Committee will consider director candidates recommended by our stockholders. In order to be considered by the Corporate Governance and Nominating Committee, a stockholder must submit, in writing, information regarding the stockholder and the recommended candidate to the Corporate Governance and Nominating Committee, Attention: Chairman, c/o iDNA, Inc.- Secretary, 415 Madison Avenue, 7th Floor, New York, NY 10017. The information must be sent by registered mail or certified mail, return receipt requested, and should include at least the following information: the name, age, business address and residence address of the recommended candidate; the principal occupation or employment of such person; and a description of any and all arrangements or understandings between the stockholder and proposed candidate. The recommending stockholder should also include complete contact information with regard to himself or herself, indicate the number of shares of our common stock owned by the stockholder, and indicate whether the person recommended as a candidate consents to being named in the proxy statement as a nominee for director.

The following criteria have been identified by our Corporate Governance and Nominating Committee, and adopted by our Board of Directors, to guide our Corporate Governance and Nominating Committee in selecting Board nominees:

1. Directors should demonstrate integrity, accountability, informed judgment, financial literacy, creativity and vision;
2. Directors should have records of professional accomplishment in their chosen fields, and personal and professional reputations that complement and enhance the image and standing of iDNA;
3. Directors should have varied educational and professional experiences and backgrounds who, collectively, provide meaningful counsel to management;
4. Directors must be prepared and able to participate fully in Board activities, including membership on Board of Director committees, and should therefore have sufficient time to devote to us;
5. Directors should represent the best interests of all of our stockholders, not just those of one particular constituency; and
6. At least a majority of the members of our Board of Directors should be “independent”, as defined by The Nasdaq Global Market, Inc., and should not have any real or apparent conflicts of interest in serving as a director.

The Corporate Governance and Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director, and there are no differences in the manner in which the Corporate Governance and Nominating Committee evaluates director nominees based on whether the nominee is recommended by a stockholder. Candidates may come to the attention of the Corporate Governance and Nominating Committee via the recommendation of current directors, stockholders or other persons. Candidates are evaluated at meetings of the Corporate Governance and Nominating Committee and, subject to the timing details included above for consideration at our 2009 Annual Meeting, may be considered at any point during the year.

If the enclosed proxy is properly executed and received in time for the Annual Meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby for the persons nominated for election to our Board of Directors unless authority to vote shall have been withheld. If any nominee should refuse or be unable to serve, the proxy will be voted for such person as shall be designated by our Board of Directors to replace such nominee or, in lieu thereof, our Board of Directors may reduce the number of directors. Our Board of Directors has no reason to believe that the nominees will be unable to serve if elected. The nominees have consented to being named in this proxy statement and to serve if elected. Proxies cannot be voted for a greater number of persons than the number of nominees set forth herein.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” EACH NOMINEE.

CORPORATE GOVERNANCE

Independence of Directors

Four of the five members of our Board of Directors (the entire Board of Directors, with the exception of Mr. McNamara, our Chairman of the Board and Chief Executive Officer) are not affiliated with us in any capacity (except, by virtue of their directorship and beneficial stock ownership) and are therefore “independent”, as defined under Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. Marketplace Rules (the “NASDAQ Marketplace Rules”) and the applicable rules of the Securities and Exchange Commission, as affirmatively determined by our Board of Directors. While we are not listed on any of the NASDAQ Global Select Market, NASDAQ Global Market or NASDAQ Capital Market and therefore are not subject to the NASDAQ Marketplace Rules, our Board of Directors believes that this standard is a useful one in assisting it in making its determination of director independence.

Meetings and Committees of our Board of Directors

During the fiscal year ended January 31, 2008, there were four (4) meetings of our Board of Directors. Each incumbent director attended at least 75% of the meetings of our Board of Directors and any committee or committees on which he or she served, during the period of time that such director served on such committee or committees. Our Board of Directors has established an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation and Stock Option Committee.

The Audit Committee currently consists of Mr. Toh, as chairman, Mr. Shek and Mr. Gleason. Messrs. Toh, Shek and Gleason are each “independent” as defined by the current NASDAQ Marketplace Rules and the applicable rules of the Securities and Exchange Commission, as affirmatively determined by our Board of Directors. Our Board of Directors has also determined that each of Messrs. Toh and Shek is an “audit committee financial expert,” as that term is defined by the rules of the Securities and Exchange Commission, and is financially sophisticated under the NASDAQ Marketplace Rules. Pursuant to guidelines established by a written charter adopted by our Board of Directors in November 2005, a copy of which is annexed to this proxy statement as Appendix A, our Audit Committee assists our Board of Directors in fulfilling its responsibilities of ensuring that management is maintaining an adequate system of internal controls such that there is reasonable assurance that assets are safeguarded and that financial reports are properly prepared, that there is consistent application of generally accepted accounting principles, and that there is compliance with management’s policies and procedures. In performing its functions, our Audit Committee meets periodically with the independent registered public accounting firm (including meeting in an executive session without management present) and management to review their work and confirm that they are properly discharging their respective responsibilities. Our Audit Committee met four (4) times during the fiscal year ended January 31, 2008. The Audit Committee Report is included below.

Our Corporate Governance and Nominating Committee currently consists of Mr. Augur, as chairman, Mr. Shek and Mr. Toh, each of whom are “independent” as defined by the current NASDAQ Marketplace Rules and the applicable rules of the Securities and Exchange Commission, as affirmatively determined by our Board of Directors. Our Corporate Governance and Nominating Committee identifies individuals qualified to become members of our Board of Directors, reviews the qualifications of candidates and selects the director nominees for each annual meeting of stockholders. Our Corporate Governance and Nominating Committee also develops and recommends corporate governance principles to our Board of Directors, plans for and assists in the transitioning of directors on to and off of our Board of Directors, provides a review function for directors, helps prepare for management succession, and leads our Board of Directors in complying with its corporate governance principles. A copy of the Corporate Governance and Nominating Committee Charter is annexed to this proxy statement as Appendix B. Our Corporate Governance and Nominating Committee met one (1) time during the fiscal year ended January 31, 2008.

Our Compensation and Stock Option Committee (or “Compensation Committee”) currently consists of Mr. Gleason, as chairman, and Mr. Augur, each of whom is “independent” as defined by the current NASDAQ Marketplace Rules and

the applicable rules of the Securities and Exchange Commission, as affirmatively determined by our Board of Directors. Our Compensation Committee considers compensation of our executive officers and directors, and considers, reviews and approves issues and matters concerning the compensation of directors and employees and the objectives and policies instituted by our Board of Directors. A copy of the Compensation Committee Charter is annexed to this proxy statement as Appendix C. Our Compensation and Stock Option Committee met two (2) times during the fiscal year ended January 31, 2008. The Compensation Committee Report is included below.

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Code of Ethics

We have adopted a Code of Business Conduct, Ethics and Corporate Governance (“Code of Ethics”) (which was filed as Exhibit 99.4 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 8, 2005) that applies to all of our officers, directors and employees. A copy of our Code of Ethics will be provided free of charge, upon written request to the following address: iDNA, Inc., 415 Madison Avenue, 7th Floor, New York, NY 10017, Attention: Robert V. Cuddihy, Jr.

Compensation Committee Interlocks and Insider Participation

As described above, all members of our Compensation Committee are independent directors, and none of them are present or past employees or officers of ours. No member of the Compensation Committee has had any relationship with us requiring disclosure under Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission. None of our executive officers has served on the board of directors or compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers has served on our Board of Directors or our Compensation Committee.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors has furnished the following report, in accordance with rules established by the Securities and Exchange Commission, for inclusion in this proxy statement.

The Audit Committee of the Board of Directors, which consists of Mr. Toh, as chairman, Mr. Shek and Mr. Gleason, reviews the results and scope of the annual audit and the services provided by Grant Thornton LLP, iDNA’s independent registered public accounting firm and performs such additional functions as are set forth in a written charter adopted by the Board of Directors, a copy of which is annexed to this proxy statement as Appendix A. As part of its ongoing activities, the Audit Committee has:

- Reviewed and discussed with iDNA’s management and Grant Thornton LLP the audited financial statements for the fiscal year ended January 31, 2008;
- Reviewed and discussed with iDNA’s management and Grant Thornton LLP the evaluation of iDNA’s design and functioning of its internal control over financial reporting;
- Held separate executive sessions with Grant Thornton LLP;
- Discussed with Grant Thornton LLP the matters required to be discussed by Statement on Auditing Standards No. 61, Communications with Audit Committees, as amended; and
- Received the written disclosures and the letter from Grant Thornton LLP required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with Grant Thornton LLP its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended January 31, 2008. The Audit Committee also recommends that iDNA’s stockholders ratify the Board of Directors’ selection of Grant Thornton LLP as the independent registered public accounting firm for the fiscal year ending January 31, 2009.

Respectfully submitted,

Audit Committee

Henry Y.L. Toh, Chairman
Donald Shek
John A. Gleason

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis (found below in this proxy statement) with management. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted,

Compensation Committee

John A. Gleason, Chairman
James M. Augur

DIRECTOR COMPENSATION

The following table sets forth a summary of our non-employee directors' compensation for the fiscal year ended January 31, 2008.

Director Compensation Table - Fiscal 2008

Name (1,3)	Fees Earned		Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value		All Other Compensation	Total
	of Paid in Cash	Stock Awards			Deferred Compensation	and Non-qualified		
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
James M. Augur	\$ 25,000	\$ -	\$ -(2)	\$ -	\$ -	\$ -	\$ -	\$ 25,000
John A. Gleason	\$ 25,000	\$ -	\$ -(2)	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Donald Shek	\$ 25,000	\$ -	\$ -(2)	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Henry Y. L. Toh	\$ 25,000	\$ -	\$ -(2)	\$ -	\$ -	\$ -	\$ -	\$ 25,000

(1) Reflects the dollar amount of compensation expense incurred for financial statement reporting purposes for the fiscal year ended January 31, 2008 in accordance with FAS 123R for stock option awards pursuant to our equity compensation plans. Assumptions used in the calculation of these amounts are included in Note 10 to our audited financial statements for the fiscal year ended January 31, 2008 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 15, 2008.

(2) The full grant date fair value of the stock options issued to each of our non-employee directors during the fiscal year ended January 31, 2008, calculated in accordance with FAS 123R, was \$0, as no new stock options were issued to our non-employee directors during such fiscal year.

(3) The aggregate numbers of shares subject to option awards outstanding and fully vested as of January 31, 2008 were as follows: 50,000 for James M. Augur; 260,000 for John A. Gleason; 50,000 for Donald Shek; and 260,000 for Henry Y.L. Toh.

Overview of Compensation of Directors

Under our currently-effective policy, each member of our Board of Directors (other than Mr. McNamara, who is our employee) receives compensation of \$15,000 per annum. Non-employee directors serving on the Audit Committee or Compensation Committee of our Board of Directors are also entitled to additional compensation of \$10,000 per annum.

All option grants made to our non-employee directors shall cease to vest if the grantee-director resigns from our Board of Directors, or the applicable committee thereof, or otherwise ceases to serve, unless our Board of Directors determines that the circumstances warrant continuation of vesting.

All options granted to non-employee directors shall vest immediately if (i) there is a change of control and (ii) the optionee will cease to serve as a member of our Board of Directors as a result of such change of control (in each case, change of control has the meaning assigned to such term in the individual option award agreement entered into by us with our respective non-employee directors).

In addition to compensation under our currently effective policy, the members of our Board of Directors are also entitled to reimbursement for all reasonable fees and expenses incurred in connection with the performance of services on behalf of us. Fees and expenses are reimbursed upon submission to iDNA of appropriate documentation for such fees and expenses in accordance with our current company policy.

EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

The name, age and position of each person who is currently serving as an executive officer and who is not currently a director, is listed below, followed by a summary of his background and principal occupations. Executive officers are elected annually, and serve at the discretion of the Board of Directors.

Name	Position and Age
Robert V. Cuddihy, Jr.	Robert V. Cuddihy, Jr., age 48, has been our Chief Financial Officer and Treasurer since September 2001 and our Secretary since January 2003. Previously, Mr. Cuddihy served as an independent financial consultant to our Company from May 2001 to August 2001. From July 1987 to March 2001, Mr. Cuddihy was the Chief Financial Officer of HMG Worldwide Corporation, a company engaged in in-store marketing and retail store fixture design and manufacture, and also served as a director of such entity from February 1998 to May 2001. HMG Worldwide Corporation effected an assignment of its assets for the benefit of creditors in 2002. From July 1981 to July 1987, Mr. Cuddihy was with KPMG Peat Marwick where he last served as a senior audit manager.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to describe the material elements of compensation provided to our named executive officers for fiscal year ended January 31, 2008. This analysis focuses on the compensation paid to our "named executive officers", which is a defined term generally encompassing all persons that served as our principal executive officer or principal financial officer at any time during the year, as well as certain other highly paid executive officers serving in such positions at the end of the fiscal year. During the fiscal year ended January 31, 2008, our named executive officers consisted of (i) James McNamara, Chairman of the Board and Chief

Executive Officer, and (ii) Robert V. Cuddihy, Jr., Chief Financial Officer, Secretary and Treasurer.

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Overview of Compensation and Process

Our executive compensation program is designed to attract, retain, motivate and reward executives with the skills and dedication necessary to provide the leadership, strategic direction and vision to anticipate and respond to current and future market opportunities or trends. The executive compensation program design considers (i) issues pertaining to policies for allocating long-term incentive and currently paid-out compensation, (ii) the manner in which compensation is allocated between cash and non-cash compensation, (iii) an executive officer's current and future roles, responsibilities and expectations, and (iv) an executive officer's performance individually and as a part of the management team.

The compensation components for our executives include (i) salary, (ii) merit based performance bonuses, (iii) long term equity compensation via grants of restricted shares of our common stock and/or stock options, (iv) employee fringe benefits including health, life and disability insurance and participation in our 401(k) savings and profit sharing plan, and (v) perquisites. Our compensation program is designed to strengthen the relationship between compensation, both cash and equity-based, and performance, by emphasizing variable, at-risk compensation that is dependent upon the successful achievement of specified corporate, business unit and individual performance goals. Our compensation program is characterized by a balance between at-risk incentive cash and equity-based compensation, on the one hand, and an executive's base compensation, on the other hand. Our compensation program is designed to be competitive with corresponding programs of other corporate communications, advertising, technology and entertainment businesses, while also providing consideration to each executive's unique skills and contributions to our long term strategic goals.

Each fiscal year, the Compensation Committee meets, together with our executive management, in order to (i) discuss corporate and individual performance objectives for the previous year, (ii) review the performance against the objectives as well as the specific management responsibilities, (iii) establish current year corporate and individual performance objectives, and (iv) review management strategies to achieve such objectives. Through this process, the compensation elements for executives are aligned with the long term interests of our stockholders and thereby maximize stockholder value. Base compensation for each executive is established either via a mutually agreed-upon employment contract between iDNA and the executive or at a scheduled meeting of our Compensation Committee. All executive employment agreements are negotiated, reduced to writing, reviewed and approved by the Compensation Committee and confirmed by our Board of Directors prior to execution by us.

Total Overall Compensation

To assist us in establishing targeted overall compensation for our named executive officers (i.e., the aggregate level of compensation to be paid if stated performance goals are fully met), the Compensation Committee periodically engages an independent compensation consultant. During the fiscal year ended January 31, 2007, the Compensation Committee had engaged an independent compensation consultant, Michael Preston (the "Consultant"), to assist our Company in structuring a new employment agreement with our Chief Executive Officer, James McNamara. At the request of the Compensation Committee, the Consultant conducted a study of the compensation programs at various public companies in the corporate communications, advertising, technology or entertainment businesses. The selected companies had attributes similar to our Company with respect to (i) market capitalization, (ii) annual revenues, (iii) number of employees, (iv) stock price and (v) types of executive management recruited by such companies. In addition, the Compensation Committee discussed with the Consultant (i) our current and historical operations, (ii) our wind down and exit process from the now discontinued sub-prime auto finance and rental business, (iii) our entrance into the strategic communications, information services and entertainment segments, and (iv) our vision and strategic plans for the future.

The results of the Consultant's study provided the Compensation Committee with a starting point to create a comprehensive compensation program for our Chief Executive Officer that balances the strategic vision mutually

shared by all parties, while also providing due consideration to the significant contributions made by Mr. McNamara during his tenure with us and the future expectations of our Board of Directors and our Compensation Committee. As a consequence of (i) the Compensation Committee's efforts and due diligence, (ii) the study and recommendations provided by the Consultant, (iii) the Compensation Committee's consultation with our independent counsel, (iv) various Compensation Committee meetings and discussions and (v) direct negotiations held over a six month period of time with Mr. McNamara, the Compensation Committee developed a comprehensive compensation program for Mr. McNamara which is consistent with our compensation philosophy of balancing current base compensation with at-risk incentive cash and equity-based compensation.

The details of Mr. McNamara's employment agreement (which, while entered into during the fiscal year ended January 31, 2007, was still effective throughout the fiscal year ended January 31, 2008 and is currently still effective), along with the employment agreement that we had previously entered into with Robert V. Cuddihy, Jr., our Chief Financial Officer, Secretary and Treasurer (and which is still effective) are described below under the heading "**Employment Contracts.**"

Equity Compensation

In keeping with our executive compensation program and philosophy for incentivizing the performance of our named executive officers, we have also established our 2005 Equity Compensation Plan, our 1993 Equity Incentive Plan and our 2003 Restricted Stock Plan, the terms of which are described below at length (under the heading "**Stock Option and Equity Incentive Programs**"). Pursuant to these plans, our named executive officers are eligible for grants of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock appreciation rights and restricted shares of our common stock. These equity compensation plans serve the purpose of reinforcing the alignment of interests of our named executive officers with those of our stockholders, as the value of the awards granted thereunder is linked to the value of our common stock, which, in turn, is indirectly attributable to the performance of our named executive officers.

EXECUTIVE COMPENSATION

The following table sets forth a summary of the compensation for the fiscal years ended January 31, 2008 (“Fiscal 2008”), January 31, 2007 (“Fiscal 2007”) and January 31, 2006 (“Fiscal 2006”) earned by, or paid to, our named executive officers.

SUMMARY COMPENSATION TABLE

							Change in Pension Value and			
			Stock	Option	Non-Equity	Non-Qualified		All		
	Year	Salary	Bonus	Awards	Awards	Plan	Compensation	Deferred	Other	Total
		(\$)	(\$)	(\$)(1)	(\$)(1)	(\$)	(\$)	(\$)	(\$)	(\$)
James J. McNamara	2008									