

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

CENTURY BUSINESS SERVICES INC
Form DEF 14A
April 14, 2004

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

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 Section 240.14a-11c or Section 240.14a-12

CENTURY BUSINESS SERVICES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

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:

(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:

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

CENTURY BUSINESS SERVICES, INC.
6050 OAK TREE BOULEVARD SOUTH, SUITE 500
CLEVELAND, OH 44131

April 9, 2004

Dear Stockholder:

We cordially invite you to attend the Annual Meeting of Stockholders of Century Business Services, Inc., which will be held on Friday, May 27, 2004, at 11:00 a.m. EDT, at The Embassy Suites Hotel, 5800 Rockside Woods Boulevard North, Independence, Ohio 44131.

The matters to be considered at the meeting are described in the formal notice and proxy statement on the following pages.

We encourage your participation at this meeting. Whether or not you plan to attend in person, it is important that your shares be represented at the meeting. Please review the proxy statement and sign, date and return your proxy card in the enclosed envelope as soon as possible.

If you attend the meeting and prefer to vote in person, your proxy card can be revoked at your request.

We appreciate your confidence in Century Business Services, Inc. and look forward to the chance to visit with you at the meeting.

Very truly yours,

CENTURY BUSINESS SERVICES, INC.

/s/ Steven L. Gerard

Steven L. Gerard, Chairman of the Board

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

CENTURY BUSINESS SERVICES, INC.
6050 OAK TREE BOULEVARD SOUTH, SUITE 500
CLEVELAND, OHIO 44131

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 27, 2004

TO THE STOCKHOLDERS OF CENTURY BUSINESS SERVICES, INC.:

The Annual Meeting of Stockholders of Century Business Services, Inc. will be held on May 27, 2004, at 11:00 a.m. EDT, at The Embassy Suites Hotel, 5800 Rockside Woods Boulevard North, Independence, Ohio 44131, for the following purposes:

1. To elect two (2) of a class of two (2) Directors to the Board of Directors of Century with terms expiring at the Annual Meeting in 2007;
2. To ratify the appointment of KPMG LLP as Century's independent accountants for 2004; and,
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record on April 9, 2004 will be entitled to vote at the meeting.

You are cordially invited to attend the Annual Meeting. Your vote is important. WHETHER OR NOT YOU EXPECT TO ATTEND IN PERSON, YOU ARE URGED TO SIGN, DATE AND MAIL THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE SO THAT YOUR SHARES MAY BE REPRESENTED AND VOTED. The envelope enclosed requires no postage if mailed within the United States. If you attend the meeting and prefer to vote in person, your proxy card can be revoked at your request.

By Order of the Board of Directors,

/s/ Michael W. Gleespen

Michael W. Gleespen, Corporate
Secretary

Cleveland, Ohio
April 9, 2004

PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT
IN THE ACCOMPANYING ENVELOPE AS SOON AS POSSIBLE

TABLE OF CONTENTS

	PAGE

Voting Rights and Solicitation.....	3
Proposal No. 1 -- Election of Directors.....	4
Proposal No. 2 -- Ratification of Appointment of Independent Accountants.....	6
Security Ownership of Certain Beneficial Owners and Management.....	6
Report of the Compensation Committee on Executive	

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

Compensation.....	10
Report of the Audit Committee.....	12
Executive Compensation.....	15
Certain Relationships and Related Transactions.....	17
Stockholder Return Performance Presentation.....	19
Section 16(a) Beneficial Ownership Reporting Compliance.....	19
Stockholder Proposals.....	20
Expenses of Solicitation.....	20
Other Matters.....	21

2

CENTURY BUSINESS SERVICES, INC.

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Century Business Services, Inc. ("Century" or "CBIZ") of proxies to be voted at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 27, 2004, and any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The mailing of this proxy statement and accompanying form of proxy to stockholders will commence on or about April 16, 2004.

VOTING RIGHTS AND SOLICITATION

Shares represented by properly executed proxies received on behalf of Century will be voted at the meeting in the manner specified therein. If no instructions are specified in a proxy returned to Century, the shares represented thereby will be voted in favor of the election of the directors listed in the enclosed proxy, and in favor of the appointment of KPMG LLP as independent accountants for 2004. Any proxy may be revoked by the person giving it at any time prior to being voted by attendance at the meeting or submitting a subsequently signed and dated proxy.

Mr. Joseph S. DiMartino and Mr. Todd J. Slotkin are designated as proxy holders in the proxy card. They will vote for the election as directors of Mr. Rick L. Burdick and Mr. Steven L. Gerard, who have been proposed by the Board of Directors, and for the ratification of the appointment of KPMG LLP as Century's independent accountants for 2004. If any other matters are properly presented at the Annual Meeting for consideration, the proxy holders will have discretion to vote on such matters in accordance with their best judgment. The Board of Directors knows of no other matters to be presented at the meeting.

The Board of Directors established April 9, 2004 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting. On the record date, Century had 78,346,083 shares of voting common stock issued and outstanding. The common stock is the only class of capital stock Century has outstanding. Only stockholders of record at the close of business on the record date will be entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter presented. The holders of a majority of the total shares issued and outstanding, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present for the transaction of business. Abstentions are counted in tabulations, but not as an affirmative vote, of the votes cast on proposals presented to stockholders. Broker non-votes, on the other hand, are not counted for purposes of determining whether a proposal has been approved. The affirmative vote of the holders of a majority of the votes cast at the meeting is necessary for the election of directors and for approval of any other matter scheduled for vote.

3

ELECTION OF DIRECTORS
PROPOSAL NO. 1 (ITEM 1 ON PROXY CARD)

Century's Certificate of Incorporation divides the Board of Directors into three classes of directors, with one class to be elected for a three-year term at each annual meeting of stockholders. The Board of Directors currently consists of eight members, with two members' terms expiring at this Annual Meeting. If elected at the Annual Meeting, the nominees listed below will serve until the Annual Meeting of Stockholders in 2007, or until their successors are duly elected and qualified. All other directors will continue as such for the term to which they were elected. Although the Board of Directors does not contemplate that any of the nominees will be unable to serve, if such a situation arises prior to the Annual Meeting, the persons named in the enclosed proxy will vote for the election of another person as may be nominated by the Board of Directors.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors, upon nomination by the Nominating and Governance Committee, recommends a vote FOR the election of the nominees for election as directors listed below.

DIRECTORS STANDING FOR ELECTION

NAME	AGE	SINCE	EXPIRATION OF PROPOSED TERM
Rick L. Burdick.....	52	1997	2007
Steven L. Gerard.....	58	2000	2007

DIRECTORS WHOSE TERMS CONTINUE

NAME	AGE	SINCE	EXPIRATION OF CURRENT TERM
Joseph S. DiMartino.....	60	1997	2005
Richard C. Rochon.....	46	1996	2005
Donald V. Weir.....	62	2003	2005
Harve A. Ferrill.....	71	1996	2006
Gary W. DeGroote.....	48	2002	2006
Todd J. Slotkin.....	51	2003	2006

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

Set forth below is biographical information for the individuals nominated to serve as directors and each person whose term of office as a director will continue after the Annual Meeting.

NOMINEES FOR DIRECTORS

Rick L. Burdick has served as a Director of Century since October 1997, when he was elected as an outside director. In October 2002, he was elected by the Board as Vice Chairman, a non-officer position. Mr. Burdick has been a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP since April 1988. Mr. Burdick also serves on the Board of Directors of AutoNation, Inc.

Steven L. Gerard was elected by the Board of Directors to serve as its Chairman on October 10, 2002, following the resignation of Michael G. DeGroot for health reasons. He was appointed Chief Executive Officer and Director on October 12, 2000. Mr. Gerard was Chairman and CEO of Great Point Capital, Inc., a provider of operational and advisory services from 1997 to October 2000. From 1991 to 1997, he was Chairman and CEO of Triangle Wire & Cable, Inc. and its successor, Ocean View Capital, Inc. Mr. Gerard's prior experience includes 16 years with Citibank, N.A. in various senior corporate finance and banking positions, including ultimately Senior Managing Director, responsible for the risk management of Citibank's commercial and investment banking activities in the United States, Europe, Australia and Japan. Further, Mr. Gerard served seven years with

4

the American Stock Exchange, where he last served as Vice President of the Securities Division. Mr. Gerard also serves on the Boards of Directors of The Fairchild Corporation, Lennar Corporation, Joy Global, Inc. and TIMCO Aviation Services, Inc.

CONTINUING DIRECTORS

Joseph S. DiMartino has served as a Director of Century since November 1997, when he was elected as an independent director. Mr. DiMartino has been Chairman of the Board of The Dreyfus Family of Funds since January 1995. Mr. DiMartino served as President, Chief Operating Officer and Director of The Dreyfus Corporation from October 1982 until December 1994 and also served as a director of Mellon Bank Corporation. Mr. DiMartino also serves on the Boards of Directors of The Newark Group, LEVCOR International, Inc. (formerly Carlyle Industries, Inc), and the Muscular Dystrophy Association.

Richard C. Rochon has served as a Director of Century since October 1996, when he was elected as an independent director. Mr. Rochon is Chairman and CEO of Royal Palm Capital Partners, a private investment and management fund. From 1985 to February 2002, Mr. Rochon served in various capacities with, and most recently as President of, Huizenga Holdings, Inc., a management and holding company owned by H. Wayne Huizenga. Mr. Rochon also has served as a director, since September 1996, and as Vice Chairman since April 1997, of Boca Resorts, Inc., an owner and operator of luxury resort properties in South Florida. Mr. Rochon also serves on the Board of Directors of Citizens Bancshares of South Florida. From 1979 until 1985 Mr. Rochon was employed as a certified public accountant by the public accounting firm of Coopers & Lybrand, L.L.P. Mr. Rochon also serves on the Board of Directors of Citizens Bancshares of South Florida.

Donald V. Weir has served as a Director of Century since September 2, 2003, when he was elected as an independent director. Mr. Weir has served as financial consultant with Sanders Morris Harris for the past four years. Prior to this,

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

Mr. Weir was CFO and director of publicly-held Deeptech International and two of its subsidiaries, Tatham Offshore and Leviathan Gas Pipeline Company, the latter of which was a publicly-held company. Prior to his employment with Deeptech, Mr. Weir worked for eight years with Sugar Bowl Gas Corporation, as Controller and Treasurer and later in a consulting capacity. Mr. Weir was associated with Price Waterhouse, an international accounting firm, from 1966 to 1979.

Harve A. Ferrill has served as a Director of Century since October, 1996, when he was elected as an independent director. Mr. Ferrill served as Chief Executive Officer and Chairman of Advance Ross Corporation, a company that provides tax refunding services from 1992 to 1996. Mr. Ferrill served as President of Advance Ross Corporation from 1990 to 1992. Since 1996, Advance Ross Corporation has been a wholly-owned subsidiary of Cendant Corporation. Mr. Ferrill has served as President of Ferrill-Plauche Co., Inc., a private investment company, since 1982.

Gary W. DeGroote has served as a Director of Century since October, 2002, when he was elected as an outside director. Mr. DeGroote is the President of GWD Management, Inc., a private Canadian diversified investment holding company founded in 1980 with an office in Burlington, Ontario. Mr. DeGroote also serves as a Director and Officer of other private companies. From 1976 to 1989, Mr. DeGroote held several positions with Laidlaw, Inc., a public waste services and transportation company, ending as Vice-President and Director in 1989. From 1991 to 1994, Mr. DeGroote served as President of Republic Environmental Systems Ltd., and Director of Republic Industries, Inc. He is currently a Director of Capital Environmental Resources Inc.

Todd J. Slotkin has served as a Director of Century since September 2, 2003, when he was elected as an independent director. Mr. Slotkin serves as Executive Vice President and CFO of MacAndrews and Forbes Holdings, and as Executive Vice President and CFO of publicly owned MYF Worldwide (NYSE:MFW). Prior to joining MacAndrews & Forbes in 1992, Mr. Slotkin spent 17 years with Citicorp, ultimately serving as senior managing director and senior credit officer. Mr. Slotkin serves on the Board of Directors of TransTech Pharma, formerly served as director of CalFed Bank, and is Chairman and co-founder of the Food Allergy Institute.

5

RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS PROPOSAL NO. 2 (ITEM 2 ON PROXY CARD)

The Audit Committee of the Board of Directors has approved, appointed, and recommends the ratification of KPMG LLP, independent accountants, to audit the consolidated financial statements of Century and its subsidiaries for the year ending December 31, 2004. This appointment was made subject to the approval of Century's stockholders. KPMG LLP has been serving Century in this capacity since 1997. Century has been advised that no member of KPMG LLP has any direct financial interest or material indirect financial interest in Century or any of its subsidiaries or, during the past three years, has had any connection with Century or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Century has been advised that no other relationship exists between KPMG LLP and Century that impairs KPMG's status as independent accountants with respect to Century within the meaning of the Federal securities laws administered by the Securities and Exchange Commission and the requirements of the Independence Standards Board.

Representatives of KPMG LLP will be present at the Annual Meeting and will have the opportunity to make a statement, if they so desire, and respond to appropriate questions.

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote FOR the ratification by the stockholders of this appointment.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the beneficial ownership of Century common stock as of April 9, 2004, by (1) each person known by Century to own beneficially 5% or more of Century's common stock, (2) each director, (3) each executive officer named in the Summary Compensation Table (see "Executive Compensation") and (4) all directors and executive officers of Century as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER (1) -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (2) -----	PERCENT OF CLASS -----
Michael G. DeGroote(3).....	15,186,198 (4)	19.38%
Steven L. Gerard.....	1,264,329 (5)	1.61%
Rick L. Burdick.....	144,034 (6)	*
Gary W. DeGroote.....	188,100 (7)	*
Joseph S. DiMartino.....	95,000 (8)	*
Harve A. Ferrill.....	67,500 (9)	*
Richard C. Rochon.....	115,000 (10)	*
Todd J. Slotkin.....	50,000 (11)	*
Donald V. Weir.....	50,000 (12)	*
Jerome P. Grisko, Jr.	346,921 (13)	*
Ware H. Grove.....	115,000 (14)	*
Leonard Miller.....	161,644 (15)	*
Robert O'Byrne.....	419,727 (16)	*
All directors and executive officers as a group (12 persons).....	3,017,255	3.85%
Total Shares Outstanding 78,346,083		

* Represents less than 1% of total number of outstanding shares.

(1) Except as otherwise indicated in the notes below, the mailing address of each entity, individual or group named in the table is 6050 Oak Tree Boulevard, South, Suite 500, Cleveland, Ohio 44131, and each person

6

named has sole voting and investment power with respect to the shares of common stock beneficially owned by such person.

(2) Share amounts and percentages shown for each person in the table include shares of common stock that are not outstanding but may be acquired upon exercise of all options exercisable within 60 days of April 9, 2004.

(3) Mr. Michael G. DeGroote beneficially owns his shares of common stock through Westbury (Bermuda) Ltd., a Bermuda corporation controlled by him. Westbury (Bermuda) Ltd. is located at Victoria Hall, 11 Victoria Street, P. O. Box HM 1065, Hamilton, HMEX Bermuda.

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

- (4) Consists of 15,186,198 shares of common stock owned of record by Westbury (Bermuda) Ltd., and options to purchase 55,000 shares of common stock granted to Mr. DeGroote under the Amended and Restated Century Business Services, Inc. 2002 Stock Incentive Plan (the "Century Option Plan") that are exercisable within 60 days of April 9, 2004.
- (5) Consists of 14,329 shares of common stock owned of record by Mr. Gerard and options to purchase 1,250,000 shares of common stock granted to Mr. Gerard under the Century Option Plan which are exercisable within 60 days of April 9, 2004.
- (6) Consists of 9,034 shares of common stock owned of record by Mr. Burdick and options to purchase 135,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (7) Consists of 21,100 shares of common stock owned of record by GWD Management, Inc., of which Mr. DeGroote is the sole director and shareholder; 112,000 shares of common stock held in a fixed irrevocable trust and options to purchase 55,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004. Gary W. DeGroote is the son of Michael G. DeGroote, who is the beneficial owner of greater than 10% of outstanding Century common stock.
- (8) Consists of 35,000 shares of common stock owned of record by Mr. DiMartino and options to purchase 60,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (9) Consists of 7,500 shares of common stock owned of record by The Harve A. Ferrill Trust U/A 12/31/69 and options to purchase 60,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (10) Consists of 55,555 shares of common stock owned of record by WeeZor I Limited Partnership, a limited partnership controlled by Mr. Rochon, and options to purchase 60,000 shares of common stock granted to Mr. Rochon under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (11) Consists of options to purchase 50,000 shares of common stock granted to Mr. Slotkin under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (12) Consists of options to purchase 50,000 shares of common stock granted to Mr. Weir under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (13) Consists of 3,921 shares of common stock owned of record by Mr. Grisko and options to purchase 343,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (14) Consists of 6,000 shares of common stock owned of record by Mr. Grove and options to purchase 109,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (15) Consists of 53,644 shares of common stock owned of record by Mr. Miller, 60,000 shares of common stock owned of record by the Miller Family Partnership, and options to purchase 68,000 shares of common stock granted under the Century Option Plan that are exercisable within 60 days of April 9, 2004.
- (16) Consists of 265,017 shares of common stock owned of record by Mr. O'Byrne,

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

options to purchase 135,240 shares of common stock granted under the Century Option Plan held in Mr. O'Byrne's name and 42,010 shares of common stock held by MRCP, L.C., a Missouri Limited Company in which Mr. O'Byrne has a 25% interest, all of which are exercisable within 60 days of April 9, 2004.

7

DIRECTORS' MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors conducted four regular meetings and one telephonic meeting during 2003. In addition, there was one Unanimous Written Consent in Lieu of a Meeting of the Board of Directors dated March 24, 2003. Each director attended in person at least 75% of the aggregate of all meetings of the Board and Committees of the Board, in accordance with the Company's expectations. The Company does not have a formal policy regarding directors' attendance at annual stockholders meetings. Nevertheless, the Company strongly encourages and prefers that directors attend regular and special board meetings as well as the annual meeting of stockholders in person, although attendance by teleconference is considered adequate. The Company recognizes that attendance of the Board members at all meetings may not be possible, and excuses absences for good cause.

Communication with the Board of Directors. Security holders are permitted to communicate with the members of the Board by forwarding written communications to the CBIZ Corporate Secretary at the company's headquarters in Cleveland. The Corporate Secretary will present all communications, as received and without screening, to the Board at its next regularly scheduled meeting.

Committees of the Board of Directors. The Board of Directors has an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, and an Executive Management Committee, all of which were active during 2003. The Board of Directors has determined that all members of the Audit Committee, Compensation Committee and Nominating and Governance Committee meet the definition of "independence" set forth in Rule 4200(a)(15) of the NASDAQ Stock Market listing standards. The following is a description of the committees of the Board of Directors:

The members of the Audit Committee are Messrs. Ferrill (Chairman), Rochon, and Weir. Century's Board of Directors has determined that the Audit Committee members meet the independence standards set forth in Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. In addition, the Board has determined that Mr. Rochon and Mr. Weir are "audit committee financial experts," as that term is defined by the rules and regulations of the Securities and Exchange Commission (the "SEC"), and meet the financial sophistication requirements of the NASDAQ Stock Market. The Audit Committee conducted three regular meetings and eight special telephonic meetings during 2003. In addition, consent for one Action in Writing in Lieu of a Meeting of the Audit Committee was granted. The Audit Committee appoints the Company's independent accountants and reviews issues raised by the accountants as to the scope of their audit and their audit report, including questions and recommendations that arise relating to Century's internal accounting and auditing control procedures. The Audit Committee operates under a written Charter adopted by the Board of Directors, a copy of which is available on the Investor Relations page of the Company's website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

The members of the Compensation Committee are Messrs. DiMartino (Chairman), Rochon and Slotkin. The Compensation Committee conducted four regular meetings during 2003. The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to compensation of Century's executive officers, including salary, bonus and benefits. The Compensation Committee also

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

administers Century's incentive-compensation plans and equity-based plans. The Charter of the Compensation Committee is available on the Investor Relations page of the Company's website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

The Nominating and Governance Committee was created by the Board on February 12, 2003, and its duties were established in its Charter adopted at that time. The Committee was formed to propose and recommend candidates for the Board, review Board committee responsibilities and composition, review the effectiveness of the Board and of Company management, and to monitor the Company's corporate governance policies and practices. The Committee's Charter is available on the Investor Relations page of the Company's website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131

Upon establishment, the Nominating and Governance Committee consisted of Messrs Burdick (Chairman), Ferrill and DiMartino, and undertook the process of identifying suitable and willing candidates to fill the Company's need for additional independent directors under anticipated SEC rules, NASDAQ Stock Market

8

standards, as well as pursuant to principles of good corporate governance. Following an extended search process conducted by the Committee and with the assistance of Mr. Gerard, on July 31, 2003, the Committee recommended the expansion of the Board to eight members, and the appointment of Messrs. Slotkin and Weir to the Board. The nominations originated within the Committee and were based upon suggestions by Board members. No third party was involved in the nominating process or paid a fee to assist in identifying and evaluating nominees. The Board as a whole concurred and expanded the size of the Board and offered appointments to Messrs. Slotkin and Weir at its meeting held on July 31, 2003. Following the acceptance of their appointment, and the reconstitution of the Nominating and Governance Committee with all of the independent directors completed by the Board on November 4, 2003, the Committee now consists of Messrs. Burdick (Chairman), DiMartino, Ferrill, Rochon, Slotkin and Weir. The Committee conducted one regular meeting in 2003 and approved one Unanimous Written Consent in Lieu of Meeting. No candidates were recommended by beneficial owners of more than 5% of the company's voting common stock within the last year.

The Committee's process for identifying and evaluating candidates to be nominated as directors consists of reviewing with the Board the desired experience, mix of skills and other qualities to assure appropriate Board composition; conducting candidate searches and inquiries; recommending to the Board, with the input of the Chief Executive Officer, qualified candidates for the Board who bring the background, knowledge, experience, skill sets and expertise that would strengthen the Board; and selecting appropriate candidates for nomination. The Nominating and Governance Committee and the Board have determined that a director should have the following characteristics: (1) the ability to comprehend the strategic goals of the Company and to help guide the Company towards the accomplishment of those goals; (2) a history of conducting his/her personal and professional affairs with the utmost integrity and observing the highest standards of values, character and ethics; (3) the availability for in-person or telephonic participation in Board or Committee meetings, as well as the Annual Meeting of shareholders; (4) the willingness to demand that the Company's officers and employees insist upon honest and ethical conduct throughout the Company; (5) knowledge of, and experience with regard to at least some of: real estate properties, loans and securities, including any lending and financing activities related thereto, public company regulations

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

imposed by the Securities and Exchange Commission and the NASDAQ Stock Exchange, amongst others, portfolio and risk management, the major geographic locations within which the Company operates, sound business practices, accounting and financial reporting, and one or more of the principal lines of business in which the Company is engaged; and, (6) the ability to satisfy criteria for independence established by the Securities and Exchange Commission and the NASDAQ Stock Exchange, as they may be amended from time to time.

The Nominating and Governance Committee will consider any candidate recommended by a shareholder, provided that the shareholder mails a recommendation to the Corporate Secretary at the Company's Headquarters, prior to the deadline for Stockholder Proposals, that contains the following: (1) the recommending shareholder's name and contact information; (2) the candidate's name and contact information; (3) a brief description of the candidate's background and qualifications; (4) the reasons why the recommending shareholder believes the candidate would be well suited for the Board; (5) a statement by the candidate that the candidate is willing and able to serve on the Board; (6) a statement by the recommending shareholder that the candidate meets the criteria established by the Board; and, (7) a brief description of the recommending shareholder's ownership of common stock of the Company and the term during which such shares have been held. In making its discretionary determination whether to nominate a candidate who had been recommended by a shareholder, the Nominating and Governance Committee will consider, among other things, (a) the appropriateness of adding another director to the Board, or of replacing a currently sitting director, (b) the candidate's background and qualifications, and other facts and circumstances identified in the Committee's Charter.

The members of the Executive Management Committee are Messrs. Burdick, Gerard, and Grisko. The Executive Management Committee approved five Unanimous Written Consents in Lieu of Meeting of The Executive Management Committee of Century Business Services, Inc. during 2003. The Executive Management Committee is empowered with the same authority as the full Board of Directors to take any action including the authorization of any transaction in the amount of \$10 million or less. With respect to acquisition or divestiture of assets, consisting of entities of assets, the Committee has the power to execute and deliver documents in the name and on behalf of the Company, to issue shares of Common Stock of the Company and to take all actions

9

necessary for the purpose of effecting acquisition of core assets or divestments of non-core assets, consisting of entities of assets, so long as all members of the Committee approve the transaction and the total consideration to be paid to or by the Company in connection with the acquisition or divestiture of the assets does not exceed \$10 million. The Committee does not have the power or authority of the Board of Directors to approve or adopt or recommend to the shareholders any action or matter expressly required by the Delaware General Corporation Law to be submitted to shareholders for approval; adopt, amend or repeal any Bylaw of the Company; fill or approve Board or Board committee vacancies; declare or authorize the payment of dividends; fix compensation for service on the Board or any committee thereof; and elect executive officers of the Company.

Century has a Code of Professional Conduct and Ethics Guide that applies to every director, officer, and employee of the Company. The Code of Professional Conduct and Ethics Guide is available on the Investor Relations page of the Company's website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

DIRECTOR COMPENSATION

Directors who are employees of Century are not paid any fees or additional compensation for service as members of the Board of Directors or any of its committees. Directors who are not employees of Century receive a \$25,000 annual retainer fee, as well as a fee of \$1,000 for each meeting of the Board of Directors attended. In addition, directors who are committee members receive a fee of \$1,000 for each committee meeting attended. The Audit Committee Chairman receives an additional annual grant of \$5,000, and remaining committee Chairmen receive annual grants of \$3,000 each. In addition, an annual award of 3,000 shares of restricted stock is awarded to continuing non-employee directors. Upon appointment, directors receive an immediately exercisable award of 50,000 stock options.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee during 2003 and continuing through 2004 are Messrs. DiMartino (Chairman), Rochon and Slotkin. None of Messrs. DiMartino, Rochon or Slotkin is or has been an officer or employee of Century. There are no compensation committee interlock relationships with respect to Century.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Committee was established to: (a) review and approve the Company's stated compensation philosophy, strategy and structure and assist the Board in ensuring that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management, and that compensation plans are appropriate and competitive and properly reflect the objectives and performance of management and the Company; (b) discharge the Board's responsibilities relating to compensation of the executive officers of the Company and its subsidiaries; (c) evaluate the Company's Chief Executive Officer and set his or her remuneration package; (d) evaluate the other executive officers of the Company and its subsidiaries and set their remuneration packages; (e) prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement; (f) make recommendations to the Board with respect to incentive-compensation plans and equity-based plans; and (g) perform such other functions as the Board may from time to time assign to the Committee. In order to document these purposes, and to keep CBIZ shareholders apprised of the Committee's goals and duties, the Compensation Committee has authorized the Company to post the Compensation Committee Charter on the investor relations portion of the Company's internet website, at www.cbiz.com.

In the past year the Committee again reassessed the compensation structure of the Company. The Committee reviewed the effect of changes made during 2003 as a result of the commissioned compensation studies referenced in the Committee's report contained in the 2003 Proxy Statement which were used in restructuring compensation in order to maximize shareholder value and to retain and recruit qualified management and staff. The Committee generally found the results of these actions to be satisfactory, but have undertaken further changes in its compensation philosophy and strategy in order to fine-tune the Company's efforts to achieve its

10

goals. This process lead to adjustments in the compensation levels of several executive officers, and to the adoption of new compensation methodologies.

Compensation Policy Statement

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

The general CBIZ policy remains the same--to pay compensation that is competitive to total compensation provided at comparable financial service and professional service firms similar in size and complexity to CBIZ. Compensation paid to individuals will be determined based on the discretionary judgment of the Compensation Committee and senior Company management. This means:

- Salaries will be targeted at the median based on an individual's performance, experience and unique value. Those executives and managers whose performance is exceptional, or who have long experience, considerable knowledge, or have a focused skill that would be difficult to replace may be targeted above the median. Those who demonstrate the ability to meet their job requirements, and have been in their position at least three years, may be paid approximately the median. Those who have been in their position less than three years may generally be paid below the median, absent exceptional performance or relevant career experience outside CBIZ. According to these general principles, pay may range between 80% and 120% of the median. The companies used to determine current market practices may include other financial and professional service companies of comparable size and complexity. Median ranges may be estimated by discretionary means, including adjustment to reflect CBIZ' relative revenue size. Annual increases may be kept at or below national averages and, over time, efforts will be made to limit the fixed portion of total cash compensation and increase the amount available under incentive plans.
- The Company will strive to provide annual incentive award opportunities that equal market median when financial and individual goals are achieved. Award programs will be designed to provide compensation above the median of the marketplace when company and individual performance is significantly above goals, and below the median when performance fails to meet goals. For 2004 performance, the Committee has elected to grant Qualified Performance-Based Awards to a pre-defined group of senior executives--including the Chief Executive Officer--pursuant to Section 7 of the Amended and Restated Century Business Services, Inc. 2002 Stock Incentive Plan. The performance goals are based on benchmark goals tied to the Company's earnings per share ("EPS"). The actual compensation award amounts for 2004 will be based on actual EPS. If actual EPS equals a predetermined target level, each awardee will receive an amount equal to his or her target award. The award will be less than the target award if actual EPS is below the target level, and will be greater if actual EPS is above the target. No award will be paid if the actual EPS is less than a predetermined floor level of earnings per share. A maximum award will be achieved if the EPS reaches or exceeds a ceiling goal.
- Stock options and direct stock grants may be granted by the Committee to provide a reward opportunity for those management and other key employees who have performed well in the prior year, and who can impact the profit and loss goals of the Company. A new element to this portion of the Company's compensation strategy relates to the establishment of a restricted stock program which the Company is permitted to maintain under the Amended and Restated Century Business Services, Inc. 2002 Stock Incentive Plan. The long-term objective of any CBIZ stock-based compensation methodology is to provide stock option and restricted stock grants that offer similar opportunities for compensation that those offered at comparable financial and professional service firms that are similar in size to CBIZ.
- Total compensation will reflect an individual's performance and potential. Performance will be measured in accordance with an individual's goals and objectives as well as their contribution to CBIZ's corporate goals and initiatives. Such factors as team work, new product innovation, aggressiveness, mentoring and personal development will

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

strongly influence the non-quantitative portion of compensation awards.

Chief Executive Officer Compensation

The Compensation of the Chief Executive Officer is largely determined by the pre-negotiated terms of his contract described in the "Executive Compensation" section stated below. This contract was renewed and increases in both the base and bonus compensation of the CEO were awarded as a result of Mr. Gerard's

11

successes in reducing corporate debt, continuing office consolidation, improving cross-serving program results, and increasing earnings per share.

Executive Compensation Deductibility

Century intends that amounts paid pursuant to Century's compensation plans will generally be deductible compensation expenses. The Compensation Committee does not currently anticipate that the amount of compensation paid to executive officers will exceed the amounts specified as deductible pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Joseph S. DiMartino, Chairman
Richard C. Rochon
Todd Slotkin

REPORT OF THE AUDIT COMMITTEE

The Board of Directors maintains an Audit Committee comprised of three of the Company's independent directors. The Board of Directors and the Audit Committee believe that the Audit Committee's current member composition satisfies the current rule of the National Association of Securities Dealers, Inc. ("NASD") that governs audit committee composition, including the requirement that audit committee members all be "independent directors" as that term is defined by NASD Rule 4200 (a) (14).

The Audit Committee closely monitored developments in corporate governance arising from the adoption of the Sarbanes-Oxley Act and rules related to the Act. In response, the Audit Committee amended its Charter and the Company's Code of Professional Conduct and Ethics Guide to reflect those portions of the Act and attendant rules promulgated by the SEC and the NASDAQ Stock Market. The Audit Committee anticipates that additional changes to its Charter may be necessary if the SEC and the NASDAQ Stock Market adopt additional rules bearing on the duties and activities of the Committee. At the request of the Audit Committee, the Audit Committee Charter and Code of Professional Conduct and Ethics Guide have been posted on the Investor Relations portion of the Company's website, at www.cbiz.com.

The membership of the Audit Committee changed in 2003 as a result of these new rules. Mr. Burdick, an independent director whose relationship with the Company's outside securities law firm required him to give up his committee membership under SEC audit committee membership rules, was succeeded by Mr. Weir. The Company's relationship with Mr. Burdick's law firm was specifically reviewed and approved by the Audit Committee. Both Mr. Rochon and Mr. Weir have been designated as "audit committee financial experts," as defined by the rules and regulations of the SEC, in light of their training, experience and expertise.

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

The Audit Committee oversees the Company's financial process on behalf of the Board of Directors. Management has the primary responsibility for the consolidated financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited consolidated financial statements with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the consolidated financial statements.

The Audit Committee received, reviewed, and adopted management's report assessing the Company's internal controls over financial reporting.

The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited consolidated financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61. In addition, the Audit Committee has discussed with the independent auditors the auditors' independence from management and the Company

12

including the matters in the written disclosures and the letter received from the independent auditors required by the Independence Standards Board Standard No. 1.

The Audit Committee discussed with the Company's independent auditors the overall scope, plans and results of their audit activities. The Audit Committee meet regularly throughout 2003 with the independent auditors, and the Head of the Company's Internal Audit staff, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

The Audit Committee held eleven meetings during fiscal 2003. The Company incurred the following fees for services performed by KPMG LLP in fiscal 2003:

Audit Fees

Fees for the fiscal year 2003 audit and the review of Forms 10-Q billed through December 31, 2003 were \$582,500. Fees for the fiscal year 2002 audit and the review of Forms 10-Q billed through December 31, 2002 were \$562,500.

Audit-Related Fees

Audit-related fees of \$16,000 were billed for the year ended December 31, 2003. Audit related fees consisted of an audit of the financial statements of the employee benefit plan and SAS 70 procedures. Audit-related fees of \$83,500 were billed for the year ended December 31, 2002. Audit-related fees consisted primarily of an audit of the financial statements of the employee benefit plan and a SAS 70 internal control review engagement for a subsidiary.

Tax Fees

Tax fees billed for all other services rendered by KPMG LLP for the year ended December 31, 2003 were \$2,169, representing fees related to tax compliance. No other tax consulting services were incurred or billed during fiscal year 2003. Tax fees billed for services rendered by the Company's auditor for the year ended December 31, 2002 were \$18,600, representing fees related to tax consultation and tax compliance.

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

All Other Fees

There were no fees billed for professional services by our independent auditors during fiscal year 2003 that are not included in one of the above categories.

Pursuant to its Charter and the Sarbanes-Oxley Act of 2002, the Audit Committee is responsible for pre-approving all services performed by the Company's independent auditors, and certain services may not, under any circumstances, be performed for the Company by its independent auditors. KPMG, LLP, the Company's independent auditor, may not be engaged to perform for the Company, and is prohibited from performing for the Company, any prohibited service enumerated in the Sarbanes-Oxley Act of 2002, or in any other law or regulation. In addition, the independent auditor is not permitted to perform services for the Company, whether associated with audit or non-audit functions, unless the services to be provided have been approved prior to their performance by this Committee, except as may otherwise be provided by law or regulation.

However, certain non-prohibited services may be pre-approved by the Audit Committee Chairman personally in advance of full Audit Committee consideration and approval, provided, that each engagement total no more than Twenty Thousand Dollars in fees prior to the next regularly scheduled meeting of the Audit Committee, at which time the entire Audit Committee is required to consider and either approve or reject the engagement, provided the engagement otherwise does not appear reasonably likely to compromise KPMG LLP's independence.

The Audit Committee pre-approved all of the services described above under Audit Fees, Audit-Related Fees and Tax Fees. 100% of the services described above under Audit Fees, Audit-Related Fees and Tax Fees were approved by the Audit Committee pursuant to 17 CFR 210.2-01(c)(7)(i)(C).

13

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 for filing with the Securities and Exchange Commission. The Audit Committee has appointed, subject to considerations arising out of the stockholder ratification proposal on this issue, the reappointment of KPMG LLP as independent auditors.

AUDIT COMMITTEE OF THE BOARD OF
DIRECTORS

Harve A. Ferrill, Chairman
Richard C. Rochon
Donald V. Weir

14

EXECUTIVE COMPENSATION

The following table provides a summary of compensation for the Chief Executive Officer during fiscal year 2003 and the four other most highly compensated officers who were serving as executives of Century on December 31, 2003

SUMMARY COMPENSATION TABLE

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION			OTHER ANNUAL COMPENSATION	LONG-TERM COMPENSATION A	
	YEAR	SALARY	BONUS		SECURITIES UNDERLYING WARRANTS	SEC UND OP
Steven L. Gerard Chief Executive Officer/Chairman	2003	550,000	308,000 (1)	125,172 (2)	0	
	2002	510,417	300,000 (1)	133,165 (2)	0	
	2001	500,000	250,000 (1)	96,986 (2)	0	25
Jerome P. Grisko, Jr. President & COO	2003	375,000	150,000	6,611 (4)	0	
	2002	350,000	75,000	6,133 (4)	0	12
	2001	350,000	100,000	5,858 (4)	0	21
Ware H. Grove Sr. Vice President and CFO	2003	285,000	91,200	6,575 (4)	0	2
	2002	260,000	75,000	6,576 (4)	0	7
	2001	240,000	100,000	3,962 (8)	0	
Leonard Miller Sr. Vice President	2003	365,000	100,000	6,000 (9)	0	
	2002	350,000	50,000	6,440 (10)	0	10
	2001	350,000	100,000	5,100 (9)	0	7
Robert O'Byrne Sr. Vice President	2003	335,000	132,200	6,439 (10)	0	
	2002	300,000	75,000	5,940 (10)	0	10
	2001	250,000	100,000	7,310 (10)	0	12

(1) Mr. Gerard's employment agreement specifies a bonus of at least \$150,000 per year.

(2) Includes payment for life insurance policy, commuting costs, automobile adjustments and employer matching 401(k) contributions.

(3) Bonus for 2001 performance. Consists of options that are exercisable on January 1, 2002 and remain exercisable for a six-year period from the date of the grant.

(4) Includes payment for automobile adjustments and employer matching 401(k) contributions.

(5) Consists of options that vest 20% annually beginning April 5, 2003, and remain exercisable for a six-year period from date of grant.

(6) Consists of options that vest 20% annually beginning March 7, 2002, and remain exercisable for a six-year period from grant date.

(7) Consists of options that vest 20% annually beginning May 16, 2004 and remain exercisable for a six-year period from grant date.

(8) Includes payment for automobile adjustments.

(9) Includes payment for employer matching 401(k) contributions.

(10) Includes payment for insurance premiums and employer matching 401(k) contributions.

Employment Agreements

Century is a party to employment agreements with Messrs. Gerard, Grisko and Grove. The employment agreements provide for annual base salaries of at least

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

\$500,000, \$300,000 and \$240,000, respectively, subject to the adjustment by the Compensation Committee of the Board of Directors.

Mr. Gerard's contract, executed October 11, 2000, was for an initial term of three years, with automatic annual one-year extensions beginning on the year 2003 anniversary of the execution of the agreement in the

15

absence of termination. Mr. Gerard's base salary may be increased by the Board, and for each of years 2001, 2002 and 2003, the agreement provided for a bonus of at least \$150,000, with bonus increases based upon achievement of performance goals established by the Compensation Committee. Pursuant to the contract, Century granted Mr. Gerard a nonqualified stock option to acquire 1,000,000 shares of common stock at the fair market value of the stock at the date of granting. The options vest in increments of 33 1/3% on each of the first, second and third anniversaries of the date of the grant. Other compensation includes an automobile allowance, participation in Century welfare, pension and incentive benefit plans, maintenance of a term life insurance policy, and reimbursement for travel and housing expenses. If the agreement is terminated by Century without cause or by Mr. Gerard for reasons such as a change of control of Century, Mr. Gerard is entitled to (1) his base salary and vacation pay through the date of termination, (2) a cash payment equal to two times the sum of his then current base salary and average bonus paid in the three year period preceding the year of termination, (3) maintenance of health and life insurance coverage, and (4) other amounts due through the date of termination. If the agreement is terminated by Century with cause or by Mr. Gerard without good reason, as defined by the contract, Mr. Gerard is entitled to (1) his base salary and vacation pay through the date of termination, and (2) other amounts due through the date of termination. The contract contains restrictive covenants that obligate Mr. Gerard to (1) maintain Century's confidential information, (2) return company information or other personal and intellectual property, and (3) avoid disparagement of the company.

Mr. Grisko's contract, executed February 1, 2000, provides for a one-time bonus of \$50,000, and an immediately vested, nonqualified stock option to acquire 75,000 shares of common stock at the fair market value of the stock at the date of granting. Other compensation includes all benefits generally available to senior level executives of Century, such as an automobile allowance, and participation in Century welfare, pension and incentive benefit plans. In addition, the contract provides for the payment of severance upon termination without cause (including termination resulting from a change of control), or upon a request by the Chairman of the Board that Mr. Grisko resign. Severance would include (1) a cash payment of two times Mr. Grisko's base salary at the time of termination, (2) continued participation for two years in Century health and welfare benefit plans, (3) immediate vesting of, and ability to exercise, any unvested but previously granted stock options, and (4) receipt of title to any company vehicle then in use by Mr. Grisko. The contract contains restrictive covenants that obligate Mr. Grisko to (1) maintain Century's confidential information, (2) return company information or other personal and intellectual property, (3) abide by a two-year employee, customer, and supplier nonsolicitation and noninterference term, and (4) avoid disparagement of the company.

Mr. Grove's contract, executed December 12, 2000, provides for discretionary bonuses, and a nonqualified stock option to acquire 75,000 shares of common stock at the fair market value of the stock at the date of granting. 38,000 of the shares underlying the 75,000 share option vested immediately upon grant. The remaining options vested upon the first anniversary of the date of the grant. Other compensation includes all benefits generally available to senior level executives of Century, such as an automobile allowance, and

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

participation in Century welfare, pension and incentive benefit plans. In addition, the contract provides for the payment of severance upon termination without cause, or upon voluntary termination due to a change of control. Severance would include (1) continued payment for a period of one year of Mr. Grove's base salary at the time of termination, and (2) continued participation for one year in Century health and welfare benefit plans. The contract contains restrictive covenants that obligate Mr. Grove to (1) maintain Century's confidential information, (2) return company information or other personal and intellectual property, (3) abide by a one-year non-compete, and one-year employee, customer, and supplier nonsolicitation and noninterference term, and (4) avoid disparagement of the company.

OPTIONS GRANTED DURING 2003

The following table sets forth as to each of the named executive officers information with respect to option grants during 2003: (1) the number of shares of common stock underlying options granted, (2) the percentage that such options represent of all options granted to officers and employees during the year, (3) the exercise price, (4) the expiration date and (5) the potential realizable value of such options. It should be noted that the actual value of the options may be significantly different from the value shown in the assumptions, and the value

16

actually realized, if any, will depend upon the excess of the market value of the common stock over the option exercise price at the time of exercise. Century granted no warrants to its executive officers during 2002.

	OPTION GRANTS DURING 2003				POTENTIAL REALIZABLE	
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED EMPLOYEES IN 2002	EXERCISE PRICE PER SHARE	EXPIRATION DATE	AT ASSUMED ANNUAL RATE OF STOCK PRICE APPRECIATION FOR OPTION TERM AT 5% ANNUAL GROWTH RATE	AT 10% GROWTH
Steven L. Gerard.....	0	0.00%	--	--	0	
Jerome P. Grisko.....	0	0.00%	--	--	0	
Ware H. Grove.....	20,000	3.58%	2.90	05/14/2009	\$19,726	\$44,
Leonard Miller.....	0	0.00%	--	--	0	
Robert D. O'Byrne.....	0	0.00%	--	--	0	

OPTION EXERCISES AND VALUES FOR 2003

The following table sets forth information as to each of the named executive officers with respect to option exercises during 2003 and the status of their options at December 31, 2003: (1) the number of shares of common stock acquired upon exercise of options during the year, (2) the aggregate dollar value realized upon the exercise of such options, (3) the total number of securities underlying exercisable and unexercisable options at December 31, 2003 and (4) the aggregate dollar value of in-the-money exercisable and unexercisable options at December 31, 2003.

AGGREGATED OPTION EXERCISES DURING 2003 AND OPTION VALUES AT DECEMBER 31, 2003

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

NAME	NO. OF SHARES ACQUIRED UPON EXERCISE OF OPTION	VALUE REALIZED ON EXERCISE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 2003		VALUE OF UNE IN-THE-MONE AT DECEMBER EXERCISABLE
			EXERCISABLE	UNEXERCISABLE	
Steven L. Gerard.....	0	0	1,250,000	0	\$4,077,500
Jerome P. Grisko, Jr.	0	0	272,600	229,400	\$ 378,460
Ware H. Grove.....	0	0	90,000	80,000	\$ 256,800
Leonard Miller.....	0	0	48,000	122,000	\$ 102,720
Robert D. O'Byrne....	0	0	105,200	168,800	\$ 180,576

(1) The In-the-Money values are based on the closing price of the Company stock as reported on the NASDAQ National Market on December 31, 2003, which was \$4.4700.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following is a summary of certain agreements and transactions between or among CBIZ and certain related parties. It is CBIZ' policy to enter into transactions with related parties on terms that, on the whole, are no less favorable than those that would be available from unaffiliated parties. Based on CBIZ' experience and the terms of its transactions with unaffiliated parties, it is the Board of Directors' belief that the transactions described below met these standards at the time of the transactions.

A number of the businesses acquired since October 1996 are located in properties owned indirectly by and leased from persons employed by CBIZ. In the aggregate, CBIZ paid approximately \$1.4 million, \$0.8 million and \$1.5 million for the years ended 2003, 2002 and 2001, respectively, under such leases which management believes were at market rates.

17

Rick L. Burdick, a director of CBIZ, is a partner of Akin Gump Strauss Hauer & Feld LLP (Akin Gump). Akin Gump performed legal work for CBIZ during 2003, 2002, and 2001 for which the firm received approximately \$180,000, \$119,000, and \$69,000 from CBIZ, respectively.

CBIZ and/or its subsidiaries maintain joint-referral relationships and service agreements with licensed CPA firms under which CBIZ subsidiaries provide administrative services (including office, bookkeeping, accounting, and other administrative services, preparing marketing and promotion materials, and leasing of administrative and professional staff) in exchange for a fee. A number of CBIZ employees own interests in the independent companies maintaining administrative services agreements with CBIZ.

Robert O'Byrne, a Senior Vice President, was indebted to CBIZ in the amount of \$250,000 and \$325,000 at December 31, 2002 and 2001, respectively. Likewise, CBIZ was indebted to the former shareholders of RDOB/ GNG of which Mr. O'Byrne is one, for \$420,000 at December 31, 2002. The notes to CBIZ and Mr. O'Byrne were paid in 2003, and no indebtedness remains at December 31, 2003. Mr. O'Byrne also has an interest in a partnership that receives commissions from CBIZ that

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

are paid to certain eligible benefits and insurance producers in accordance with a formal program to provide benefits in the event of death, disability, retirement or other termination. The note and the program were both in existence at the time CBIZ acquired the former company, of which Mr. O'Byrne was an owner.

During 2003, CBIZ guaranteed two letters of credit for a CPA firm with which CBIZ maintains an administrative services agreement. The letters of credit total \$654,000.

In 2002, CBIZ executed a note receivable with a CPA firm whose partner group has since joined MHM, PC, a CPA firm with which CBIZ maintains an administrative services agreement. The balance on the note at December 31, 2003 and 2002 was approximately \$222,000 and \$263,000, respectively. The note does not have a stated maturity date.

CBIZ divested several operations during 2003, 2002, and 2001, in an effort to rationalize the business and sharpen the focus on non-strategic businesses. In accordance with this strategy, CBIZ has sold and may sell in the future businesses to former employees or shareholders. Management believes these transactions were priced at market rates, competitively bid, and entered into at arm's length terms and conditions.

18

STOCKHOLDER RETURN PERFORMANCE PRESENTATION

Set forth below is a performance graph comparing the cumulative total stockholder return on Century's common stock, based on its market price, with the cumulative total return of companies in the S&P 500 Index and a Peer Group. The graph assumes the reinvestment of dividends for the period beginning December 31, 1998 through the year ended December 31, 2003.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN* AMONG CENTURY BUSINESS SERVICES, INC., THE S&P 500 INDEX, AND A PEER GROUP**

	CENTURY BUSINESS SERVICES, INC. -----	S&P 500 -----
12/98	100.00	100.00
12/99	58.70	121.04
12/00	7.83	110.02
12/01	16.00	96.95
12/02	18.43	75.52
12/03	31.10	97.18

* \$100 invested on 12/31/98 in stock or index-including reinvestment of dividends. Fiscal year ending December 31.

** Peer group includes American Express, Paychex, Brown & Brown, H&R Block, Arthur J. Gallagher, Ceridian, and Answerthink.inc.

Copyright (C) 2002, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved. www.researchdatagroup.com/S&P.htm

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Century's officers and directors, and persons who own more than 10% of a registered class of Century's equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% stockholders are required by the SEC regulations to furnish Century with copies of all Section 16(a) reports they file.

Century believes that during the 2003 fiscal year, its officers, directors and 10% stockholders complied with all Section 16(a) filing requirements. In making these statements, Century has relied upon examination of the copies of Forms 3 and 4 provided to the company and the written representations of its directors and officers.

19

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about our equity compensation plans as of December 31, 2003. All outstanding awards relate to our common stock.

PLAN CATEGORY	A NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	B WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER REMAINING FUTURE EQUITY PLANS SECURITI C
Equity compensation plans approved by shareholders	10,845,334 (1)	\$4.58	4
Equity compensation plans not approved by shareholders	0	0	
Total			

(1) Consists of 13,120 option awards under the 1991 Employee Stock Option Plan and 10,832,214 option and restricted stock awards under the Century Business Services, Inc. 2002 Stock Incentive Plan.

(2) All remaining shares available for grant are subject to the Century Business Services, Inc. 2002 Stock Incentive Plan.

STOCKHOLDER PROPOSALS

Any proposals of stockholders intended to be presented at the 2005 Annual Meeting of Stockholders must be received by Century for inclusion in the proxy statement and form of proxy relating to the meeting not later than December 1, 2004. It is suggested that proponents submit their proposals by certified mail, return receipt requested, to the Corporate Secretary at the address provided below. Pursuant to Rule 14a-4(c)(1) under the Securities Exchange Act of 1934 if any stockholder proposal intended to be presented at the 2004 Annual Meeting without inclusion in our proxy statement for such meeting is received at our principal office after February 16, 2004, then a proxy will have the ability to confer discretionary authority to vote on such proposal. Detailed information

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

for submitting resolutions will be provided upon written request to Century's Corporate Secretary at Century Business Services, Inc., 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131, Attention: Corporate Secretary. No stockholder proposals were received for inclusion in this proxy statement.

EXPENSES OF SOLICITATION

Century will bear the expense of preparing and mailing the materials in connection with the solicitation of proxies, as well as the cost of solicitation. Computershare Investor Services, LLC ("Computershare") has been retained by Century to assist in the solicitation of proxies. Computershare, which has a contract to act as the transfer agent for Century, will not be paid any additional fees for these services. Computershare will receive reimbursement of out-of-pocket expenses it incurs in connection with its efforts. In addition, Century will reimburse brokers, nominees, banks and other stockholders of record for their expenses incurred in forwarding proxy materials to beneficial owners. Century expects that the solicitation of proxies will be primarily by mail, but directors, officers and employees of Century may solicit proxies by personal interview, telephone or teletype. These persons will receive no additional compensation for such services.

Century's Annual Report on Form 10-K for the year ended December 31, 2003, including financial statements and a Letter to Stockholders is being mailed to all stockholders entitled to vote at the Annual Meeting. The Annual Report does not constitute a part of the proxy solicitation material. CENTURY WILL MAIL ADDITIONAL COPIES OF ITS ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2003, TO EACH STOCKHOLDER OR BENEFICIAL OWNER OF SHARES OF COMMON STOCK WITHOUT CHARGE UPON SUCH PERSON'S WRITTEN REQUEST TO THE INVESTOR RELATIONS DEPARTMENT AT CENTURY'S EXECUTIVE OFFICES AT 6050 OAK TREE BOULEVARD SOUTH, SUITE 500, CLEVELAND, OHIO 44131.

20

OTHER MATTERS

Management does not intend to present any other items of business and knows of no other matters that will be brought before the Annual Meeting. However, if any additional matters are properly brought before the Annual Meeting, it is intended that the shares represented by proxies will be voted with respect thereto in accordance with the judgment of the persons named in such proxies.

The accompanying form of proxy has been prepared at the direction of the Board of Directors and is sent to you at the request of the Board of Directors. The Board of Directors has designated the proxies named therein.

By Order of the Board of Directors,

/s/ Michael W. Gleespen

Michael W. Gleespen, Corporate Secretary

Cleveland, Ohio
April 9, 2004

21

[CBIZ LOGO]

000000 0000000000 0 0000 +

000000000.000 ext

000000000.000 ext

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

MR A SAMPLE 000000000.000 ext
DESIGNATION (IF ANY) 000000000.000 ext
ADD 1 000000000.000 ext
ADD 2 000000000.000 ext
ADD 3 000000000.000 ext
ADD 4
ADD 5
ADD 6 C 1234567890 JNT

[] Mark this box with an X if you have made changes to your name or address details above.

ANNUAL MEETING PROXY CARD

A ELECTION OF DIRECTORS

1. The Board of Directors recommends a vote FOR the listed nominees.

FOR WITHHOLD

01 - Rick L. Burdick [] []

02 - Steven L. Gerard [] []

B ISSUES

The Board of Directors recommends a vote FOR the following proposals.

FOR AGAINST ABSTAIN

2. Ratification of the appointment of KPMG LLP as independent accountants for fiscal year 2004. [] [] []

3. Upon such other business as may properly come before said meeting, or any adjournment thereof. [] [] []

C AUTHORIZED SIGNATURES - SIGN HERE - THIS SECTION MUST BE COMPLETED FOR YOUR INSTRUCTIONS TO BE EXECUTED.

NOTE: Please sign EXACTLY as name appears on this card. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee, guardian or corporate officer, please give full title.

Signature 1 - Please keep signature within the box []

Signature 2 - Please keep signature within the box []

1 U P X H H H P P P P 003351 +

001CD40001 00BZ0A

PROXY - CENTURY BUSINESS SERVICES, INC.

2004 ANNUAL MEETING

THE EMBASSY SUITES HOTEL
5800 ROCKSIDE WOODS BOULEVARD, NORTH
INDEPENDENCE, OHIO 44131

Edgar Filing: CENTURY BUSINESS SERVICES INC - Form DEF 14A

PROXY SOLICITED BY BOARD OF DIRECTORS FOR ANNUAL MEETING - MAY 27, 2004

Joseph S. DiMartino and Todd J. Slotkin, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Century Business Services, Inc. to be held on May 27, 2004 or at any postponement or adjournment thereof.

SHARES REPRESENTED BY THIS PROXY WILL BE VOTED BY THE STOCKHOLDER. IF NO SUCH DIRECTIONS ARE INDICATED, THE PROXIES WILL HAVE AUTHORITY TO VOTE FOR THE ELECTION OF MR. RICK L. BURDICK AND MR. STEVEN L. GERARD AS DIRECTORS, FOR THE RATIFICATION OF THE AUDIT COMMITTEE'S SELECTION OF KPMG, LLP AS THE COMPANY'S INDEPENDENT AUDITOR FOR 2004, AND FOR ITEM 3, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

(Continued and to be voted on reverse side.)

00BZ1C