

BANKRATE INC
Form 8-K
April 02, 2007

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 27, 2007

(Exact name of registrant as specified in its charter)

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| Florida (State or other Jurisdiction of Incorporation) | 0-25681 (Commission File Number) | 65-0423422 (IRS Employer Identification No.) |
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|--|-----------------------------------|
| 11760 U.S. Highway One Suite 200 North Palm Beach, Florida (Address of principal executive offices) | 33408 (Zip Code) |
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Registrant's telephone number, including area code: (561) 630-2400

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 4 - Matters Related to Accountants and Financial Statements

Item 4.01 Changes in Registrant's Certifying Accountant.

(a) Dismissal of previous principal independent accountant

On January 30, 2007, the Audit Committee of the Board of Directors of Bankrate, Inc. ("the Company") determined to consider a change of its independent accountants and directed management to undertake a request for proposal (RFP) from independent registered public accounting firms to serve as the Company's auditor for fiscal 2007. This RFP process was initiated by the Company on March 5, 2007. Seven large public accounting firms, including KPMG LLP ("KPMG"), were asked to submit proposals.

On March 27, 2007, KPMG notified the Audit Committee of the Board of Directors of Bankrate, Inc. that KPMG would not be submitting a proposal pursuant to the RFP and declined to stand for re-election as principal accountants. Accordingly, KPMG's engagement will cease upon completion of the review of the Company's interim financial statements as of March 31, 2007 and for the three-month period then ended and the filing by the Company of its Form 10-Q for the period ended March 31, 2007 with the Securities and Exchange Commission.

During the years ended December 31, 2006 and 2005 and the subsequent interim period through March 27, 2007 (i) there were no disagreements between the Company and KPMG on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference in connection with their opinion to the subject matter of the disagreement, and (ii) there were no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K with respect to the Company.

The Company received bids from six firms pursuant to the RFP and is in the process of evaluating those proposals. The Company expects to complete that process promptly and will file a Current Report on Form 8-K as soon as the Company has engaged a new principal independent accountant.

KPMG's audit reports on the Company's consolidated financial statements as of and for the years ended December 31, 2006 and 2005 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except as follows:

KPMG's report on the consolidated financial statements of the Company as of and for the years ended December 31, 2006 and 2005, contained a separate paragraph stating that "As discussed in Note 2 to the consolidated financial statements, effective January 1, 2006, the Company changed its method of accounting for share-based compensation by adopting Statement of Financial Accounting Standards No. 123 (R), *Share-Based Payment*."

The audit reports of KPMG on management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of December 31, 2006 and 2005 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except as follows:

KPMG's report on management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of December 31, 2005, contains an explanatory paragraph that states that Bankrate, Inc. acquired Wescoco LLC, d/b/a FastFind and Mortgage Market Information Services, Inc. and Interest.com on November 30, 2005 and December 1, 2005, respectively, and management excluded from its assessment of the effectiveness of Bankrate, Inc.'s internal control over financial reporting as of December 31, 2005, Wescoco LLC's and Mortgage Market Information Services, Inc. and Interest.com's internal control over financial reporting associated with total assets of \$10,577,000 and \$32,697,000 and total revenues of \$166,000 and \$1,271,000,

respectively, included in the consolidated financial statements of Bankrate, Inc. and subsidiaries as of and for the year ended December 31, 2005. KPMG's audit of internal control over financial reporting of Bankrate, Inc. also excluded an evaluation of the internal control over financial reporting of Wescoco LLC, d/b/a FastFind and Mortgage Market Information Services, Inc. and Interest.com.

The Company provided KPMG with a copy of the foregoing statements and requested that KPMG furnish the Company a letter addressed to the Securities and Exchange Commission stating whether or not KPMG agrees with the above statements. A copy of such letter is filed as Exhibit 16.1 to this Form 8-K.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d)Exhibits.

- 16.1 Letter from KPMG LLP to the Securities and Exchange Commission dated April 2, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANKRATE, INC.

Date: April 2, 2007

By: /s/ Edward J. DiMaria

Edward J. DiMaria
Senior Vice President
Chief Financial Officer
